

Supplement B
Department Of Budget And Management
ACTION AGENDA
December 6, 2017



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8-S-MOD **DEPARTMENT OF BUDGET AND MANAGEMENT**
Office of Personnel Services and Benefits/Employee Benefits Division
Services Contract Modification

Contract ID: Consultant and Actuarial Services for State Employee and Retiree Health and Welfare Benefits Program; ADPICS # COH45372 (Consultant); COH45380 (Actuarial)

Contract Approved: DBM Item 2-S (6/6/2012)

Contractor: The Segal Company
Washington, DC

Contract Description: Provide consultant and actuarial services to support the administration of the State Employee and Retiree Health and Welfare Benefits Program.

Modification Description: Extend the contract term by one year to allow time to resolve a protest on the new contract award recommendation.

Original Contract Term: 6/7/2012 - 5/31/2015 (w/2 one-year renewal options)

Modification Term: 1/1/2018 – 12/31/2018

Original Contract Amount: \$3,424,994 NTE (3 Years)

Modification Amount: \$1,325,000

Prior Modifications/Options: \$2,807,877 [\$1,303,462: Opt #1: 6/1/2015 – 5/31/2016: DBM Item 6-S-OPT (4/15/2015); \$1,294,415: Opt #2: 6/1/2016 – 5/31/2017: DBM Item 6-S-OPT (3/23/2016); \$210,000: Mod #1: Extended the contract to align with the employee benefits contracts that are on a calendar year basis: 6/1/2017 - 12/31/2017: DBM Item 15-S-MOD (2/8/2017)]

Revised Contract Amount: \$7,557,871

Percent +/- (This Modification): +38.7%

Overall Percent +/-: +120.7%

Original Procurement Method: Competitive Sealed Proposals

MBE Participation: 22%

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8-S-MOD DEPARTMENT OF BUDGET AND MANAGEMENT (cont'd)

MBE Compliance: 23%

Requesting Agency Remarks: Request for approval to extend the contract term by one year in order to allow time to resolve a protest on the new contract award recommendation. Because the State Employee and Retiree Health and Welfare Benefits Program runs on a calendar year basis, this modification extension is needed for a full calendar year to ensure continuous uninterrupted services, even if the protest is resolved sooner, and is, therefore, in the best interest of the State.

This contract provides consultant and actuarial services to the State Employee and Retiree Health and Welfare Benefits Program. These services include: assistance with annual health plan rate setting; annual OPEB (Other Post-Employment Benefits) valuation; Pharmacy Directorship; technical assistance and support in connection with the re-procurement of various State health plan contracts; assistance with compliance and regulatory changes; in addition to various analyses including healthcare legislation.

On April 6, 2017, the Department published the Request for Proposals for a new contract. The evaluation and award recommendation were finalized in early October, and the Procurement Officer notified the offerors of the pending contract award. On October 27, 2017, following its debriefing, the offeror not recommended for award filed a protest against the award recommendation to the incumbent, The Segal Company. The Department is in the process of denying the protest. It is unknown if the offeror will appeal this denial to the Maryland State Board of Contract Appeals.

Fund Source: 100% Reimbursable

Appropriation Code: F10A02.02

Resident Business: No

BOARD OF PUBLIC WORKS ACTION - THIS ITEM WAS:

APPROVED DISAPPROVED DEFERRED WITHDRAWN
WITH DISCUSSION WITHOUT DISCUSSION