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Q & A #1
TO
REQUEST FOR PROPOSALS (RFP)

**CONSULTING AND ACTUARIAL SERVICES FOR THE MARYLAND STATE EMPLOYEE AND RETIREE
HEALTH AND WELFARE BENEFITS PROGRAM**
SOLICITATION NUMBER F10B7400031
MAY 10, 2017

Ladies and Gentlemen:

This List of Questions and Answers #1, questions #1 through #28, is being issued to clarify certain information contained in the above named RFP.

In most instances the Department's response to the submitted questions merely serves to clarify the existing requirements of the RFP. Sometimes, however, in submitting questions potential Offerors may make statements or express interpretations of contract requirements that may be inconsistent with the Department's intent. To the extent that the Department recognizes such an incorrect interpretation, the provided answer will note that the interpretation is erroneous and either state that the question is moot once the correct interpretation is explained or provide the answer based upon the correct interpretation.

No provided answer to a question may in and of itself change any requirement of the RFP. If it is determined that any portion of the RFP should be changed based upon a submitted question, the actual change may only be implemented via a formal amendment to the RFP. In this situation the answer provided will reference the amendment containing the RFP change.

1. Question: Is there an incumbent actuary/consultant?

Answer: Yes, the current Contractor is The Segal Company (Eastern), Inc.

2. Question: If so, how long have they been the incumbent?

Answer: The current contract is for the period of 6/7/2012 - 5/31/2015 (w/2 one-year renewal options), both of which have been exercised. The contract has been extended

to 12/31/2017 to convert the contract duration to a calendar year which matches the duration of the benefit plans in the Program.

3. Question: How have they performed?

Answer: How the incumbent has performed has no relevance to the current RFP.

4. Question: Is there any total annual spend/billable information available?

Answer: Annual spend/billable information is not available.

5. Question: Can we get access to previous actuarial reports?

Answer: Previous actuarial reports cannot be provided as they are deemed proprietary by the incumbent.

6. Question: Who is the current actuarial service provider?

Answer: Please see the response to Question #1.

7. Question: How long has the incumbent vendor been performing the services?

Answer: Please see the response to Question #2.

8. Question: What is the reason for the issuance of this RFP, in lieu of providing a contract extension to continue using the incumbent actuarial firm?

Answer: Please see the response to Question #2. Additionally, the Department of Budget and Management determined it was in the best interest of the State of Maryland to re-solicit for these services at the end of the existing contract term.

9. Question: Will the incumbent vendor be eligible to bid in response to this RFP?

Answer: Yes, the incumbent vendor will be eligible to bid (i.e. propose) in response to this RFP.

10. Question: Was the work required in prior years similar to that described in the current RFP? Are there any improvements, or additional services that the Department is seeking?

Answer: Please see the current contract, which is available on the DBM website at the following link:

<http://dbm.maryland.gov/proc-contracts/Pages/contract-library/Services/ActuarialSvcs2012.aspx>.

Any improvements and/or additional services that the Department is seeking have been identified in the Scope of Work in this current RFP.

11. Question: Is it possible to obtain a copy of the latest Actuarial Valuation report and any additional reports with financial reporting information for review?

Answer: Please see the response to Question #5.

12. Question: What were the total annual dollar amount of fees paid to the previous actuarial vendor for last two years?

a. What were the hourly rates by personnel tier for the last two years of the contract period?

Answer: The State will only provide the total contract value which is posted on the DBM website at the following link:

<http://dbm.maryland.gov/proc-contracts/Pages/contract-library/Services/ActuarialSvcs2012.aspx>.

Hourly rates and unit rates are generally deemed proprietary in nature.

13. Question: In order to assist us in gaining a clear understanding of the scope of work, can you provide the amount of the total level of effort (hours of work) for the last two contract years?

Answer: Hours of work cannot be provided because they vary based on the projects and task orders required.

14. Question: How many in-person meetings per year are required for the actuarial consultant to attend?

Answer: The actuarial consultant is required to attend in-person meetings on an as-needed basis, but generally six to eight times per year.

15. Question: Is there a MWBE company participating in the current contract?

a. If yes, can you provide their name, a brief description of their services and the percentage or dollar amount of their annual fee?

