

**SEVENTH MODIFICATION TO  
THIRD PARTY ADMINISTRATIVE SERVICES FOR FLEXIBLE SPENDING ACCOUNTS  
– HEALTHCARE AND DEPENDENT DAYCARE  
CONTRACT No. F10B6400004**

**THIS SEVENTH MODIFICATION** (“SEVENTH MODIFICATION”) is made as of this 8<sup>th</sup> day of October, 2024, by and between P&A Administrative Services Inc. (“P&A” or the “Contractor”) and the STATE OF MARYLAND, acting through the Department of Budget and Management, Office of Personnel Service and Benefits, Employee and Labor Relations Division (the “Department”).

**WHEREAS**, on July 6, 2016, the Department entered into a contract with the Contractor for **Third Party Administrator (TPA) Services for Flexible Spending Accounts — Healthcare and Dependent Daycare, Project No. F10B6400004**, (the “Contract”) pursuant to the **Request for Proposals for Third Party Administrator (TPA) Services for Flexible Spending Accounts — Healthcare and Dependent Daycare, Project No. F10B6400004 dated October 19, 2015**, and all amendments thereto issued in writing by the State (the “RFP”).

**WHEREAS**, the Department and Contractor modified the Contract on December 16, 2016 (“Modification 1”) to revise Section 3.9 of the RFP (SOC 2 Type II Audit Report); and

**WHEREAS**, the Department and Contractor again modified the Contract on December 21, 2016 (“Modification 2”) to revise RFP Attachment Q-3, Current FSA Plan Design for the Healthcare FSA; and

**WHEREAS**, the Department and Contractor again modified the Contract on August 31, 2021 (“Modification 3”) to extend the Contract through December 31, 2022; and

**WHEREAS**, the Department and Contractor again modified the Contract on May 27, 2022 (“Modification 4”) to amend the Contractor’s MBE Utilization and Fair Solicitation Affidavit & MBE Participation Schedule and Certified MBE Subcontractor Participation Certification; and

**WHEREAS**, the Department and Contractor again modified the Contract on December 10, 2022 (“Modification 5”) to extend the Contract through December 31, 2023; and

**WHEREAS**, the Department and Contractor again modified the Contract on December 19, 2023 (“Modification 6”) to extend the Contract through December 31, 2024; and

**WHEREAS**, the parties desire to further extend the Contract, through December 31, 2025, while the Department conducts a new procurement for these services and awards a new contract to ensure continuity of such third party administrator services for flexible spending accounts.

**WHEREAS**, the Department of General Services, Office of State Procurement (DGS-OSP), conducting the new procurement on behalf of the Department, has limited staff resources with the experience and expertise to manage the high number of healthcare solicitations simultaneously. Due to the complex nature of the Department’s procurements, and commitment to ensuring continuity of the current contract services to provide benefits coverage for employees and retirees, the Department is requesting an extension for two (2) additional contract years, January 1, 2025 through December 31, 2026. The extension will allow the Department and DGS-OSP sufficient time to solicit a new contract for these services.

NOW THEREFORE, IN CONSIDERATION of the recitals which are hereby made a substantive part hereof, and the promises and the covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the Department and Contractor agree as follows:

- 1. Defined Terms.** All capitalized terms used in this Seventh Modification shall have the same meaning as provided in the Contract.
- 2. Duration of Contract.** The Contract term under Contract § 3, Period for Performance, is hereby extended for one (1) year, January 1, 2025, through December 31, 2025, unless terminated earlier as provided in the Contract.
- 3. Consideration and Payment.** Payment to the Contractor for the services under Contract § 4 shall remain the same as stated in the Contractor's Option Year 4 prices as proposed in the Contractor's first Best and Final Offer, dated May 2, 2016, and shall not exceed \$585,707.00 for the Contract extension period pursuant to this Seventh Modification.
- 4. Scope of Seventh Modification.** This Seventh Modification amends the Contract specifically as described herein. Except as specifically revised by the terms of the prior six Modifications and this Seventh Modification, all of the terms of the Contract shall remain in full force and effect and shall apply to this Seventh Modification.

IN WITNESS THEREOF, the parties have executed this Seventh Modification as of the date hereinabove set forth.

CONTRACTOR:

STATE OF MARYLAND:

P & A ADMINISTRATIVE SERVICES, INC.

DEPARTMENT OF BUDGET AND MANAGEMENT

[Redacted Signature]

[Redacted Signature]

By:

MICHAEL RIZZO

By: Helene Grady, Secretary

Or designee:

Print Name and Title

PRESIDENT.

10-8-24

Date

7/24/24

Date

[Redacted Date]

Witness/Attest Keison Kimmere

Witness

APPROVED FOR FORM AND LEGAL SUFFICIENCY THIS 9<sup>TH</sup> DAY OF October, 2024.

ASSISTANT ATTORNEY GENERAL