



## Agenda Report

19-227

Agenda Date: 3/26/2019

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### REPORT TO COUNCIL

#### **SUBJECT**

Action on Amendment No. 3 to the Agreement with EBIX, Inc., BPO Division (EBIX BPO) for Insurance Compliance Tracking Services

#### **BACKGROUND**

In March 2012, Council authorized the City Manager to execute an agreement with EBIX BPO to provide insurance tracking and compliance services for a three-year period with two one-year renewal periods. Both renewal periods were exercised.

In March 2017 and March 2018, Council approved Amendments No. 1 and 2 to the Agreement to extend the term by one year each. The current term is due to expire on March 27, 2019.

#### **DISCUSSION**

EBIX BPO provides insurance tracking and compliance services to ensure that the City's vendors maintain compliance with the City's insurance requirements. EBIX BPO services include managing Certificates of Insurance, identifying and following up on any deficiencies in coverages, issuing renewal notices, and maintaining an on-line database that City staff can query and view insurance status.

As part of the FY 2018/19 Adopted Budget, the City Council authorized the addition of a Risk Manager. In January 2019, the City hired a Risk Manager, whose responsibility includes reviewing and implementing process improvements to the City's insurance and risk management practices. Amendment No. 3 to the Agreement will allow sufficient time for the Risk Manager to assess the City's existing processes and develop modified insurance assessment and compliance practices, as necessary.

EBIX BPO has agreed to maintain the current annual compensation amount of \$48,000 during the two year Amendment term. This fee is an estimate based on annual usage. The term of the agreement will terminate on March 27, 2021. The current contract with EBIX BPO for services related to insurance tracking and compliance has a total not-to-exceed amount of \$246,334. Amendment No. 3 increases compensation by \$96,000 for a revised not-to-exceed maximum compensation amount of \$342,334.

The Agreement has a termination for convenience provision that allows the City to terminate at any time, for any reason, with thirty days' notice.

#### **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.

**COORDINATION**

This report has been coordinated with the City Attorney’s Office.

**FISCAL IMPACT**

In the current fiscal year, funds are available in the Special Liability Insurance Internal Service Fund Contractual Services. Appropriations in future years will be incorporated as part of the budget development process for FY 2019/20.

**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) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

1. Authorize the City Manager to execute Amendment No. 3 to the Agreement with EBIX, Inc. to extend the term of the agreement by two years ending on March 27, 2021, and increase compensation by \$96,000 for a total maximum amount not-to-exceed \$342,334.
2. Authorize the City Manager to execute amendments not-to-exceed \$10,000 as contingency, in the event actual usage exceeds estimated usage, subject to the appropriation of funds.

Reviewed by: Angela Kraetsch, Director of Finance  
Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Amendment No. 3