



**DEPARTMENT OF GENERAL SERVICES
OFFICE OF STATE PROCUREMENT
ACTION AGENDA
October 2, 2024**



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14-S-MOD. SERVICES MODIFICATION

*Department of Budget and Management, Office of Personnel Services and
Benefits, Employee Benefits Division*

Contract ID: Flexible Spending Accounts for Maryland State Employees, *F10B6400004*
ADPICS No.: COK71286

Contract Approved: DBM 1-S, 07/06/2016

Contract Description: Third Party Administrative (TPA) Services for Flexible Spending Accounts (FSA) for healthcare and dependent daycare programs for Maryland State employees and COBRA participants. FSA provides employees with pre-tax dollars to cover healthcare expenses not covered by insurance and dependent daycare expenses.

Modification Description: Extend the contract to allow time to complete a new procurement.

Award: P&A Administrative Services, Inc.; Buffalo, NY

Original Contract Term: 01/01/2017 - 12/31/2017 (w/four 1-year renewal options)

Modification Term: 01/01/2025 - 12/31/2025

Original Contract Amount: \$411,179

Modification Amount: \$585,707

Prior Options/Mods: \$ 0 (Mod #1: Revised SOC 2 Type 2 Audit report requirements: Delegated Authority - DBM, 12/16/2016)
\$ 0 (Mod #2: Increase maximum annual limit on healthcare flexible spending account from \$2,550 to \$2,600 Delegated Authority -DBM 12/21/2016)
\$411,179 (Renewal Option #1: 01/01/2018 - 12/31/2018 DBM 3-S-OPT, 12/6/2017)
\$411,179 (Renewal Option #2: 01/01/2019 - 12/31/2019 DBM 4-S-OPT, 11/14/2018)
\$411,179 (Renewal Option #3: 01/01/2020 - 12/31/2020 DBM 6-S-OPT, 09/04/2019)



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14-S-MOD. SERVICES MODIFICATION (cont'd)

Prior Options/Mods (cont'd):

\$411,179 (Renewal Option #4: 01/01/2021 - 12/31/2021 DGS 12-S-OPT, 06/03/2020)

\$695,234.12 (Mod #3: Extension 01/01/2022 - 12/31/2022 DGS 16-S-MOD, 03/24/2021)

\$0 (Mod #4: Add additional MBE subcontractor. Delegated Authority - DBM, 05/27/2022)

\$551,884 (Mod #5: Extension 01/01/2023 - 12/31/2023 and increase funding. DGS 36-S-MOD, 12/07/2022)

\$494,629.46 (Mod #6: Extension 01/01/2024 - 12/31/2024 DGS 27-S-MOD, 12/13/2023)

Total Contract Amount: \$4,383,349.58

Percent +/- (This Item): 142.45%

Total Percent Change: 966.04%

Original Procurement Method: Competitive Sealed Proposals

Living Wage Eligible: Yes

MBE/VSBE Participation: 15% / 1% (Administrative Fees)

MBE/VSBE Compliance: 7.98% / 0.33%

Requesting Agency Remarks: The extension is necessary because there are limited staff resources with the experience and expertise to manage the high number of healthcare solicitations simultaneously. The procurement is complex and DBM is committed to ensuring continuity of services to provide benefits coverage for employees and retirees.

The plan year runs on a calendar year basis, from January 1 through December 31. An annual Open Enrollment period is held prior to the beginning of each Calendar Year, typically mid-October through early November. Due to this timeline, it is ideal for all employee benefit contracts to be awarded no later than nine (9) months prior to the effective date of the contract. The current Flexible Spending Accounts for Maryland State Employees contract expires December 31, 2024.



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14-S-MOD. SERVICES MODIFICATION (cont'd)

Fund Source: 100% Reimbursable (Non-Budgeted Health Care Account)

Approp. Code: Various

Resident Business: No

BOARD OF PUBLIC WORKS

THIS ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION