

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

May 4, 2021

FROM

LEANNA WILLIAMS, Director, Department of Risk Management

SUBJECT

Amendment to Contract No. 15-517 with Insurity, LLC for Claims Software License and Maintenance

RECOMMENDATION(S)

Approve **Amendment No. 5 to Contract No. 15-517** with Insurity Claims Software, LLC, software licensor and maintenance provider for the automated claims system, SIMS Claims, to change its name to Insurity, LLC, update its tax identification number from 20-4816586 to 37-1651334, extend the contract term for three additional years, for a new term of July 28, 2015 through July 27, 2024, and increase the total contract amount by \$1,357,378 from \$2,135,527 to \$3,492,905, with all other terms and conditions remaining the same.
(Presenter: LeAnna Williams, Director, 386-8621)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). Costs for these services will be paid from the Department of Risk Management's (DRM) self-insurance funds. The estimated cost for the first year is \$385,085 and will be included in DRM's 2021-22 recommended budget. The estimated annual cost for the second and third year of the contract will be included in future recommended budgets.

BACKGROUND INFORMATION

On October 9, 2020, the DRM was informed that due to an internal corporate consolidation, Insurity Claims Software, LLC changed its name to Insurity, LLC and its tax identification number to 37-1651334. Due to the change in the federal tax identification number, an amendment to the contract is required.

The contract with Insurity, LLC is for the continued use of its automated claims system, SIMS, which is used by DRM for the daily administration of workers' compensation and liability claims. Since the implementation of SIMS in 2016, DRM has experienced some issues and has sought solutions as system functionality continues to decline. DRM obtained a contracted analyst through the Innovation and Technology Department (ITD) who is conducting a gap analysis to identify and document current system processes to build the advanced functionality needed for efficient claims administration, as well as effective and detailed data analytics to assist DRM

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with trend analysis. The gap analysis is expected to be completed in early summer with the request for proposals expected to be released in late 2021 or early 2022.

The recommended Amendment No. 5 will enable Insurity, LLC to continue providing the software license and uninterrupted maintenance service to SIMS, assuming and performing all duties, responsibilities, and obligations of its predecessor under Contract No. 15-517. It will also allow DRM to have uninterrupted use of SIMS to continue with the administration of workers' compensation and liability claims while continuing to evaluate alternatives to procure a new automated claims system with advanced functionality and customization that better serves the department's needs.

PROCUREMENT

On July 28, 2015 (Item No. 75), resulting from a competitive process, (ePro Bid No. RMG115-RMADM-1216), the Board of Supervisors (Board) approved Agreement No. 15-517 with Systema Software, LLC in an amount not to exceed \$641,541 to develop an integrated claims management system consisting of various service modules, user training, data conversion, ongoing service, staff support, installation, set up and implementation for the period of July 28, 2015 through July 27, 2018 with the option of two one-year extensions.

On November 1, 2016 (Item No. 55), the Board approved Amendment No. 1 to Agreement 15-517 with Systema Software, LLC, increasing the total contract amount by \$350,858 from \$641,541 to \$992,399, allowing the addition and deletion of system modules, for the automated claims management system, with all other contract terms and conditions remaining the same.

On January 9, 2017, DRM was notified that Insurity Claims Software, LLC acquired Systema Software, LLC. There was no change to the tax identification number. All terms and conditions in Contract No. 15-517 with Systema Software, LLC remained the same.

On July 10, 2018 (Item No. 36), the Board approved Amendment No. 2 to Agreement 15-517 with Insurity Claims Software, LLC, extending the term of the contract from July 28, 2018 to July 27, 2019, and increasing the contract amount by \$413,976 from \$992,399 to \$1,406,375 to fund license fees and professional services for the extended term.

On June 11, 2019 (Item No. 68), the Board approved Amendment No. 3 to Agreement 15-517 with Insurity Claims Software, LLC, for the software license to continue using the automated claims system SIMS, exercising the second option to extend the contract for one additional year, for a new term of July 28, 2015 to July 27, 2020, and increasing the total contract amount by \$350,976, from \$1,406,375 to \$1,757,351, with all other terms and conditions remaining the same.

On June 23, 2020 (Item No. 77), the Board approved Amendment No. 4 to Agreement 15-517 with Insurity Claims Software, LLC, for the software license, maintenance, and upgrades to continue using the automated claims system, SIMS, extending the contract for one additional year, for a new term of July 28, 2015 to July 27, 2021, and increasing the total contract amount by \$378,176 from \$1,757,351 to \$2,135,527, with all other terms and conditions remaining the same.

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REVIEW BY OTHERS

This item has been reviewed by County Counsel (Cynthia O'Neill, Principal Assistant County Counsel, 387-5397) on March 30, 2021; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on April 2, 2021; Finance (Monique Amis, Administrative Analyst, 387-4883) on April 9, 2021; Human Resources (Diane Rundles, Human Resources Director, 387-5572) on April 15, 2021; and County Finance and Administration (Kelly Welty, Deputy Executive Officer, 387-4376) on April 12, 2021.

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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Col. Paul Cook (Ret.)
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 4, 2021



cc: Risk - Williams w/agree
Contractor - C/O Risk w/agree
File - w/agree
CCM 05/10/2021