



Contract By Authorized Board

Commodity or Service: Consulting Actuary to the State of Wisconsin Employee Trust Funds Board for the Group Insurance Programs
Offered by the State of Wisconsin Group Insurance Board

Request for Bid/Proposal No: ETG0013
Authorized Board: Employee Trust Funds Board

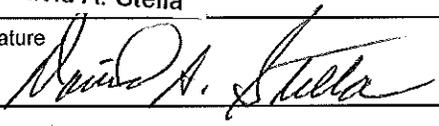
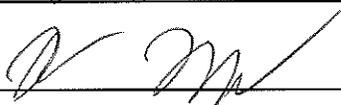
Contract Period: 10/01/2010 through 09/30/2012, with an option to extend the contract for one additional two-year period subject to the satisfactory negotiation of terms acceptable to the Department and named firm.

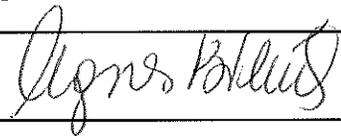
1. This contract is entered into by and between the State of Wisconsin, Department of Employee Trust Funds (Department), the State of Wisconsin Employee Trust Funds Board (Board), and the contractor whose name, address, and principal officer appears on page 2. The Department is the sole point of contract for Board contracting;
2. Whereby the Department of Employee Trust Funds agrees to direct the purchase and the contractor agrees to supply the contract requirements cited above in accordance with the terms and conditions of the request for bid cited above, and in accordance with the contractor's bid submitted on this request for bid which request for bid is hereby made a part of this contract;
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. Except with respect to sexual orientation, 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 twenty-five thousand dollars (\$25,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than twenty-five (25) employees are exempted from this requirement.

Within fifteen (15) working 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 Purchasing Agent, Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, (608) 266-8989, mark.blank@etf.state.wi.us.

5. For purposes of administering the contract, the Order of Precedence is the First Amendment to the proposal dated August 13, 2007 including exhibit 1, Business Associate Addendum; the official purchase order; RFP ETG0013 dated April 18, 2007 (including all appendices and amendments); the Standard terms and conditions; and Contractor's response to the RFP
6. Extend contract for two years 10/01/2010 thru 09/30/2012 with option for one additional two-year period. Contract updated per amendment 2 dated July 13, 2010.

Contract Number & Service: ETG0013 Consulting Actuary to the State of Wisconsin Employee Trust Funds Board for the Group Insurance Programs Offered by the State of Wisconsin Group Insurance Board

State of Wisconsin Department of Employee Trust Funds	
By Authorized Board (Name)	Employee Trust Funds Board
By (Name)	David A. Stella
Signature	
Title	Secretary, Employee Trust Funds
Phone	608-266-0301
Date (MM/DD/CCYY)	8/16/10
Witness (1):	
Witness (2):	

To be Completed by Contractor	
Legal Company Name	Deloitte Consulting LLP
Trade Name	Deloitte Consulting
Taxpayer Identification Number	061454513
Company Address (City, State, Zip)	Minneapolis, MN 55402-1538
By (Name)	Timothy D. Gustafson
Signature	
Title	Principal
Phone	(312) 486-2265
Date (MM/DD/CCYY)	July 19, 2010
Witness (1):	
Witness (2):	

AMENDMENT 2: July 13, 2010 TO CONTRACT ETG0013 - CONSULTING ACTUARY- OTHER GROUP INSURANCE CONTRACT BETWEEN THE STATE OF WISCONSIN EMPLOYEE TRUST FUNDS BOARD AND DELOITTE CONSULTING LLP

This AMENDMENT to contract ETG0013 ("the original contract") is being made pursuant to a correspondence memorandum from Jon Kranz, Director, Office of Budget and Trust Finance to the Employee Trust Funds Board, dated March 24, 2010, and related to an Extension of Actuarial Services Contracts.

The original contract terms are referenced throughout the amendment.

