

MOTION NO. M2017-150

Contract Amendment for a Risk Management Information System

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	12/07/2017	Final Action	Brian McCartan, Executive Director of Finance and Information Technology Curtis Small, Director of IT Applications

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract amendment with Marsh ClearSight LLC to provide data extraction for a risk management information system in the amount of \$15,000, for a new total authorized contract amount not to exceed \$240,261 plus applicable taxes.

KEY FEATURES SUMMARY

- Sound Transit currently has a contract with Marsh ClearSight LLC for a software subscription and support services for the CS Stars risk management information system (RMIS).
- The RMIS is an information system that assists in consolidating claims, policy, and exposure information and providing the tracking and management reporting capabilities to enable the user to monitor and control the overall cost of risk management.
- The Risk Management and IT divisions are currently working toward implementing a new RMIS, the purchase of which was approved by the Board in September 2017.
- As part of decommissioning the existing RMIS, detailed data extractions conducted by the vendor are necessary to ensure that all data from the existing system is accurately and appropriately collected and formatted for import into the new system. This work is within the scope of the contract.
- The additional \$15,000 plus applicable taxes will pay for the cost of performing the data extractions.
- The original contract was executed under the CEO’s authority in the amount of \$197,736, and was amended in April 2017 for a new not to exceed of \$225,261 and continued services through April 2018.
- Applicable taxes for the contract amendment are currently estimated to be \$1,515.

BACKGROUND

After a competitive procurement, Sound Transit executed a contract with Marsh ClearSight LLC in April 2010 to establish a software system for risk management and insurance claims information. This system aids the agency in tracking insurance policies, claims, and incidents.

Risk Management software provides an overall solution for managing incidents and insurance claims (e.g. property and casualty), policy and premium management, and cost of risk exposure analysis. Sound Transit needs to have the vendor perform detailed data extractions to retrieve the historical data stored in the existing RMIS. Without this data extraction:

- Sound Transit would not be able to effectively manage the costs of risk, as the agency could not effectively document, store, retrieve, and quickly manipulate historical claims data, or retrieve historical incident reports.
- Sound Transit would not be able to quickly analyze risks and exposures and other insurance and risk management related information against detailed historical data.

The existing contract expires April 2018 and at that time Sound Transit will have fully migrated to the recently procured RMIS system.

PROCUREMENT INFORMATION

Under the terms and conditions of the current agreement with Marsh ClearSight LLC., Sound Transit is required to pay for the extraction of our data since Sound Transit is ending the engagement. This action is allowed within the contract terms.

FISCAL INFORMATION

The proposed action will amend the current contract by \$15,000 for a new total authorized contract amount not to exceed \$240,261 plus applicable taxes and will be funded from the services category within the Finance and Information Technology Department's 2017 annual operating budget. The services category budget is \$17,281,428 of which a total \$220,577 is estimated to be spent for this contract in 2017 (YTD spending of \$212,010 and estimated spending for the rest of 2017 of \$29,776) and is within the agency's budget authority. After approval of this action, the remaining annual budget amount will be used to fund other department expenditures in 2017.

Finance and Information Technology
(in thousands)

Cost Category	2017 Operating Budget	2017 Actuals to Date	This Action - Current Year Impact	Actuals to Date Plus Action	Remaining Annual Operating Budget
Salaries and Benefits	\$20,981	\$15,722	\$	\$15,722	\$5,259
Services	17,281	8,122	15	8,137	9,144
Materials and Supplies	1,582	1,740		1,740	-158
Utilities	953	793		793	160
Insurance	7,482	4,870		4,870	2,612
Miscellaneous	491	418		418	74
Interest Expense	18	4		4	14
Leases and Rentals	415	318		318	97
Total Annual Operating Budget	\$49,203	\$31,987	\$15	\$32,002	\$17,201

Contract Spending Plan	Contract Actuals thru October 31,	Forecast 2017 Spending	Future Expenditures	Total
Marsh ClearSight, LLC	\$212	\$30	\$	\$242

Note: Forecast 2017 Spending = \$15K from this action + \$15K from previously approved contract authority.

Marsh ClearSight, LLC	Board Approved Contract Value	Proposed Action	Proposed Revised Board Approved Contract Value
Services	\$225	\$15	\$240
Current Tax Estimate		\$2	\$2
Contingency	-	-	-
Contract Amount - Total	\$225	\$17	\$242
Percent Contingency	0%	0%	0%

Notes:
Actuals to date are through October 31, 2017.
Budget detail for this action is located on page 29 of the Adopted 2017 Budget book.

SMALL BUSINESS/DBE PARTICIPATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Goals for participation were not established by Sound Transit for this procurement.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A one-month delay would impact the timeline for completing the migration of the existing RMIS to the new system.

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2017-43: Authorized the chief executive officer to execute a contract amendment with Marsh ClearSight LLC to provide software subscription for a risk management information system in the amount of \$27,525, for a total authorized contract amount not to exceed \$225,261.

ENVIRONMENTAL REVIEW

KH 11/29/17

LEGAL REVIEW

AJP 12/1/17

MOTION NO. M2017-150

A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract amendment with Marsh ClearSight LLC to provide data extraction for a risk management information system in the amount of \$15,000, for a new total authorized contract amount not to exceed \$240,261 plus applicable taxes.

BACKGROUND:

After a competitive procurement, Sound Transit executed a contract with Marsh ClearSight LLC in April 2010 to establish a software system for risk management and insurance claims information. This system aids the agency in tracking insurance policies, claims, and incidents.

The Risk Management and IT divisions are currently working toward implementing a new risk management information system (RMIS), the purchase of which was approved by the Board in September 2017. The RMIS is an information system that assists in consolidating claims, policy, and exposure information and providing the tracking and management reporting capabilities to enable the user to monitor and control the overall cost of risk management.

Risk Management software provides an overall solution for managing incidents and insurance claims (e.g. property and casualty), policy and premium management, and cost of risk exposure analysis. Sound Transit needs to have the vendor perform detailed data extractions to retrieve the historical data stored in the existing RMIS. Without this data extraction:

- Sound Transit would not be able to effectively manage the costs of risk, as the agency could not effectively document, store, retrieve, and quickly manipulate historical claims data, or retrieve historical incident reports.
- Sound Transit would not be able to quickly analyze risks and exposures and other insurance and risk management related information against detailed historical data.

The existing contract expires April 2018 and at that time Sound Transit will have fully migrated to the recently procured RMIS system. The additional \$15,000 plus applicable taxes will pay for the cost of performing the data extractions. The original contract was executed under the CEO's authority in the amount of \$197,736, and was amended in April 2017 for a new not to exceed of \$225,261 and continued services through April 2018.

MOTION:

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract amendment with Marsh ClearSight LLC to provide data extraction for a risk management information system in the amount of \$15,000, for a new total authorized contract amount not to exceed \$240,261 plus applicable taxes.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 7, 2017.



Paul Roberts
Operations and Administration Committee Chair

ATTEST:



Kathryn Flores
Board Administrator