

**April 9, 2014**

**SMALL PROCUREMENT SOLICITATION  
FOR  
ACTUARIAL SERVICES, ITB #ACT-04092014**

**Summary Statement:**

The purpose of this small procurement solicitation is to select an actuary to provide actuarial analysis of the State of Maryland's Self Insurance Trust Fund.

**Background:**

The Maryland Tort Claims Act ("MTCA"), Md. State Govt Code Ann., 12-101 *et seq.*, is the sole method for suing the State and its personnel in tort. The MTCA establishes a comprehensive scheme setting forth specific procedural requirements for filing suit against the State. Specifically, the MTCA requires a written notice of claim be filed with the Maryland State Treasurer within one year after the injury that is the basis of the claim. The State is self-insured for tort liability under the MTCA, for constitutional claims, and for first party property loss. Commercial insurance coverage is purchased for catastrophic loss, specialized exposures such as aviation hull and liability, steam boiler coverage, and certain transportation risks.

Funding for the State's self-insured liabilities, certain blanket commercial premiums, and for the administration of the State Treasurer's Insurance Division, comes from the State Insurance Trust Fund (the "SITF"). Each year the Maryland State Treasurer's Office (the "Office") receives an actuarial report which is used as a tool in developing the fund balance.

**Issuing Office and Procurement Officer:**

Maryland State Treasurer's Office  
Louis L. Goldstein Treasury Building, Room 109  
80 Calvert Street  
Annapolis, Maryland 21401  
Procurement Officer: Anne Jewell  
Tel.: (410)260-7903  
E-mail: [procurement@treasurer.state.md.us](mailto:procurement@treasurer.state.md.us)

The sole point of contact for purposes of this procurement is the Procurement Officer.

**Procurement Method:**

This contract will be awarded in accordance with the small procurement process under COMAR 21.05.07.

**Questions and Inquiries:**

All questions and inquiries should be directed to the Procurement Officer identified above.

**Submission Deadline:**

**To be considered for award, the Bid must be received by the Procurement Officer at the Issuing Office no later than 2:00 p.m. local time on Tuesday, May 6, 2014.**

Requests for extension of this date and time will not be granted. Bidders should allow sufficient mail and internal delivery time to ensure timely receipt at the Issuing Office. Bids or unsolicited amendments to bids arriving after the closing date and time will not be considered. Bids submitted by electronic means only (facsimile or email) will not satisfy the submission deadline and will not be considered.

**Bid Opening:**

The Office shall open the bids publicly at the Maryland State Treasurer's Office, Louis L. Goldstein Treasury Bldg., 80 Calvert Street, Annapolis, Maryland 21401, 1<sup>st</sup> Floor Conference Room, on Tuesday, May 6, 2014, at 2:00 a.m. Eastern Time. The Office shall read aloud or otherwise make available the name of each bidder, the annual fixed fee, and such other information as is deemed appropriate. The Office shall make a bid abstract. The Office shall make available for public inspection opened bids at a reasonable time after bid opening but in any case before contract award, except to the extent a bidder designates trade secrets or other proprietary data to remain confidential.

**STATEMENT OF WORK**

The Maryland State Treasurer's Office is requesting a written response to this solicitation to provide actuarial analysis of the State of Maryland's Self Insurance Trust Fund. The State Insurance Trust Fund is examined annually by an independent actuary in order to determine the adequacy for payment of future losses. Each fiscal year the Office receives an actuarial report which is used as one of its tools in developing the fund balances.

**Services:**

These services shall include:

- Loss Reserve Summary
- Analysis of Loss Reserves
- Payment Projections
- Reported Claim Counts
- Projection of Average Claim Payments
- Adjustment Factors for Law Changes
- Selection of Trend Factors
- Analysis of Contingencies
- Future Funding

Note: The actuarial report does not need to be broken down by State Agency. The winning Bidder will be provided with all actuarial data necessary for the report.

