

# Executive Summary

Finance & Investment Committee Meeting, December 6, 2022

**Board of Governors Meeting, December 7, 2022**

## Remittance Processing System

### Topic

This Consent Item seeks Board approval to add \$50,000 in additional spend authorization through August 31, 2028, to meet the increased demand for services due to policy growth for this mission-critical service.

### History and Analysis

On September 18, 2017, Citizens released Invitation to Negotiate No.: 17-0008 for a Remittance Processing System. Five responses were received, four of the responses met Citizens' mandatory requirements. The four respondents meeting the mandatory requirements were advanced to demonstrations and negotiations. On March 27, 2018, the negotiation team recommended RT Lawrence Corporation - Remittance Processing System to include Software, Hardware, Implementation and Ongoing Software Support Services as policies in force continue to rise, the service volume has been impacted.

To support Citizens' policy growth and to ensure business resiliency for this critical service, Citizens recommends expanding the services to include additional processing of premium payments by RT Lawrence in the event Citizens' staff cannot keep up with the volume of checks received, thus eliminating the need to hire additional staff. The contract provides Citizens with a system to electronically process incoming premium payments in the form of checks from policyholders. The system is located at Citizens' Jacksonville office.

Citizens is requesting an additional \$50,000 to the previously authorized spend authority of \$356,000, bringing the total authorized amount to \$406,000 over the ten-year contract term.

### Recommendation

Staff proposes that the Finance & Investment Committee review, and if approved recommend the Board of Governors:

- a) Authorize the increase to the contract spend authority amount by \$50,000, as set forth in this Consent Item; and
- b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.

## Remittance Processing System

**ACTION ITEM**

**New Contract**

**Contract Amendment**

**Other** \_\_\_\_\_

**CONSENT ITEM**

**Contract Amendment**

**Existing Contract Extension**

**Existing Contract Additional Spend**

**Previous Board Approval** \_\_\_\_\_

**Other** \_\_\_\_\_

<b>Item Description</b>	Remittance Processing System
<b>Purpose/Scope</b>	<p>This Consent Item is presented to obtain approval and funding for Citizens to expand the use of the RT Lawrence contract for roll-over processing of incoming premium payment when the volume of payments received exceeds the capacity of Citizens staff. Citizens is requesting an additional \$50,000 for roll-over processing for the remaining terms of the contract.</p> <p>This would require an increase of the previously authorized 10-year contract price of \$356,000 to a revised 10-year contract price of \$406,000.</p>
<b>Contract ID</b>	<p>Remittance Processing System</p> <p>Contract: 18-17-0008</p> <p>RT Lawrence</p>
<b>Budgeted Item</b>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<b>Procurement Method</b>	<p>This contract was originally procured through a competitive solicitation Invitation to Negotiate No.: 17-0008 in accordance with Citizens Purchasing Policy.</p>
<b>Contract Amount</b>	\$406,000
<b>Contract Terms</b>	Five (5) year base, with five (5), one (1) year renewal options.

## Remittance Processing System

<b>Committee Recommendation</b>	Staff proposes that the Finance & Investment Committee review, and if approved recommend the Board of Governors: <ul style="list-style-type: none"><li>a) Authorize an amendment to Contract 18-17-0008, to allow for additional services and spend authority in an amount not to exceed \$50,000, as set forth in this Consent Item; and</li><li>b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.</li></ul>
<b>Board Recommendation from Committee</b>	If approved at its December 6, 2022, meeting, the Finance & Investment Committee recommends that the Board of Governors: <ul style="list-style-type: none"><li>a) Authorize an amendment to Contract 18-17-0008, to allow for additional services and spend authority in an amount not to exceed \$50,000, as set forth in this Consent Item; and</li><li>b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.</li></ul>
<b>Contacts</b>	Jennifer Montero, Chief Financial Officer