

BOARD MEETING DATE: 1/14/2019

SUBJECT: PROCUREMENT APPROVAL REQUEST – CGI TECHNOLOGY M&O EXTENSION

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Proposed Action:

Board Approval to extend CGI technology maintenance & operation (M&O) services for the remaining term of the CGI Master Service Agreement (MSA) ending on June 30, 2020. This extension will provide the necessary maintenance and operation of the existing exchange infrastructure and assist with system transitioning in accordance with the technology roadmap. In addition, the extension provides a matching of the contract term with the recently approved extension of the hCentive vendor contract.

Summary:

The current contract expires January 31, 2019. The services provided through this extension will be similar to the current contract. **The total commitment under this extension shall not exceed \$8,653,000.** This equates to an average monthly cost of \$509,000 over the 17 month term of the extension and is equivalent to the current monthly contract cost. The extension will provide M&O services (see attached list) along with an allowance for discretionary projects identified and directed by C4HCO. The proportion of M&O and discretionary services will be similar to the current contract. Over the term of this extension, C4HCO will be undergoing a modernization of the exchange platform in accordance with its technology roadmap. In order to provide flexibility in services, this contract extension will include options for reducing services during the period and corresponding cost credits for these reductions in services.

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 system.

Funding Source:

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

Supplemental Information: See attached for M&O services

M&O Scope of Services

Software configuration management	Carrier fee billing
Build and release engineering	Carrier CMS/IRS reporting
Database administration	Monthly releases
User access management	Business intelligence support/Report Delivery
Operational processes	ETL and ODS maintenance
SLA Management	Troubleshooting SQL
Maintenance of noticing	Security services
Environment Support	Tool support
3rd party corrections	Carrier coordination/EDI support
PMO functions	NES/SBMI support