

SERVICES CONTRACT

ITEM: 1-S **Agency Contact:** Cecilia Januskiewicz
(410) 260-7041
cj@dbm.state.md.us

DEPARTMENT/PROGRAM: Budget and Management (DBM)
Office of Personnel Services and Benefits
Employee Benefits Division

CONTRACT ID: F10R7200001;
Consultant and Actuarial Services for State
Employee and Retiree Benefits Program
ADPICS NO. F10B7200016

CONTRACT DESCRIPTION: Provide consultant and actuarial services to support
the administration of State Employee and Retiree Health Benefits Programs.

AWARD: Gabriel, Roeder, Smith, & Co. (GRS)
Irving, TX

TERM: 11/15/2006 - 11/30/2009 (W/2 one-year Renewal
Option)

AMOUNT: \$2,592,000 NTE (3 Years; Base Contract)
\$ 872,000 NTE (1st Year Option)
\$ 872,000 NTE (2nd Year Option)
\$4,336,000 NTE (Total 5 Years)

PROCUREMENT METHOD: Request for Proposals

BIDS OR PROPOSALS: See Attachment

MBE PARTICIPATION: 27%

PERFORMANCE SECURITY: None

INCUMBENT: AON Consulting, Inc.
Chicago, IL

REQUESTING AGENCY REMARKS: A notice of the availability of the Request for Proposals (RFP) was advertised at the *eMarylandMarketplace.com* and DBM websites, on the bid board located at 45 Calvert Street in Annapolis, and was submitted to the Governor's Office

of Minority Affairs. Copies of the solicitation notice were mailed directly to 58 prospective vendors, 25 of which were Maryland firms, and 18 of which were MBEs.

Six proposals were received in response to the RFP, all of which were determined to be reasonably susceptible of being selected for award. Gabriel, Roeder, Smith, & Co. (GRS) is recommended for the award of this contract. GRS was ranked second technically and fourth financially but overall was determined to be the most advantageous to the State.

Although GRS was ranked second technically, it was judged to be very close to the offeror ranked #1 technically. Financially, there was a 30% difference between the price of GRS versus the price of the #1 technically ranked offeror. The narrow technical superiority of the #1 technically ranked offeror was not judged to outweigh the 30% higher price of this offeror, despite the fact that technical factors had more weight than financial factors in the overall offeror ranking. Conversely, while only ranked fourth financially, the technical superiority of GRS was determined to outweigh the price difference of any technically lower ranked offeror.

The purpose of this contract is to provide consultant and actuarial services to the State Employee and Retiree Health Benefits Programs. These services include: assistance with annual health plan rate negotiations; technical assistance and support in connection with the re-procurement of various State health plan contracts, as well as assistance with trends and analysis of healthcare legislation.

FUND SOURCE: 100% Reimb.

APPROP. CODE: F10A0202

RESIDENT BUSINESS: No

MD TAX CLEARANCE: 06-2418-0111

Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	

ITEM: 1-S (Cont)

ATTACHMENT

BPW 11/15/2006

<u>Offerors</u>	<u>Tech. Rank</u>	<u>Price Rank *</u>	<u>Overall** Rank</u>
Gabriel, Roeder, Smith & Co. Irving, TX	2	\$4,336,000(4)	1
Segal Washington, D.C	1	\$5,860,000(6)	2
Mercer Baltimore, MD	3	\$4,832,000(5)	3
HayGroup Arlington, VA	4	\$4,093,140(3)	4
Wachovia Baltimore, MD	5	\$3,908,000(2)	5
Milliman Indianapolis, IN	6	\$3,722,500(1)	6

Note

* Based upon a combination of a fixed price to provide actuarial services and a model, contained in the RFP, of labor hour for consulting services.

**Technical factors had greater weight than financial factors in the overall award determination.