**Tentative Schedule:**

- |                                  |   |
|----------------------------------|---|
| End of June for each Fiscal Year | - Preliminary discussion with the Actuary |
| Mid July of each Fiscal Year     | - Draft of Actuary Report Due             |
| End of July each Fiscal Year     | - Final Actuary Report Due                |

**Term:**

The term of the Contract will be for the period beginning June 1, 2014 and ending May 31, 2017, with up to two one-year renewal options exercisable solely at the discretion of the Treasurer or the Treasurer’s designee.

**Compensation:**

The rates will include all expenses other than direct out of pocket travel expenses and express mail charges where using express mail is at the direction of the Office. Travel expenses will be invoiced and reimbursed in accordance with the State’s standard travel regulations (COMAR 23.02.01). Payment to the selected Bidder shall be made no later than 30 days after receipt by the Office of the invoice from the Bidder. The invoice for services rendered must reflect the Bidder’s federal tax identification number. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1 of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, is prohibited.

By submitting a response to this solicitation, the Bidder agrees to accept any payments from the State by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Bidder shall register using form COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form. Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption. The COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form may be downloaded from: [www.comp.state.md.us](http://www.comp.state.md.us), by selecting "State Accounting Information," then "Electronic Funds Transfer", and then "Form X-10."

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## **BID SUBMISSION FORMAT**

Bids should be prepared simply and economically, providing a straightforward, concise description of the requirements of this ITB.

1. In General. The Office shall identify, in its sole discretion, all of the responsible bidders. In doing so, the Office may make such reasonable investigations as deemed proper and necessary to determine the ability of any bidder to meet the requirements of the solicitation. By submitting a bid in response to this ITB, a bidder shall be deemed to have agreed to provide to the Office all such information for this purpose as reasonably may be requested.
2. Provide the name of the individual or designated employee/employees who will represent the firm as the primary contact person on matters relating to the proposal; with the minimum of 5 years experience in actuarial reporting. Include this person's telephone number, email address and fax number.
3. Provide a sample actuarial report, as a point of reference.
4. References. Each bidder must identify a minimum of three current references, preferably with a self insured public entity, including the name of each organization, contact name, telephone number, and email address. The State reserves the right to contact these and any other known clients.
5. Provide evidence of Professional Errors and Omissions insurance with a limit of liability of at least \$1,000,000.
6. Pricing. The bidder must complete and submit the price proposal form as Appendix A included in this ITB.

### **Basis for Award:**

Pursuant to COMAR 21.05.02.13, the Office will make the award to the responsible and responsive bidder who submitted the most favorable bid determined by the Office to represent the lowest cost to the State.

**APPENDIX A**  
**PRICE PROPOSAL**  
**FOR**  
**ACTUARIAL SERVICES, ITB #ACT-04092014**

Bidder:

\_\_\_\_\_ (Firm Name)  
\_\_\_\_\_ (Address)  
\_\_\_\_\_ (City, State, Zip)

Annual Fixed Base Fee: \$ \_\_\_\_\_

**The fixed fee cost will not exceed \$25,000 for the term of the Contract and/or any renewal option periods.**

In compliance with the small procurement and with all terms and conditions set forth therein, the undersigned represents that he/she has full authority to submit the above Price Proposal as Appendix A.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Name and Title of Authorized Official

\_\_\_\_\_  
Date

**APPENDIX B**

(FORM OF SMALL PROCUREMENT CONTRACT)

**ACTUARIAL SERVICES FOR THE  
MARYLAND STATE INSURANCE TRUST FUND**

**THIS CONTRACT** (the "Contract"), is made as of the 1<sup>st</sup> day of June, 2014 by and between \_\_\_\_\_, \_\_\_\_\_ (the "Contractor"), and the **MARYLAND STATE TREASURER'S OFFICE**, 80 Calvert Street, Annapolis, Maryland 21401 (the "Office"), an office of the **STATE OF MARYLAND** (the "State")

The Parties agree as follows:

**Scope of Services**

The Office hereby engages the Contractor to perform Actuarial Services as described in this Contract which includes the following exhibits:

- Exhibit A: Small Procurement Solicitation for Actuarial Services, ITB #ACT-04092014; and
- Exhibit B: Contractor's Bid dated \_\_\_\_\_, 2014.

