

BOARD MEETING DATE: 1/14/2019

SUBJECT: PROCUREMENT APPROVAL REQUEST – CGI HOSTING EXTENSION

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Proposed Action:

Board Approval to extend CGI hosting services for the remaining term of the CGI Master Service Agreement (MSA) ending on June 30, 2020. This extension will provide for better alignment of expiration dates with the other technology contracts.

Summary:

The current contract expires January 31, 2019. The hosting services provided through this extension will be similar to the current contract. **The total commitment under this extension shall not exceed \$2,928,420.** This equates to an average monthly cost of \$172,260 over the 17 month term of the extension and is equivalent to the current monthly contract cost. Over the term of this extension, C4HCO will be undergoing a modernization of the exchange platform in accordance with its technology roadmap. This effort may result in a change in the hosting of the exchanges technology infrastructure. In order to provide flexibility in services, this contract extension will include an option for reducing services during the period and corresponding cost reductions.

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 CGI MSA

Need for RFP,RFI,RFS or similar: No, this falls under the scope of services in the existing MSA and the vendor has specialized knowledge of the existing technology infrastructure. This contract extension is needed to continue operating the current system and does not replace the hosting. Replacement of the hosting requires regulatory approval which will be sought during the term of the extension.

Funding Source:

Anticipate the use of general operating funds. Under certain circumstances, Federal funds may be used for a portion of these expenditures if related to Medicaid customers.

Supplemental Information:

See attached slides for scope of services.