

Memorandum



DATE February 14, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Item: Certificate of Insurance and Payment and Performance
Bond Compliance Tracking Services Contract

The February 26, 2014 Council Agenda includes an item for your consideration to award a thirty-six month contract with two one-year renewal options for certificate of insurance and payment and performance bond compliance tracking services to S2000 Corporation dba CertFocus, in the amount of \$740,550.00.

Through a Request for Competitive Sealed Proposal (RFCSP) process, CertFocus was selected from among three proposers to provide the City with certificate of insurance and payment and performance bond compliance tracking services. This service reduces the City's exposure to financial losses and litigation costs by transferring risk back to the vendors by verifying that vendors' certificates of insurance, policies, and endorsements meet contractual and/or ordinance requirements.

The centralization of certificate and bond tracking will replace the current process that is managed in-house by various departments (e.g., Development Services, Special Events, Code Compliance, Public Works, etc.) that currently use multiple electronic spreadsheets and databases. CertFocus provides a more efficient and cost effective method to improve an important control factor of the procurement and permitting process. This service also includes the audit and follow up functions for all outstanding and renewal certificates and bonds.

The City currently monitors and tracks approximately 11,000 certificates of insurance (COI) and 1,200 bonds annually. The implementation of this process and oversight of CertFocus services will now be managed by one department, Office of Risk Management (ORM). ORM and other departments that will use this service will have access to the web-based tracking system that provides a reports module.

Please let me know if you need additional information.

Jeanne Chipperfield
Chief Financial Officer

c: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Daniel F. Solis, Administrative Judge
Craig D. Kinton, City Auditor
Ryan S. Evans, Interim First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager