

Executive Summary

Claims Committee Meeting, March 28, 2024

Board of Governors Meeting, April 10, 2024

Enterprise Litigation Management System – Additional Spend for Implementation

Topic

This Consent Item seeks Board approval for an additional \$1,000,000 in authorized spend for implementation services for the new Enterprise Litigation Management System (“ELMS”). CGI Technology and Solutions Inc. (“CGI”) is continuing to provide implementation services, as approved by the Board on July 12, 2023, for approximately \$2,000,000. This request seeks an additional \$1,000,000 in authorized spend for implementation services. The total amount of approved spend for CGI implementation services, including the amount previously authorized, and the sum requested now, will be \$3,000,000.

History

This Consent Item is related to the increase of expenses for the implementation vendor CGI for the new ELMS system. The ELMS is used by Citizens’ internal staff and contracted outside defense counsel to facilitate the management of all activity on claims related litigation matters. Citizens currently stores data and documents within ELMS associated with over 125,000 combined historical (closed) and active (open) litigated matters. In total, the ELMS is accessed by more than 4,000 combined users, made up of Citizens’ internal resources and contracted outside defense counsel to manage, process, and pay approximately \$150,000,000 of annual litigation related spend. The ELMS involves data analysis, reporting, and auditing of all law firm and litigation vendor billing, with storage of all litigation related documents. These documents include communications between Citizens staff and contracted outside defense counsel as well as discovery and court filings for all litigated matters. This most critical and essential information technology system is vital for Citizens’ Claims Litigation responsibilities and operations.

The current contract for ELMS, with Mitrates Holdings, Inc. (“Mitrates”), dates to April 30, 2012, following the completion of ITN 11-0054. Mitrates is currently providing the ELMS system, including transition services, to the new ELMS system with Litify, Inc. (Litify). Mitrates chose not to participate in ITN 22-0019, which procured the new ELMS system with Litify, and the implementation vendor, CGI.

Citizens issued ITN 22-0019 for Enterprise Litigation Management System on September 7, 2022. Vendor responses were due on October 11, 2022, and five (5) vendor responses were timely submitted. These responses were reviewed by an Evaluation Committee, who on November 8, 2022, and in accordance with s. 287.057, F.S., recommended that four (4) vendors were in the competitive range to proceed into the Negotiations Phase. One (1) of the four (4) vendors ultimately withdrew their solicitation response shortly after the Negotiation Phase began. After conducting multiple demonstrations and numerous negotiation sessions with all three (3) advanced vendors, the Negotiation Team announced its intent to award the contract for Enterprise Litigation Management System to Litify, Inc. on May 9, 2023. On July 12, 2023, the Board approved the contract with Litify for the ELMS services, together with the contract for implementation services by CGI. The total amount for implementation services by CGI, as set forth in the Executive Summary, was \$1,999,715.

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The original amount allocated towards the cost of implementation was initially contemplated to be completed over a nine (9) month period. This original quote/estimate for the scope/cost of implementation was provided during the solicitation phase as part of Litify's best and final offer and was based upon information known to the vendors at that time. The system requirements outlined in the solicitation provided a high-level overview of Citizens' desired functionality, but given the nature of a competitive solicitation, it was not appropriate or possible to fully explain in detail the specific system functionality for all aspects of ELMS. In addition, Citizens provided high level overviews of desired functionality to allow vendors to provide solutions that Citizens would have been otherwise unaware given the proprietary nature of some features and the general lack of familiarity with the software capabilities of vendors in the marketplace. As common with these types of complicated IT procurement and transitions, the contract with CGI included a two (2) month discovery period where requirements would be formally gathered and the project would be scoped and planned in full. Through this discovery period, it was determined that the original quote/estimate for implementation taking part over eight (8) two-week sprints would not be able to deliver the full functionality of the Litify system as needed by Citizens. Additionally, more details concerning the file make up and sizes, level of customization needed for certain system functionality, and the need to fully integrate with various existing systems, increased the complexity of the transition efforts. Specifically, Citizens' unique status and system needs required CGI to create a more customized and broader application than the standard out of the box functionality normally allowed. It is important to note that the need for additional/customized functionality is reflective of Citizens' current/legacy ELMS system, Acuity, and would have been present for any solution that was ultimately procured.

