

Purchasing and Contracting Department
Sole Source Request and Certification Form

To: Director of Purchasing and Contracting
Cc: Chief Financial Officer
From: Julio Canizal, Director, Risk Management Department
Date: April 26, 2021

In alignment with the guidance provided in the San Diego Municipal Code section 22.3016, the Purchasing Agent (Director of Purchasing and Contracting) must certify that the award of a sole source contract is necessary by memorializing in writing why strict compliance with a competitive process would be unavailing or would not produce an advantage, and why soliciting bids or proposals would therefore be undesirable, impractical, or impossible.

For consideration, this form must be completed and all required accompanying information must be submitted together, including any related contracts. Failure to do so will result in a delay of approval of the request.

Describe commodity or service(s) to be purchased. Include vendor contact information.

The City approved sole source #3798 on October 31, 2016 with Ventiv Technology to provide the City's Risk Management Department software and maintenance and support for the City's Workers' Compensation and Public Liability claims management systems (iVos).

The iVOS system is used for the purpose of injury tracking and claims administration. Ventiv is the sole provider for maintenance and support of the iVos application(s) and interfaces with City SAP systems, 3rd party vendors/agencies, and State regulatory reporting.

This sole source modification requests the approval to increase and extend the current contract through a Second Amendment for an additional 5-year period to continue supporting the annual maintenance agreement which expires 7/31/2021 (First Amendment to Vendor Agreement #4500023939) upon approval by City Council.

The breakdown of fees anticipated for the additional term are as follows:

Description	Year 1	Year 2	Year 3	Year 4	Year 5
Maintenance & Support	153,577.55	158,184.88	162,930.42	167,818.34	172,852.89
Managed Service Hours (175hrs @ \$240hr)	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
	195,577.55	200,184.88	204,930.42	209,818.34	217,852.89

Total cost 5 years 1,065,364.08

Vendor Contact:
John Bohlig
Vice President, National Accounts, Ventiv Technology
JohnBohlig@Ventivtech.com
312-415-5290

Justification

1. This product or service is available from only one supplier and meets at least one of the following criteria (please check all that are applicable):

- One-of-a-kind/Compatibility*
- a. Required by Warranty: the product matches existing equipment, infrastructure and is required by warranty. **(A letter from the provider which supports this claim must be provided.)**
 - b. Goods and Services:
 - i. the good has no competitive product or alternative on the market.
 - ii. the service requires a special skill, ability, or expertise linked to the current project that cannot be provided by another supplier.

(Documentation in support of either of the above claims must be provided by the requesting department.)

- City Standards* The product or service complies with established, existing City standards.

- Replacement* The product or service is the only compatible replacement component that supports a larger system. Or, the services are the only ones that can replace the existing service requirements.

2. Do any of the following situations exist?

- Limited Competition* Department made an attempt to find a second or multiple sources to no avail.
- Emergency* There is an urgent need for the item or service and time does not permit the City to solicit for competitive bids, as in the cases of emergencies as defined under SDMC section 22.3208,. (Delays in solicitation do not satisfy this criteria)

Cost/Market Analysis

Purchasing and Contracting will perform due diligence on each request. If Purchasing and Contracting can find a suitable, cost effective alternative, this request will be denied and that alternative will be pursued after your department has been contacted to discuss the revised determination.

This form does not take the place of an agreement and all sole source requests for a period of one year or longer will require the **submission of an agreement**. The requesting department must submit a purchase requisition and a copy of this certification to Purchasing and Contracting for a Purchase Order to be issued.

PCO Due Diligence (PCO to initial all that apply)

_____ Proof of warranty or maintenance requirement for standardized and replacement items confirmed.



Vendor/Supplier confirmed submission of justification letter.

_____ Market test confirmed that there is no advantage to the City in competing this contracting opportunity to multiple vendors.

_____ Emergency verified with the department.



Pricing agreement has been reviewed.



Purchasing and Contracting has reviewed this request and affirms that this request for a sole source justification is appropriate.

This sole source is approved for:

One (1) year from the signature date below.

For the entire length of the contract, but not more than five (5) years.

The length of the contract must be consistent with the sole source approval. A sole source request must be submitted and approved by the Purchasing and Contracting Director prior to the award of each new contract and prior to each extension of an existing contract that was not contemplated in the initial contract term.

