

**Supplement B**  
**Department Of Budget And Management**  
**ACTION AGENDA**  
**February 8, 2017**



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

***Contract ID:*** Consulting and Actuarial Services for State Employee and Retiree Health and Welfare Benefits Program; ADPICS # COH08099 (Consultant); COH08100 (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 by seven months to align with the employee benefits contracts that are on a calendar year basis.

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

***Modification Term:*** 6/1/2017 - 12/31/2017

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

***Modification Amount:*** \$210,000 (7 Months, Actuarial Services)

***Prior Modifications/Options:*** \$2,597,877 [\$1,303,462: Opt #1: Exercised the first one-year renewal option: 6/1/2015 – 5/31/2016: DBM Item 6-S-OPT (4/15/2015); \$1,294,415 [Opt #2: Exercised the second one-year renewal option: 6/1/2016 - 5/31/2017: DBM Item 6-S-OPT (3/23/2016)]

***Revised Total Contract Amount:*** \$6,232,871

***Overall Percent +/- (This Mod):*** +6.1%

***Original Procurement Method:*** Competitive Sealed Proposals

***MBE Participation:*** 22%

***MBE Compliance:*** 21%

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**15-S-MOD. DEPARTMENT OF BUDGET AND MANAGEMENT (cont'd)**

**Requesting Agency Remarks:** It is in the State’s best interest to approve this modification in order to align this contract with the calendar year to be consistent with the Health and Welfare Benefits contracts which converted from fiscal year to calendar year in 2013, in particular to align the timing of the contract so that actuaries have adequate time to prepare health plan rate projections. Further, the need for additional reporting requirements under various federal regulations has added to the actuarial portion of the contract.

In addition, the State’s multi-billion dollar Pharmacy Benefits Management procurement requires significant input from the consulting and actuarial contractor and is not expected to be completed until the end of CY2017. Transitioning to a new consultant/actuary would jeopardize the successful completion of the procurement.

The contractor has agreed to continue services during the extension with no increase in hourly rates for consulting and actuarial fees will be kept the same as the prior year. The services provided by the contractor, The Segal Company, have been beneficial to the State for a number of projects including those listed above.

DBM is finalizing the new solicitation for these services to be published within the next month. DBM anticipates having a new contract award recommendation for approval by the Board of Public Works in November 2017 to allow time for a transition period, if necessary, with a January 1, 2018 start date.

**Fund Source:** 100% Reimbursable

**Appropriation Code:** F10A02.02

**Resident Business:** No

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**BOARD OF PUBLIC WORKS ACTION – THIS ITEM WAS:**

<b>APPROVED</b>	<b>DISAPPROVED</b>	<b>DEFERRED</b>	<b>WITHDRAWN</b>
<b>WITH DISCUSSION</b>		<b>WITHOUT DISCUSSION</b>	