Therefore, after conclusion of the two (2) month discovery period, which included a week long on-site meeting and daily requirements gathering calls, CGI presented several options to Citizens to deliver varying degrees of system functionality. An Amended and Restated Statement of Work was required in order to deliver all of the existing and increased functionality needed by Citizens over a seventeen (17) two-week sprint cadence for an additional \$900,000. This also required the total cost of implementation with CGI to increase to \$2,900,000.

Given the time and cost efforts invested to date in the procurement of a new ELMS system, along with the need to ensure Citizens had access to a modern, configurable ELMS system to meet the challenges associated with Claims related litigation, Citizens must move forward with the amended/increased development period to deliver full system functionality. The scope of the ELMS transition project has required a large undertaking of efforts from both Citizens and CGI. To date, CGI has proven to be a valuable partner in this process delivering consequential results to the satisfaction of all internal stakeholders.

Recommendation

The recommendation is listed in the attached Consent Item.

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☐ ACTION ITEM

☐ New Contract

☐ Contract Amendment

☐ Other _____

☒ CONSENT ITEM

☐ Contract Amendment

☐ Existing Contract Extension

☒ Existing Contract Additional Spend

☐ Previous Board Approval _____

☐ Other _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

☐ **Move forward as Consent:** This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Enterprise Litigation Management System – Additional Spend for Implementation
Purpose/Scope	This Consent Item seeks Board approval for an additional \$1,000,000 in authorized spend for implementation services for the new Enterprise Litigation Management System (“ELMS”). CGI Technology and Solutions Inc. (“CGI”) is continuing to provide implementation services, as approved by the Board on July 12, 2023, for approximately \$2,000,000. This request seeks an additional \$1,000,000 in authorized spend for implementation services. The total amount of approved spend for CGI implementation services, including the amount previously authorized, and the sum requested now, will be \$3,000,000.
Contract ID	Enterprise Litigation Management System CGI Technologies and Solutions Inc. Master Services Agreement (“CGI MSA”)
Budgeted Item	☒ Yes ☐ No
Procurement Method	Citizens issued ITN 22-0019 for Enterprise Litigation Management System on September 7, 2022. Five (5) vendor responses were timely submitted. These responses were reviewed by an Evaluation Committee, who on November 8, 2022, and in accordance with s. 287.057, F.S., recommended that four (4) vendors advance to the Negotiations Phase. One (1) of the four (4) vendors ultimately withdrew their solicitation response shortly after the Negotiation Phase began. After conducting multiple demonstrations and numerous negotiation

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	sessions with all three (3) remaining vendors, the Negotiation Team announced its intent to award the contract for ELMS to Litify, Inc. (“Litify”), using the implementation vendor CGI, on May 9, 2023. The Board approved the contract with Litify to include implementation services provided by CGI in the amount of \$1,999,715, as a part of the overall \$25,000,000.
Contract Amount	The Board approved not to exceed contract amount of \$25,000,000 included both the ELMS from Litify, inc. (\$23,000,000), and the implementation services from CGI, for the recommended ten (10) year initial base contract period, plus the right to renew up to an additional ten (10) years. The system implementation contract with CGI, was for approximately \$2,000,000, under the CGI MSA.
Contract Terms	The CGI MSA has a contract term for five (5) years, effective August 2, 2023. The incorporated Amended and Restated Statement Work No. CPIC-01 estimates the implementation services will last eighteen (18) months, with the start date of August 02, 2023. The CGI MSA also contains a three (3) month hyper care support period, following successful implementation.
Committee Recommendation	Staff proposes that the Claims Committee review, and if approved recommend the Board of Governors: a) Authorize additional spending authority under the Master Services Agreement with CGI Technologies and Solutions Inc. of \$1,000,000, as set forth in this Consent Item which, if approved, increases total authorized contract amount with CGI to \$3,000,000; and b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.
Board Recommendation from Committee	If approved at its March 28, 2024, meeting, the Claims Committee recommends that the Board of Governors: a) Authorize additional spending authority under the Master Services Agreement with CGI Technologies and Solutions Inc. of \$1,000,000, as set forth in this Consent Item which, if approved, increases the total authorized contract amount with CGI to \$3,000,000; and b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.
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