

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.58
(ID # 22264)

MEETING DATE:
Tuesday, June 27, 2023

FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: Approve Amendment No. 2 to the Professional Service Agreement with Ventiv Technology Inc. for continued workers compensation automated claims administration software maintenance and support without seeking competitive bids for five (5) additional years, All Districts. [Total Cost \$2,781,315, 100% Workers' Compensation and General Liability Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve Amendment No. 2 to the Professional Service Agreement with Ventiv Technology Inc. for continued workers compensation automated claims administration software maintenance and support without seeking competitive bids to increase the annual license fees by 3% and extend the contract term for five (5) additional years through June 30, 2028; and
2. Authorize the Chair of the Board to sign three (3) copies of the Amendment and direct the Clerk to retain one copy and return two to Human Resources for distribution.

ACTION:


Michael Bowers, Assistant HR Director 6/8/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: June 27, 2023
xc: H.R.

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 539,987	\$ 545,199	\$ 2,781,315	\$
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$
SOURCE OF FUNDS: 100% Workers' Compensation and General Liability Funds			Budget Adjustment: No	
			For Fiscal Year: 23/24-27/28	

C.E.O. RECOMMENDATION: Approved

BACKGROUND:

Prev. Agn. Ref.: 01/28/20 3.24; 12/04/18 3.33; 03/17/09 3.34

Summary

The Human Resources Department is requesting an amendment to the Professional Services Agreement for the Automated Claims Administration Software Maintenance Agreement with Ventiv Technology that was originally approved by the Board of Supervisors on March 17, 2009 (Item 3.34) for ten (10) years. The latest Agreement was approved by the Board on December 4, 2018 (Item 3.33). The County leases the proprietary iVOS software from Ventiv Technology to manage both workers' compensation claims and general liability claims. The currently proposed amendment would increase the annual license fee by 3% per year and extend the contract term for five (5) additional years through June 30, 2028.

The County's investment in iVos has helped workers' compensation and risk management comply with state and federal mandated requirements for electronic filing, support receipt and retention of protected health information, integrate and streamline disability management and safety initiatives, and control litigation costs.

Impact on Residents and Businesses

There is no expected negative impact on residents or businesses.

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Additional Fiscal Information

Fiscal Year	Date	Orig. Contract M.O. 3.33 12/04/18	Amd. 1 Increase M.O. 3.24 01/28/2020	Contract Extension Costs		Total New Extension Costs	New Extension Years
				Software Lic. Fees	FTE Fees		
18-19	Jul 2018-Jun 2019	\$ 148,511					
19-20	Jul 2019-Jun 2020	\$ 154,451	\$ 215,835				
20-21	Jul 2020-Jun 2021	\$ 160,629	\$ 366,250				
21-22	Jul 2021-Jun 2022	\$ 167,054	\$ 366,250				
22-23	Jul 2022-Jun 2023	\$ 173,737	\$ 366,250				
23-24	Jul 2023-Jun 2024			\$ 178,949	\$ 366,250	\$ 545,199	Y1
24-25	Jul 2024-Jun 2025			\$ 184,318	\$ 366,250	\$ 550,568	Y2
25-26	Jul 2025-Jun 2026			\$ 189,847	\$ 366,250	\$ 556,097	Y3
26-27	Jul 2026-Jun 2027			\$ 195,543	\$ 366,250	\$ 561,793	Y4
27-28	Jul 2027-Jun 2028			\$ 201,409	\$ 366,250	\$ 567,659	Y5
		\$ 804,382	\$ 1,314,585			\$ 2,781,315	

Ventiv originally proposed either a three year extension with 5% annual increase or a five year extension with a 3% annual increase. The originally proposed increases were based on total annual fees and Purchasing negotiated the 3% annual increase only be applied to the license fees saving a total of \$58,334 over the five year term.

Contract History and Price Reasonableness

On January 30, 2008, County Purchasing issued an RFP for an automated web-based claims system for workers' compensation and risk management. The bid closed on March 6, 2008, with five bids received. The bid prices ranged from \$107,600 to \$1,584,766. Through the bid evaluation process and vendor product demonstrations, the evaluation committee determined that Valley Oak Systems, Inc. dba Aon eSolutions, now Ventiv Technology Inc. and its iVOS system would provide the best value for the County.