The original contract is amended as follows:

1. **Term.** The amendment extends the original contract, which is set to expire on September 30, 2010, for an additional two-year period. The contract so amended will expire on September 30, 2012.
2. **Scope.** The amendment expands the scope of services to be performed by DELOITTE CONSULTING LLP in years subsequent to the effective dates of the original contract. Particularly, and whereas the original contract called for an annual review of the Section 40.65 Duty Disability Program as detailed in Article 6.6, such review will be replaced by a broader Other Post-Employment Benefits (OPEB) valuation as outlined below:
 - a. An actuarial valuation of the 40.65 Duty Disability Program based on the requirements of GASB Statement No. 43.
 - b. The actuarial valuation will be performed as of January 1 of each year, and will include:
 - i. Calculation of the unfunded actuarial accrued liability
 - ii. Calculation of the annual required contribution (basis for the recommended premium schedule)
 - iii. Draft December 31 GASB No. 43 financial disclosure information
 - iv. Analysis of plan experience
 - v. 10-year projection of expected benefit payments

The services outlined above are identical in scope to additional services that have been performed bi-annually as an extension to ETG0013. An example of an agreement to perform such work in the past is detailed in the attached consulting agreement from Patrick Pechacek, Director, DELOITTE CONSULTING LLP, to Robert Willet, Controller and Chief Trust Financial Officer, DEPARTMENT OF EMPLOYEE TRUST FUNDS, dated November 17, 2008.

3. **Fees.** The cost of providing these services will continue to be billed to the DEPARTMENT OF EMPLOYEE TRUST FUNDS. The fees in consideration of the services as specified herein, which will be provided by DELOITTE CONSULTING to the BOARD for the specific benefit plans, are detailed below.

As stated in the original contract, the annual retainer fees for the annual actuarial reviews of the Income Continuation Insurance Program, the Section 40.65 Duty Disability Program and the Long-Term Disability Insurance Plan for the period October 1, 2007, to September 30, 2008, were \$39,800. Without a change in the scope of services, annual retainer fees are to increase no

more than the annual percentage change in the National (U.S. City Average) consumer price index for all urban consumers (CPI-U) through December of the year preceding the adjustment. Annual retainer fees for such services for the period October 1, 2008, to September 30, 2009, were \$41,764.

The fees for the biannual GASB 45 Duty Disability actuarial valuation performed as of January 1, 2010 are \$73,000.

As a result of the amendments to the original contract, baseline fees (i.e. the initial fee of \$39,800 to which a CPI-U adjustment is applied) in the original contract associated with annual reviews of the Income Continuation Insurance Program, the Section 40.65 Duty Disability Program and the Long-Term Disability Insurance Plan are hereby reduced by \$5,000.

Fees related to the biannual GASB 45 Duty Disability actuarial valuation will now be assessed annually. In order to reflect the efficiencies of performing this valuation annually, the fees for the valuation will be reduced to \$66,000 *per valuation*.

In summary, annual fees for the period of contract extension will be equal to \$34,800 multiplied by the applicable CPI-U adjustments from October 1, 2007, to the contract extension period; plus \$66,000 multiplied by the applicable CPI-U adjustments from October 1, 2009.

Retainer fees will be paid consistent with Section 5.1.B of the original contract. Fees related to special projects not specifically outlined within Article 6 or this amendment to the original contract will follow the guidelines detailed in Section 5.2.

ARTICLE 7. RESPONSIBILITIES OF THE BOARD and ARTICLE 8. MISCELLANEOUS PROVISIONS of the original contract remain unchanged.

IN WITNESS WHEREOF, the parties hereto cause this amendment to contract ETG0013 to be executed by their duly authorized representatives as of the day and year set forth.

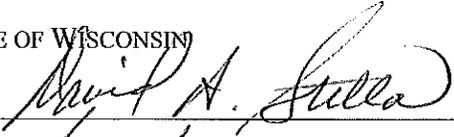
Attest by: 
Date: July 19, 2010

DELOITTE CONSULTING LLP

By: 
Title: Principal

Attest by: 
Date: 8/16/10

STATE OF WISCONSIN

By: 
Title: Secretary