

BOARD MEETING DATE: 6/8/2020

SUBJECT: PROCUREMENT APPROVAL REQUEST – CGI TECHNOLOGY EXTENSION

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

Proposed Action:

Board Approval to extend and consolidate CGI technology maintenance & operation (M&O) and software development services beyond June 30, 2020. This extension will provide the necessary maintenance and operation of the existing exchange infrastructure along with providing development resources needed for a smooth transition to the new platform over the next 12 months.

Summary:

The current contract expires June 30, 2020. The proposed extension will consolidate the existing M&O service contract with the software development resources needed during the transition period. The transition is expected to be completed by June 30, 2021. **The total commitment under this extension shall not exceed \$7,500,000 for the period July 1, 2020 to June 30, 2021.** The pooling of both M&O and development resources will provide efficiencies and cost savings from the current separate CGI contracting structure. These dual-purpose resources will provide continuity in development staff for technology initiatives while continuing to perform the necessary back office and M&O activities. This staffing structure is estimated to equate to \$2.5 million in savings as the result of the consolidation/sharing of CGI resources. In order to provide flexibility in services during the proposed term, this contract extension and consolidation will include options for reducing services during the period with corresponding reductions in costs.

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 (MSA will be extended upon approval of this request)

Need for RFP,RFI,RFS or similar: No, due to the specialized knowledge of the vendor in maintaining the current system and understanding of the transition to the new platform through prior work it is not feasible to currently replace this vendor. This contract extension is needed to continue operating the current system and provide for a smooth transition to the new technology platform. Upon completion of the modernization effort and transition to the new platform a formal procurement process is anticipated for any needed ongoing M&O services related to the new platform.

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. The costs incurred through this contract are anticipated in the FY21 budget.

Supplemental Information:**Scope of Services under consolidated extension**

Software configuration management	Software Development – Agile scrum team staff augmentation services
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