_____ After reviewing the provided information and due diligence, I cannot recommend the approval of this request.

Purchasing and Contracting Director Review

I certify that strict compliance with a competitive process would be unavailing or would not produce an advantage, and that soliciting bids or proposals would be therefore undesirable, impracticable or impossible. My approval is contingent on the information provided in this form.

In accordance with SDMC §22.3016, this request is approved.

Based on the information provided and due diligence recommendation of staff, this request is denied.



Claudia C. Abarca, *Interim* Director, Purchasing and Contracting



Date



SOLE SOURCE LETTER

April 23, 2021

RE: Proprietary Ownership

To Whom It May Concern:

Ventiv Technology, Inc. is the sole owner/distributor of its proprietary software known as iVOS, as well as all related software modules, user licenses and services provided for all of our software products. There are no other companies authorized to sell, distribute or provide services related to our products.

Please do not hesitate to contact our office should you have any questions or concerns.

Melloney Douce

Sincerely,

Melloney Douce
General Counsel

ORIGINAL

SECOND AMENDMENT TO VENDOR AGREEMENT NUMBER 4500023939

This Second Amendment to Vendor Agreement Number 4500023939 (Second Amendment) is made and entered into by and between the City of San Diego, a municipal corporation (City) and Ventiv Technology Inc., formerly known as Aon eSolutions, Inc. and Valley Oak Systems, Inc. (Vendor), also referred to individually as "Party" and collectively as the "Parties."

RECITALS

1. The San Diego Data Processing Corporation (SDDPC) entered into Vendor Agreement #4500023939 with Valley Oak Systems, Inc. (predecessor in interest to Aon eSolutions, Inc.) on March 7, 2002 (Agreement). SDDPC assigned the Agreement to the City effective as of January 1, 2012, and Vendor consented to the assignment. Additionally, the Parties to the Agreement (or their predecessors) have executed nine Addenda to the Agreement.

2. Thereafter, the City and Vendor entered into "First Amendment to the Vendor Agreement number 4500023929" on February 28, 2017, to amend the Maintenance and Support Services period, Managed Service Hours and iVos Training.

3. The Agreement may be amended by written agreement executed by duly authorized representatives of both Parties.

4. The Parties wish to amend the Agreement to provide for additional Maintenance and Support Services, extend the term of the Agreement, and to modify the not to exceed amount.

TERMS

For each section of the Agreement referenced below, the Parties agree to the following modifications:

1. Section 7.3 of the Agreement is revised to add the following language at the end of the current section:

Vendor agrees to provide Maintenance and Support Services for the period of August 1, 2021 – July 31, 2022 with annual 3% increases with total annual amounts as described in the table below. Years 2-5 may be optionally exercised by written notice from Customer no later than 30 days prior to the expiration date of the current renewal term.

Description	Year 1	Optional Year 2	Optional Year 3	Optional Year 4	Optional Year 5
Support & Maintenance	\$153,577.55	\$158,184.88	162,930.42	\$167,818.34	172,852.89

2. A new Section 7.3.1 is added to the Agreement which will read as follows:

7.3.1 Managed Services Hours (“MSH”) and iVOS Training. Vendor agrees to provide as-needed Managed Service Hours for the period of August 1, 2021 – July 31, 2022 in the amount of up to \$50,000 per period with rates based on \$240/Hour.

3. A new Section 7.3.2 is added to the Agreement which will read as follows:

7.3.2 Not to Exceed Amount. The total amount that City pays Vendor during the term extending from August 1, 2021 to termination or expiration of the Agreement shall not exceed \$1,065,364.08.

4. Exhibit 1, **Section 27.1** of the Agreement is revised in part to add the following language:

Unless otherwise terminated as provided for herein, this Agreement shall be effective until July 31, 2022.

5. This Second Amendment will be effective when signed by both parties and approved by the City Attorney in accordance with Charter section 40.

6. All provisions of the Agreement not addressed in this Second Amendment remain in full force and effect.

7. **Counterparts.** This Second Amendment may be executed in counterparts which, when taken together, shall constitute a single signed original as though all Parties executed the same page.