If there are any inconsistencies between this Contract and the Exhibits, the terms of this Contract, shall control. If there is any conflict among the Exhibits, Exhibit A shall control.

**Term of Contract**

The term of the Contract will be for the period beginning June 1, 2014 and ending May 31, 2017 with two one-year options to renew, upon the same terms and conditions. Exercise of the renewal options will be solely at the discretion of the Treasurer or the Treasurer's designee.

**Payment**

1. The total compensation for services to be rendered by the Contractor shall be an annual fixed base fee of \$\_\_\_\_\_, with the term fixed fee not to exceed \$25,000. The Office shall compensate Contractor for services satisfactorily performed in

accordance with this Contract. The rates will include all expenses other than direct out of pocket travel expenses and express mail charges where using express mail is at the direction of the Office. Travel expenses will be invoiced and reimbursed in accordance with the State's standard travel regulations (COMAR 23.02.01).

2. A. All invoices for services shall be submitted to:

Maryland State Treasurer's Office  
Attn: Accounts Payable  
Louis L. Goldstein Treasury Bldg.  
80 Calvert Street, Room 109  
Annapolis, MD 21401

- B. Payments to the Contractor shall be made no later than 30 days after receipt by the Office of monthly invoices from the Contractor. The Contractor's Federal Tax Identification Number shall appear on invoices. The Contractor's Federal Tax Identification Number is \_\_\_\_\_. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1 of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, are prohibited

### **General Conditions**

1. Termination for Nonappropriation

If funds are not appropriated or otherwise made available to support continuation in any fiscal year succeeding the first fiscal year, this Contract shall be terminated automatically as of the beginning of the fiscal year for which funds are not available. The Contractor may not recover anticipatory profits or costs incurred after termination.

2. Maryland Law Prevails

The law of Maryland shall govern the interpretation and enforcement of this Contract.

3. Disputes

Disputes arising under this Contract shall be governed by State Finance and Procurement Article, Title 15, Subtitle 2, Part III, Annotated Code of Maryland, and by COMAR 21.10. Pending resolution of a dispute, the Contractor shall continue to perform this Contract, as directed by the Procurement Officer.



#### 4. Changes

This Contract may be amended only with the written consent of both parties. Amendments may not change significantly the scope of the Contract (including the Contract price).

#### 5. Termination for Default

If the Contractor does not fulfill obligations under this Contract or violates any provision of this Contract, the State may terminate the Contract by giving the Contractor written notice of termination. Termination under this paragraph does not relieve the Contractor from liability for any damages caused to the State. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

#### 6. Nondiscrimination

The Contractor shall comply with the nondiscrimination provisions of federal and Maryland law.

#### 7. Anti-Bribery

The Contractor certifies that, to the Contractor's best knowledge, neither the Contractor; nor (if the Contractor is a corporation or partnership) any of its officers, directors, or partners; nor any employee of the Contractor who is directly involved in obtaining contracts with the State or with any county, city, or other subdivision of the State, has been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state or of the United States.

#### 8. Termination for Convenience

The State may terminate this Contract, in whole or in part, without showing cause upon prior written notice to the Contractor specifying the extent and the effective date of the termination. The State shall pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination and all reasonable costs associated with termination of the Contract. However, the Contractor may not be reimbursed for any anticipatory profits which have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A(2).

**IN WITNESS WHEREOF**, the parties have executed this agreement as of the date hereinabove set forth.

**Attest:**

\_\_\_\_\_

**Witness:**

\_\_\_\_\_

**[Contractor Name]**

By: \_\_\_\_\_

**MARYLAND STATE TREASURER'S  
OFFICE**

By: \_\_\_\_\_

Bernadette T. Benik  
Chief Deputy Treasurer

Approved for form and legal sufficiency  
for the Maryland State Treasurer's Office:

\_\_\_\_\_  
David P. Chaisson  
Assistant Attorney General