Answer: Managed Care Advisors and EurekaFacts, LLC are the MBE companies for the current contract. Managed Care Advisors assisted in the development of RFP questionnaires and exhibits, and provided technical expertise as required on health benefits consulting services, including procurements. Their fee was 7% of the total

consulting fee. EurekaFacts, LLC conducted member surveys of benefit vendors for the State of MD plan offerings. Their fee was 20% of the total consulting fees.

16. Question: Would you accept MWBE participation on the actuarial services portion of the contract?

Answer: The State will accept minority participation on the actuarial services portion of the contract. However, it will not be counted towards the 13% MBE goal for the contract. The 13% MBE goal will only be counted towards the Consulting portion of the Contract.

17. Question: To help facilitate professional services MWBE participation, could you please provide a copy of the sign-in sheet of the pre-proposal conference meeting and contact information of companies interested in this RFP?

Answer: Yes, a copy of the sign-in sheet from the Pre-Proposal Conference is available on the DBM website at the following link:

<http://dbm.maryland.gov/proc-contracts/Pages/contract-library/Services/ActuarialSvcs2012.aspx>.

18. Question: Why is the State of Maryland conducting this RFP process? What are you hoping to gain through the RFP process?

Answer: Please see the response to Question #8.

19. Question: Is GASB 74/75 valuation a requirement to be considered for the RFP?

Answer: The GASB 74/75 annual valuation is required as set forth in the RFP, Section 3.2.2.

20. Question: Do Offerors need to agree to all contract terms?

Answer: Offerors shall accept the terms and conditions of this RFP, per Section 1.24. However, as stated in RFP Section 4.4.2.4, exceptions to terms and conditions may result in having the Proposal deemed unacceptable or classified as not reasonably susceptible of being selected and eliminated from further consideration of award.

21. Question: Has the State been satisfied with the results of its wellness program? If yes or no, why?

Answer: Please see the response to Question #3.

22. Question: What one area of improvement would the State like to see in its current wellness program?

Answer: The purpose of the RFP process is to obtain a description from a proposing entity(ies) of how its proposed solution to the State service needs will meet or exceed the requirement(s). It is the responsibility of the proposing entity to identify any suggestions for process improvements and additions based upon the Scope of Work (RFP Section 3) in its technical proposal response.

23. Question: For contracts not detailed in "Attachment P", what plan/program procurement services are anticipated from the consultant during the new contract period and are the dates and plans known at this time (e.g., Group Term Life and AD&D)?

Answer: Attachment P includes the applicable details for all current contracts, as well as the PBM contract referenced on page 143 of (Attachment P) which was recently awarded to CaremarkPCS Health, LLC at the April 26, 2017 Board of Public Works meeting.

24. Question: What is the level of satisfaction with the incumbent's consulting services and what services would you like to see improved or added?

Answer: Please see the response to Question #3. The purpose of the RFP process is to obtain a description from a proposing entity(ies) of how its proposed solution to the State service needs will meet or exceed the requirement(s). It is the responsibility of the proposing entity to identify any suggestions for process improvements and additions based upon the Scope of Work (RFP Section 3) in its technical proposal response.

25. Question: In 2011, what was the scoring criteria and how was each weighted?

Answer: The Department does not use scoring criteria for awarding contracts. Each offeror (in 2011) received an overall ranking where technical factors received equal weight with the financial factors. Please refer to Sections 5.2 and 5.3 of the RFP for technical and financial evaluation criteria.

26. Question: May vendors get a copy of the winning 2011 cost proposal (if available) or at least the proposed fees and billing rates?

Answer: The winning total price for the 2011 contract was \$6,106,632 for five (5) years. Please see the current contract, which is available on the DBM website at the following link:

<http://dbm.maryland.gov/proc-contracts/Pages/contract-library/Services/ActuarialSvc2012.aspx>.

27. Question: May vendors get a copy of the winning 2011 technical proposal?

Answer: As stated in RFP Section 1.14, vendors may request a redacted version of the 2011 technical proposal via a Public Information Act request.

28. Question: Will the State consider negotiating or adding limitation of liability to Section 29.3 of the solicitation?

Answer: The State's liability terms and conditions in (Attachment A) are consistent with all other services contracts.

NOTE: Answers to additional questions are forthcoming in the near future.

Should you require clarification of the information provided, please contact me at (410) 260-7116 as soon as possible.

Date Issued: May 10, 2017

Authorized By:

Tiffany Murriel
<signed>
Procurement Officer