

BOARD MEETING DATE: 11/19/18

SUBJECT: PROCUREMENT APPROVAL REQUEST

PREPARED BY: KELLY GUTHNER, CIO AND BRIAN BRAUN, CFO

Proposed Action:

Board Approval to extend the current hCentive fixed capacity staff services and testing contracts for 18 months. This extension will provide the resource capacity to ensure smooth operations of the current enrollment system.

Summary:

Requesting approval to proceed in extending the existing technology services provided by hCentive for 18 months (February 2019 – July 2020). **The total estimated cost for these services for the 18 months is not to exceed \$2,710,000.** This results in an average monthly cost of \$150,500 which is \$20,000 lower per month than the current expenditure level. A total projected savings of \$360,000 over the 18 month period. The C4HCO directed project work will include:

- Customer and enrollment data updates
- Production ticket resolutions
- Performance and security testing
- Other activities as assigned

Staff Recommendation:

Staff recommends the approval of this request.

Procurement Compliance:

Procurement Exceeds \$250,000 threshold: Yes

Procurement/Business Initiative is necessary or advisable: Yes – essential to ongoing marketplace operations

Type of procurement vehicle: Statement of Work to existing hCentive MSA

Need for RFP,RFI,RFS or similar: No, this is a sole source contract extension due to the proprietary nature of the software and specialized knowledge of hCentive staff. This contract extension is needed to continue operating the current system and does not replace the system.

Funding Source:

Anticipate the use of general operating funds.

Supplemental Information: None