8. Maintenance and Support Services Fees for the Renewal will be invoiced as of August 1, 2021. Subsequent optional renewal terms for Years 2-5 will be invoiced within 30 days of written notice of Customer’s intent to exercise the applicable optional renewal term. MSH and iVOS Training hours will be billed as incurred during the Term. Payment terms are 30 days from the date of the invoice. In the event Customer requires a purchase order (“P.O.”), Customer shall provide such P.O. within 60 days of execution of this Agreement. In the event of any conflict between the terms of this Agreement and the P.O. provided by Customer, this Agreement will prevail.

9. This Renewal term begins on August 1, 2021 and will remain in effect until

Contract Amendment 2
 Effective: August 1, 2021
 OCA Document No. 861155_2

July 31, 2022. Exhibit 1, Section 27.2 regarding Termination for Convenience is deleted in its entirety and replaced with the following: This Agreement will expire on July 31, 2022. Customer may terminate the Agreement for convenience by providing notice to Ventiv at least thirty (30) days prior to the expiration of the then current Renewal Term.

10. Unless otherwise defined herein, all capitalized terms will have the meaning set forth in the Master Agreement. From time to time, Ventiv may collect and process technical and related information about Customer's use of the Software and System (which may include, without limitation, ingest volume, search concurrency, number of unique user logins, Internet protocol address, duration, policy, claims and risk data, frequency, severity and type of risk or claim and other similar data), may analyze and aggregate your data and information with data and/or information Ventiv may have obtained or may in the future obtain from other of its clients, publicly available sources and/or data providers, and may disclose such analyses and aggregated data to individual prospective or current Ventiv clients, provided that (i) your data is synthesized and made anonymous prior to such use, (ii) Ventiv does not use such synthesized and anonymous data of yours in a manner which would allow you to be identified, and (iii) your data is not transferred to such prospective or current clients.

11. In the event of a conflict between the terms and conditions of the Master Agreement and this Amendment, the terms and conditions of this Amendment will govern.

12. The content of all attachments to this Amendment (if any) is incorporated into this Amendment for all purposes as if recited herein in its entirety. The Master Agreement, together with its Schedules, Exhibits and Amendments, and this Amendment, together with its attachments, constitute the entire agreement of the parties with respect to the subject matter hereof and, except as provided in this Amendment, all of the terms and conditions of the Master Agreement and any previous amendments, if any, will remain in full force and effect.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, this Second Amendment is executed by City and Vendor acting by and through their authorized officers.

Ventiv Technology Inc.

By: Melloney Douce

Name: Melloney Douce

Title: General Counsel

Date: May 14, 2021

City of San Diego

By: [Signature]

Name: Claudia C. Abarca

Title: Director, Purchasing & Contracting

Date: July 20, 2021

Approved as to form this 30 day of July, 2021

MARA W. ELLIOTT, City Attorney

By: [Signature]
Deputy City Attorney

Steven Lastomirov
Print Name





Ventiv Revisions to COSD Second Amendment_1yr with 4 year option 5.14.21 kk

Final Audit Report

2021-05-14

Created:	2021-05-14
By:	Karla Kivlin (karla.kivlin@ventivtech.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAnWto6NKM181hLE2SFNyUZX8I_vzzkwRI

"Ventiv Revisions to COSD Second Amendment_1yr with 4 year option 5.14.21 kk" History

-  Document created by Karla Kivlin (karla.kivlin@ventivtech.com)
2021-05-14 - 9:10:24 PM GMT- IP address: 75.33.156.77
-  Document emailed to Melloney Douce (melloney.douce@ventivtech.com) for signature
2021-05-14 - 9:10:49 PM GMT
-  Email viewed by Melloney Douce (melloney.douce@ventivtech.com)
2021-05-14 - 9:18:40 PM GMT- IP address: 107.77.233.33
-  Document e-signed by Melloney Douce (melloney.douce@ventivtech.com)
Signature Date: 2021-05-14 - 9:23:27 PM GMT - Time Source: server- IP address: 107.77.233.33
-  Agreement completed.
2021-05-14 - 9:23:27 PM GMT

#53
6/30/2021

(O-2021-138)

ORDINANCE NUMBER O- 21336 (NEW SERIES)

DATE OF FINAL PASSAGE JUN 30 2021

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING EXECUTION OF THE SECOND
AMENDMENT TO VENDOR AGREEMENT NO. 4500023939
BETWEEN THE CITY OF SAN DIEGO AND VENTIV
TECHNOLOGY, INC.

