



Agenda Report

18-147

Agenda Date: 3/20/2018

REPORT TO COUNCIL

SUBJECT

Insurance Compliance Services Contract Amendment

BACKGROUND

In March 2012, Council authorized the City Manager to execute an agreement with EBIX Inc., BPO Division (EBIX BPO) to provide insurance compliance services for the City of Santa Clara for a three-year period with two one-year renewal periods. The Agreement was subsequently amended to extend the term by one year, and is due to expire on March 27, 2018.

DISCUSSION

EBIX BPO provides tracking for all insurance requirements for various classifications of contracts for the City and monitors the insurance certificates and endorsement form to make sure that they are in compliance with the City's requirements. EBIX BPO also makes such compliance information available to City Staff by means of an on-line insurance monitoring service that helps to reassure the City that the contractor is in compliance with the City's insurance requirements prior to allowing them to begin or continue performing work for the City.

As discussed at the City Council Priority Setting Session, currently the City's risk management function is highly decentralized and inadequate for our organization. As part of the FY 2018/19 budget development process, staff is evaluating this function and will bring forward a recommendation. This Amendment No. 2 will allow time for Staff to assess the Risk Management function and possible benefits of having insurance compliance services.

The rates charged per the Fee Schedule in the current agreement will be maintained without an increase for an additional year, however the overall not to exceed figure is increasing in response to higher volume of insurance reviews.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Furthermore, the action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

This Amendment No. 2 adds \$48,000 for a new not-to-exceed total of \$246,334. Appropriations are available in Special Liability Insurance Internal Service Fund Contractual Services.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve and authorize the City Manager to execute Amendment No. 2 to the Agreement with EBIX Inc., BPO Division to provide insurance compliance services in an amount not-to-exceed \$48,000 for a total amount not-to-exceed \$246,334 and to extend the expiration date to March 27, 2019.

Prepared by: Angela Kraetsch, Director of Finance

Reviewed by: Brian Doyle, City Attorney

Reviewed by: Walter C. Rossmann, Chief Operating Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Amendment No. 2