As a result of the best and final offer process, the pricing proposed by Ventiv was \$826,752. The cost included implementation services, software license, custom development, and first year maintenance.

In 2016, the County of Los Angeles performed an exhaustive search for an automated web-based claims system. The RFP process took over a year and a half to complete. They reviewed all major vendors and selected Ventiv in December of 2017. The County of Los Angeles annual fees are much higher than those being paid by the County of Riverside. In some cases, by a multiplier of more than 10x. The large discrepancy in fees are due to usage scope, 2017 vs 2009 rates, and overall structure of the partnership.

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The County has been using Ventiv's proprietary software (iVOS) for over 10 years. The contract for Ventiv's maintenance agreement was extended on December 4, 2018 (Item 3.34) for an additional five years. On January 28, 2020 (Item 3.24) the agreement was amended to include assistance from Ventiv Technology, equal to one Full Time Equivalent (FTE) employee annually. The FTE spans a range of positions at Ventiv offering continuous support for Business process improvement, project management, testing, configuration, application monitoring, and various other support and upgrade services.

This amendment would continue the FTE at the same 2020 rate. Ventiv continues to provide satisfactory service to the County, and by staying with the same solution, the County saves on costly implementation fees. The extensive search conducted by the County of Los Angeles confirms iVOS is still one of the best products on the market. Extending the Agreement for an additional five years will allow the County to leverage the 3% versus 5% annual cost savings and allow workers' compensation and risk management divisions to continue services without interruption.

Review/Approval

RCIT and TSOC approved the use of this software on June 6, 2018, H-11 Review Process No. PR2018-07091, and because this is not new software and was previously approved by the Board it does not require further technology approval. County Purchasing concurs with this request and approved the Single Source Justification (SSJ) #23-229 on June 12, 2023 (copy attached for reference). County Counsel approved the Amendment as to legal form.

ATTACHMENT A. Ventiv iVOS Amendment No 2 AATF

ATTACHMENT B. Ventiv iVOS SSJ 23-229



Meghan Hahn, Deputy Director of Procurement 6/12/2023



Jim Smith, Chief Information Officer 6/12/2023



Gregg Gu, Chief Deputy County Counsel 6/13/2023

COUNTY OF RIVERSIDE
AMENDMENT NO. 2 TO THE AGREEMENT
WITH
VENTIV TECHNOLOGY INC.

Original Contract Term:	December 4, 2018 through June 30, 2023
Contract Term Extended To:	June 30, 2028
Effective Date of Amendment:	July 1, 2023
Original Annual Maximum Contract Amount:	\$173,737
Amended Annual Maximum Contract Amount:	\$567,659
Contract ID:	HRARC-20880-001-06/23

This Amendment No. 2 to the Professional Service Agreement for Automated Claims Administration Software Maintenance is entered into by and between the County of Riverside, a political subdivision of the State of California, on behalf of its Human Resources Department ("COUNTY") and Ventiv Technology Inc., a California corporation ("CONTRACTOR"), effective July 1, 2023. COUNTY and CONTRACTOR are collectively referred to herein as the "Parties", and individually as the "Party".

RECITALS

WHEREAS, COUNTY and CONTRACTOR entered into that certain Professional Service Agreement for Automated Claims Administration Software Maintenance (the "Agreement") for a contract term of December 4, 2018 through June 30, 2023; and

WHEREAS, the Parties have since amended the Agreement 1 time as follows:

- a. **Amendment No. 1** effective on January 28, 2020, added document image import, one full time equivalent support, and related increased payment provisions; and

WHEREAS, the Parties now desire to extend the period of performance through June 30, 2028, and increase the rate for software license fees by 3% annually.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. The above recitals are true and correct and are incorporated herein by reference.
2. Section 2.1 (Period of Performance) is hereby amended to reflect the Agreement is in effect through June 30, 2028, unless terminated earlier.
3. Section 3.1 (Compensation) is hereby amended to reflect maximum payments by COUNTY to CONTRACTOR shall not exceed \$567,659 annually including all expenses.
4. Exhibit B (Payment Provisions) is hereby deleted in its entirety and replaced with the attached Exhibit B-2.
5. All other terms and conditions of the Agreement not modified herein shall remain unchanged.
6. The "Effective Date" of this Amendment No. 2 shall be July 1, 2023.

