



Board Agenda Item 36

DATE: March 19, 2024

TO: Board of Supervisors

SUBMITTED BY: Hollis Magill, Director of Human Resources

SUBJECT: Suspension of Competition Agreement with Public Risk Innovation, Solutions, and Management

RECOMMENDED ACTION(S):

- 1. Under Administrative Policy No. 34 for competitive bids or requests for proposals (AP 34), determine that an exception to the competitive bidding requirement under AP 34 is satisfied and a suspension of competition is warranted due to unusual and extraordinary circumstances and due to the vendor being a governmental agency, and that the best interests of the County would be served by entering into an Agreement with Public Risk Innovation, Solutions, and Management (PRISM) as this vendor is uniquely qualified to provide an internet-based software system to track General Liability and Medical Malpractice claims and obtain reports. PRISM provides licenses to its claim administration software and has a Master Agreement with Spear for web hosting, which allows PRISM to offer the software to clients at a discounted rate; and,**
- 2. Approve and authorize the Chairman to execute an Agreement with PRISM for the software license for Claims Xpress Software to track the County's general liability and medical malpractice claims, effective April 1, 2024, and expiring on July 31, 2026, at a total not to exceed \$26,494.**

There is no additional Net County Cost associated with the recommended action, which will allow for continued software support for the County's general liability and medical malpractice claims. This item is Countywide.

ALTERNATIVE ACTION(S):

If your Board does not approve the recommended actions, the Department of Human Resources, Risk Management, will be required to obtain the software directly through a vendor at a much greater cost.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

PRISM provides the County's general liability and medical malpractice excess insurance coverage. The Risk Management Division of Human Resources administers all general liability and medical malpractice claims made against the County. A claims software system is essential to track those claims. Since 2014, the County has utilized ClaimsXPress software offered through PRISM. The Department's request to suspend the competitive bidding process is consistent with Administrative Policy No. 34 as PRISM is a governmental agency and is the only vendor able to provide continuity of services at the member rate. This claims system is necessary to administer the County's general liability and medical malpractice programs through tracking and documenting claims, reserves, litigation, and payments, and supports loss prevention efforts through statistical analysis of the claims history and obtain reports. Purchasing the software licenses

from PRISM also ensures that as the County's excess insurer, it is able to access and audit claims data as required by the Agreement between County and PRISM. A letter of interest was not issued, as this agreement is for the continued use of the ClaimsXPress Software. The Internal Services Department - Purchasing concurs with the Department's assessment that this satisfies the exception to the competitive bidding process required by AP 34.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. Sufficient appropriations for this agreement have been included with Human Resources Risk Management Org 8925 FY 2022-23 Adopted Budget. The total estimated cost of this agreement will be part of program costs recovered through the Risk Management Internal Service Fund (ISF) general liability rates.

DISCUSSION:

On April 4, 2013, The California State Association of Counties Excess Insurance Authority (CSAC EIA) entered into a Master Software License and Professional Services Agreement with Systema Software, LLC (Systema), by which CSAC EIA was authorized to license the Claims XPress claims management system to its clients. PRISM is a successor in interest to CSAC EIA, including to all rights and obligations of CSAC EIA pursuant to the Master Services Agreement. Insurity, Inc. (Insurity) is a successor in interest to Systema, including to all rights and obligations of Systema Pursuant to the Master Services Agreement.

On July 15, 2014, the County entered into an Agreement with PRISM to provide a license for use of the ClaimsXPress software for tracking the County' general liability and medical malpractice claims. On November 18, 2019, the agreement was renewed through Procurement Agreement P-19-581-O for three years, with two optional one-year extensions.

On January 24, 2023, with the expiration of Procurement Agreement P-19-581-O, the County entered into an Agreement with PRISM for continued licensing of the ClaimsXPress software system. The Agreement was later amended to account for an increase in Insurity's rates, which was to be a temporary solution while PRISM negotiated for reduced cloud-hosting rates through another vendor.

ClaimsXpress is an internet-based system that is accessible to PRISM to provide direct support to the County as well as claims reporting services. The software allows the County to input valuable data, such as the location of the incident, type of claim, reserves, amount paid, along with the ability to upload emails and other documents, which facilitates the timely handling of the County's general liability and medical malpractice claims.

REFERENCE MATERIAL:

BAI #32, January 24, 2023

BAI #58, July 15, 2014

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition AP 34 Form
On file with Clerk - Agreement with PRISM

CAO ANALYST:

Salvador Espino