



## Contract


**Commodity or Service:** Consulting Actuary for  
Wisconsin Health Insurance  
Programs


**Contract No./Request for Proposal No:** ETD0012  
Amendment #3 dated May 16, 2016

**Contract Period:** January 1, 2016 through December 31, 2016

1. This contract is entered into by the State of Wisconsin, Department of Employee Trust Funds hereinafter referred to as the "Department", and between The Segal Company (Eastern States), Inc., hereinafter referred to as the "Contractor", whose address and principal officer appears on page 2. The Department is the sole point of contact for this contract.
2. Whereby the Department of Employee Trust Funds agrees to direct the purchase and the Contractor agrees to supply the contract requirements cited in accordance with the State of Wisconsin standard terms and conditions and in accordance with the Contractor's proposal date February 17, 2014 hereby made a part of this contract by reference.
3. In connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employees or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor further agrees to take affirmative action to ensure equal employment opportunities. The Contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than fifty (50) employees are exempted from this requirement. Within fifteen (15) business days after the award of the contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, 608.261.7952, or via e-mail at [ETF\\_SMBProcurement@etf.wi.gov](mailto:ETF_SMBProcurement@etf.wi.gov).
5. This initial contract period is for fifteen (15) months. Each contract period annually will be for twelve (12) months and extend unless and until either party gives the other 180 days' notice of their intent to cancel the contract.
6. The Contract Amendment #1 is dated January 7, 2016 and the costs are not to exceed \$333,720.
7. The Contract Amendment #2 is dated April 7, 2016 with the attached Scope of Work dated April 7, 2016. Maximum costs for Wellness and Data Warehouse and Business Intelligence services shall be \$27,000 and paid upon ETF's satisfactory deliverable receipt and an approved invoice with billable hours. Maximum costs for Self-insuring/Regional Services shall be \$175,000 and paid in eight (8) equal installments from April through November 2016 upon receipt of an approved invoice. The total costs for Contract Amendment #2 shall not exceed \$202,000.
8. This Contract Amendment #3 is dated May 16, 2016 with attached Scope of Work dated May 16, 2016. All deliverables will be received by June 30, 2016. The total cost for Contract Amendment #3 shall not exceed \$106,000.
9. For purposes of administering this Contract, the Order of Precedence is:
  - A). The Contract with The Segal Company (Eastern States), Inc.;
  - B). This Contract Amendment #3 dated May 16, 2016 with attached Scope of Work dated May 16, 2016;
  - C). The Contract Amendment #2 dated April 7, 2016 with attached Scope of Work dated April 7, 2016;
  - D). The Contract Amendment #1 dated January 7, 2016;
  - E). Questions from vendors and ETF Answers dated January 28, 2014;
  - F). Exhibit A, Changes Agreed to by the Parties from the Request for Proposal (RFP) ETD0012;
  - G). Exhibit B, Business Associate Agreement dated July 23, 2014;
  - H). The RFP dated January 6, 2014, and;
  - I). Contractor's proposal dated February 17, 2014.

**Contract Number & Service:** ETD0012-Consulting Actuary for Wisconsin Health Insurance Programs  
**Amendment #3** dated May 16, 2016

<b>State of Wisconsin</b>	
<b>Department of Employee Trust Funds</b>	
By (Name)	
	<b>Robert J. Conlin</b>
Signature	
Title	<b>Secretary</b> Department of Employee Trust Funds
Phone	
	608.266.0301
Date (MM/DD/CCYY)	05/17/2014

<b>Contractor to Complete</b>	
Legal Company Name	The Segal Company (Eastern States), Inc.
Trade Name	Segal Consulting
Taxpayer Identification Number	13-1835864
Company Address (City, State, Zip)	2018 Powers Ferry Road, Suite 850 Atlanta, GA 30339-7200
By (Name)	Kenneth C. Vieira, FSA,FCA,MAAA
Signature	
Title	Senior Vice President
Phone	678.306.3154
Date (MM/DD/CCYY)	5-15-16

**Scope of Work****Contract Amendment #3****May 16, 2016****The Segal Company (Eastern States)****Contract Amendment for preparing other postemployment benefit information (OPEB Information) for programs administered by the Wisconsin Department of Employee Trust Funds (ETF) in which the State participates as an employer.**

This scope of work services will be delivered as an amendment to the actuarial services contract. The scope includes the assistance on the OPEB Information that is to be incorporated into the State of Wisconsin's audited Fiscal Year (FY) 2016 and FY 2017 Comprehensive Annual Financial Report (CAFR) to meet financial reporting requirements issued by the nationally-recognized Governmental Accounting Standards Board (GASB) in their Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

**Deliverables:**

Provide GASB 45 actuarial OPEB Information for the following program:

- Health Insurance (both pre-age 65 postretirement medical benefits for State employees (implicit rate subsidy) and post-age 65 liabilities for State employees, if necessary (Medicare Part D subsidy).

If additional OPEBs are identified subsequent to the date of this agreement, but before or during the course of the compilation of the 2016 or 2017 CAFR, the Department of Administration (DOA) is also requesting that the ETF provide such OPEB information. This will allow the State to fulfill the GASB 45 requirements and meet its goal of having the financial statements receive an unqualified opinion from the auditors.

GASB 45 OPEB information to be provided for the Health Insurance Program in which the State of Wisconsin participates as an employer is as follows:

- Financial information to identify and/or calculate the amounts to be reported as liabilities and expenditures/expenses in the government-wide financial statements and the proprietary fund financial statements of the State of Wisconsin's CAFR following the requirements of GASB 45. Such information will address requirements of GASB 45, Paragraphs 4 through 23 (where applicable), and will include the calculation of the GASB 45 liability, the annual required contributions of the employer (ARC), and the OPEB costs, based on a valuation as of January 1, 2015;
- Footnote disclosures as required by GASB 45, Paragraphs 24 and 25, where applicable; and,
- Other OPEB Information, including Required Supplementary Information (as discussed in GASB 45, Paragraphs 26 and 27), where applicable.

The financial information and note disclosures may be delivered to the ETF either electronically or in paper copy form.

**Due date to ETF: June 30, 2016**

The total cost shall not exceed \$106,000 and shall be billed when deliverables are received and ETF has acknowledged the quality of the deliverables.