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7. This Amendment No. 2, Amendment No. 1, and the Agreement taken together with the amendments contain the entire understanding of the Parties. There are no other oral or written representations, understandings, ancillary covenants, undertakings, or agreements that are not contained or expressly referred to within this Amendment No. 2.
8. The Parties agree to execute such other documents and to take such other actions as may be necessary to further the purpose of this Amendment No. 2 and the Agreement.
9. USE OF ELECTRONIC SIGNATURES: This Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Amendment agrees to the use of electronic or digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ("the Act") Cal. Civ. Code §§ 1633.1-1633.17), for executing this Amendment. The parties further agree that the electronic or digital signatures of the parties included in this Amendment are intended to authenticate this writing and to have the same force and effect as manual signatures. The Act authorizes use of an electronic signature for transactions and contracts among parties in California, including governmental agencies. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.
10. CORPORATE SIGNERS: Pursuant to California Corporations Code Section 313, please provide signature of chairperson of the board, president, or any vice president, and the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer. If providing only one signature, please also provide a resolution or other proof of delegated authority that shows signer can legally bind the corporation.

[SIGNATURES ON FOLLOWING PAGE]

COUNTY OF RIVERSIDE
AMENDMENT NO. 2 TO THE AGREEMENT
WITH
VENTIV TECHNOLOGY INC.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

COUNTY OF RIVERSIDE, a political
subdivision of the State of California

By: [Signature]
Chair,
Board of Supervisors

EVIN JEFFRIES

Dated: 6/27/23

ATTEST:
Kimberly Rector
Clerk of the Board

By: [Signature]
Deputy

APPROVED AS TO FORM:
County Counsel
Minh C. Tran

By: [Signature]
Michael Thomas, Katherine Wilkins
Deputy County Counsel

VENTIV TECHNOLOGY INC., a
California corporation

By: Melloney Douce
Name, Melloney Douce
Title Corporate Secretary

Dated: Jun 7, 2023

and

By: [Proof of delegated authority on file]
Name,
Title

COUNTY OF RIVERSIDE
 AMENDMENT NO. 2 TO THE AGREEMENT
 WITH
 VENTIV TECHNOLOGY INC.

EXHIBIT B-2
 PAYMENT PROVISIONS

Annual software maintenance includes the ACORD Document Image Import. The annual fee for one (1) full time equivalent (“FTE”) will be: \$366,250.

	Annual Software Maintenance	Annual FTE Fee	Annual Total
Year One	\$178,949	\$366,250	\$545,199
Year Two	\$184,318	\$366,250	\$550,568
Year Three	\$189,847	\$366,250	\$556,097
Year Four	\$195,543	\$366,250	\$561,793
Year Five	\$201,409	\$366,250	\$567,659

Payment terms are 30 days from the date of the invoice. In the event COUNTY requires a purchase order (“P.O.”), COUNTY shall provide such P.O. at the time of execution of this Amendment. CONTRACTOR may commence efforts as described herein and invoice COUNTY without a P.O. In the event of any conflict between the terms of this Amendment or the Master Agreement and any Customer P.O., this Amendment shall prevail.

County of Riverside Amnd #2 Renewal iVOS VTI 6.Jun.23 ps

Final Audit Report

2023-06-06

Created:	2023-06-06
By:	Patrick Smith (patrick.smith@ventivtech.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAHma4NJz0oFmAhfJeryGIYOXKzRv17sQt

"County of Riverside Amnd #2 Renewal iVOS VTI 6.Jun.23 ps" History

-  Document created by Patrick Smith (patrick.smith@ventivtech.com)
2023-06-06 - 11:35:59 PM GMT
-  Document emailed to Melloney Douce (melloney.douce@ventivtech.com) for signature
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-  Email viewed by Melloney Douce (melloney.douce@ventivtech.com)
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-  Document e-signed by Melloney Douce (melloney.douce@ventivtech.com)
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