

**MOTION NO. M2017-108**
**Contract for Risk Management Information Systems Software and Related Services**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>
Operations and Administration Committee	09/07/2017	Final Action	Brian McCartan, Executive Director of Finance and Information Technology <b>Jason Weiss, Chief Information Officer</b>

**PROPOSED ACTION**

Authorizes the chief executive officer to execute a contract with Origami Risk, LLC to provide a risk management information software system and related services and support in an amount not to exceed \$435,000 plus applicable taxes.

**KEY FEATURES SUMMARY**

- Sound Transit currently has a contract for a Risk Management Information System (RMIS), however that contract is expiring April 2018, therefore the agency needed to procure a RMIS system to replace the system on the expiring contract.
- The contract with Origami Risk, LLC meets agency goals established for the replacement system by providing:
  - A RMIS designed to reduce Sound Transit's cost of risk by providing ways to document, store, retrieve, and quickly manipulate claims data, track incident reports, analyze risks and exposures and other insurance and risk management related information. The main function of the RMIS is to reduce risk through quick analysis of incidences, claims and exposure information.
  - A well-supported system from a financially stable vendor with adequate resources to upgrade and maintain the package in the long term.
  - A robust system that can provide a high data security and at the same time is HIPAA (Health Insurance Portability and Accountability Act of 1996) compliant.
  - A reduction in the number of automated and manual systems currently in place in order to streamline processing, reduce redundant data entry, and maintain data integrity.
  - A flexible, stable, and reliable system that is capable of accommodating future growth and changes in the agency.
  - A comprehensive and easy-to-use query, reporting, and outcome analysis capabilities that can be individually tailored.
- The initial term of the contract will be for five years, with the option to extend for two additional five-year terms.
  - The contract amount of \$435,000 plus applicable taxes includes the implementation services, licensing fees for years one through five and standard software maintenance for the system.
  - If the decision is made to exercise one or both of the options available, staff will return to the Board for additional contract authority.
- Taxes for this contract are currently estimated to be \$43,935.

**BACKGROUND**

Due to the upcoming April, 2018, expiration of the existing contract for a Risk Management Information System software, Sound Transit needed to procure a replacement system.

Sound Transit has procured a professional, commercially available RMIS. The new RMIS platform will provide an overall solution for managing incidents and insurance claims (e.g. property and casualty), policy and premium management, and cost of risk exposure analysis.

**PROCUREMENT INFORMATION**

In April 2017, Sound Transit submitted for a request for proposals from software firms to provide a RMIS software solution, to help implement the system and to provide ongoing maintenance of the system.

Sound Transit received six proposals. An interagency team evaluated all six proposals, from those six two top ranked proposals were selected. Sound Transit requested revised proposals from the two top ranked proposals to address some minor weaknesses and also to ask for a best and final offer. The results of the evaluation of those revised proposals lead to the selection of vendor Origami Risk, LLC.

**FISCAL INFORMATION**

The proposed action will be funded from the services category within the Finance and Information Technology department’s annual operating budget. The 2017 services category budget is \$17,281,428 of which \$5,559,053 has been spent July year-to-date. Of this contract, a total of \$106,490 is estimated to be spent in 2017 and is within the agency’s budget authority. With approval of this action, the remaining annual budget amount is sufficient to fund other department expenditures anticipated in the 2017 annual budget.

Funding for the additional years of the contract will be included in future annual budget requests.

**Finance and Information Technology**

(in thousands)

Cost Category	2017 Annual Operating Budget	Actuals to Date	This Action - Current Year Impact	Actuals to Date Plus Action	Remaining Annual Operating Budget
Salaries and Benefits	\$20,981	\$11,051	\$	\$11,051	\$9,930
Services	17,281	5,559	106	5,666	11,615
Materials and Supplies	1,582	991		991	591
Utilities	953	513		513	440
Insurance	7,482	3,319		3,319	4,163
Miscellaneous	491	302		302	189
Interest Expense	18	3		3	15
Leases and Rentals	415	236		236	180
<b>Total Annual Operating Budget</b>	<b>\$49,203</b>	<b>\$21,974</b>	<b>\$106</b>	<b>\$22,081</b>	<b>\$27,122</b>

Contract Spending Plan	Prior Year Spending	Forecast 2017 Spending	Future Expenditures	Total
Origami Risk, LLC	\$	\$106	\$372	\$479

Origami Risk, LLC	Board Approved Contract Value	Contract Actuals to Date	Proposed Action	Proposed Revised Board Approved Contract Value
Services	\$	\$	\$435	\$435
Sales Tax			\$44	\$44
Contingency			-	-
<b>Contract Amount - Total</b>	<b>\$</b>	<b>\$</b>	<b>\$479</b>	<b>\$479</b>
Percent Contingency	0%	0%	0%	0%

**Notes:**  
 Actuals to date are through July 31, 2017.  
 Budget detail can be found on page 29 of the Adopted 2017 Budget book.

## **SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION**

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that there were few Small Business and DBE subcontracting opportunities based upon the work described in this contract, so Small Business/DBE goals were not established.

## **PUBLIC INVOLVEMENT**

Not applicable to this action.

## **TIME CONSTRAINTS**

A one-month delay would delay the full implementation of the system prior to the expiration of the current contract.

## **ENVIRONMENTAL REVIEW**

KH 8/18/2017

## **LEGAL REVIEW**

AJP 8/31/2017



**MOTION NO. M2017-108**

A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with Origami Risk, LLC to provide a risk management information software system and related services and support in an amount not to exceed \$435,000 plus applicable taxes.

**BACKGROUND:**

Due to the upcoming April, 2018, expiration of the existing contract for a Risk Management Information System software, Sound Transit needed to procure a replacement system. Sound Transit has procured a professional, commercially available RMIS. The new RMIS platform will provide an overall solution for managing incidents and insurance claims (e.g. property and casualty), policy and premium management, and cost of risk exposure analysis.

The contract with Origami Risk, LLC meets agency goals established for the replacement system by providing a RMIS designed to reduce Sound Transit's cost of risk by providing ways to document, store, retrieve, and quickly manipulate claims data, track incident reports, analyze risks and exposures and other insurance and risk management related information.


The main function of the RMIS is to reduce risk through quick analysis of incidences, claims and exposure information, and provide a well-supported system from a financially stable vendor with adequate resources to upgrade and maintain the package in the long term, a robust system that can provide a high data security and at the same time is HIPAA (Health Insurance Portability and Accountability Act of 1996) compliant.

The initial term of the contract will be for five years, with the option to extend for two additional five-year terms. The contract amount of \$435,000 plus applicable taxes includes the implementation services, licensing fees for years one through five and standard software maintenance for the system. If the decision is made to exercise one or both of the options available, staff will return to the Board for additional contract authority. Taxes for this contract are currently estimated to be \$43,935.

**MOTION:**

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract with Origami Risk, LLC to provide a risk management information software system and related services and support in an amount not to exceed \$435,000 plus applicable taxes.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 7, 2017.

  
\_\_\_\_\_  
Paul Roberts  
Operations and Administration Committee Chair

ATTEST:

  
\_\_\_\_\_  
Kathryn Flores  
Board Administrator