WHEREAS, Vendor Agreement Number 4500023939 (Agreement), was made and entered into on March 7, 2002, by and between Valley Oak Systems, Inc. (predecessor in interest to Aon eSolutions, Inc. and currently known as Ventiv Technology, Inc.) and the San Diego Data Processing Corporation (SDDPC), on behalf of the City of San Diego (City), to implement a system for injury tracking, claims administration, and maintenance and support; and

WHEREAS, the Agreement included the purchase of the City's current risk management system, iVOS, which the Risk Management Department uses to track and report on workers' compensation, public liability, loss recovery, and long-term disability claims; and

WHEREAS, on January 1, 2012, SDDPC assigned to the City its rights and obligations under the Agreement; and

WHEREAS, on January 10, 2017, City Council approved an Ordinance authorizing execution of the First Amendment to the Agreement, which allowed the Risk Management Department to extend managed services hours on an as-needed basis and on-site iVOS training for workers' compensation, public liability, loss recovery, and long-term disability claims and extended the term of the Agreement and increased the not-to-exceed amount; and

WHEREAS, the proposed Second Amendment to the Agreement will extend the term of the Agreement, provide a not-to-exceed amount for the extension term of the Agreement and otherwise modify the Agreement pursuant to the terms of the Second Amendment; and

WHEREAS, under Charter section 99, no contract, agreement or obligation extending for a period of more than five years may be authorized except by Ordinance approved by a two-thirds majority vote of the City Council; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor, or his designee, is authorized to execute the Second Amendment to Vendor Agreement Number 4500023939 between the City of San Diego and Ventiv Technology, Inc., extending the Agreement for one year and adding options to extend the Agreement for four (4) additional one (1) year periods, increasing the total not to exceed amount by \$1,065,364.08 during an extension period of up to five (5) years, and otherwise modifying the Agreement pursuant to the terms and conditions set forth in the Second Amendment to the Agreement, on file in the Office of the City Clerk as Document No. OO -21336.

Section 2. That the Chief Financial Officer is authorized to expend funds in an amount not to exceed \$1,065,364.08 for the period from August 1, 2021 for the remaining term of the Agreement, including any option terms, from Fund No. 720048, Risk Management Administration Fund, contingent upon the adoption of the Appropriation Ordinance for the applicable fiscal years and contingent upon the Chief Financial Officer furnishing a certificate certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

Section 3. That the Chief Financial Officer, upon advice from the administering department, is authorized to transfer excess funds, if any, to the appropriate reserves.

Section 4. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the City Council and the public prior to the day of its passage.

Section 5. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/Steven R. Lastomirsky
Steven R. Lastomirsky
Deputy City Attorney

SRL:jvg
5/18/21
Or.Dept: Risk Management
Doc. No.: 2665178

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of 06/29/2021.

ELIZABETH S. MALAND
City Clerk

By /s/Linda Irvin
Deputy City Clerk

Approved: 6/30/21
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on JUN 29 2021, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 30 2021

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Linda Iruen, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

JUN 15 2021, and on JUN 29 2021

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Linda Iruen, Deputy

Office of the City Clerk, San Diego, California
Ordinance Number O- <u>21336</u>

Passed by the Council of The City of San Diego on June 29, 2021, by the following vote:

YEAS: LACAVA, CAMPBELL, WHITBURN, MONTGOMERY STEPPE, WILPERT,
CATE, CAMPILLO, MORENO, ELO-RIVERA.

NAYS: NONE.

NOT PRESENT: NONE.

RECUSED: NONE.

AUTHENTICATED BY:

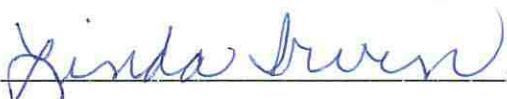
TODD GLORIA

Mayor of The City of San Diego, California

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(Seal)

By: , Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true, and correct copy of ORDINANCE NO. **O-21336** (New Series) of The City of San Diego, California.

I FURTHER CERTIFY that said ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on **June 15, 2021**, and on **June 29, 2021**.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(SEAL)

By: , Deputy