



STATE OF WISCONSIN  
Department of Employee Trust Funds  
Robert J. Conlin  
SECRETARY

Wisconsin Department  
of Employee Trust Funds  
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## Correspondence Memorandum

**Date:** February 25, 2019  
**To:** Employee Trust Funds Board (Board)  
**From:** Bonnie Cyganek, Deputy Administrator  
Division of Management Services  
**Subject:** Board Authority Contracts Update

**This memo is for informational purposes only. No Board action is required.**

### Statutory Background

The Board is granted authority under Wisconsin statutes to enter into contracts necessary for the administration of the public trust fund. The relevant statutory provisions are listed below.

Under s.40.03(1)(c) Wis. Stat., the Board may employ or select any medical, legal, and other independent contractors as are required for the administration of the fund.

Pursuant to s.40.03(1)(d) Wis. Stat., the ETF Board shall select and retain an actuary or an actuarial firm, under one or more contractual agreements which shall run to the department for the purpose of performing all actuarial services which are necessary for the operation and control of each of the benefit programs under Chapter 40. The Board shall determine the requirements and qualifications of the actuary, determine the contractual terms and conditions including contract duration, and determine the procedure for selection of actuaries. Under s.40.03(1)(d)4. the Board shall direct the secretary to sign on behalf of the department any contractual agreement approved by the Board.

Under s.40.03(1)(L), the Board may delegate powers and duties as deemed necessary or desirable.

Reviewed and approved by Pamela Henning, Assistant Deputy Secretary

Electronically Signed 3/7/19

Board	Mtg Date	Item #
ETF	3.21.19	6E

## **Current Status of Active Board Contracts**

### Transformation Integration and Modernization (TIM) Consulting Services

Under delegation from the Board in December 2011, a contract was executed in July 2012 with LRWL, Inc. for consulting services to assist ETF with business process re-engineering and information technology upgrades, for an initial five-year term. The contract has been extended to December 31, 2019. There is one optional, two-year renewal period remaining.

### Actuary Services

Actuary services for the Wisconsin Retirement System are currently provided by Gabriel Roeder Smith & Company (GRS) through an evergreen contract, which continues until cancelled. Annual renewals are not completely automatic, as they involve review of the vendor's performance by ETF, the Board and negotiation of an inflationary cost increase.

Actuary services for disability programs and the Group Life Insurance program under the purview of the Group Insurance Board are currently provided by Milliman, Inc., through an evergreen contract structured in the same manner as the GRS contract. This contract has been amended to include an actuarial audit of the valuation of the Sick Leave Conversion Credit program, conducted by GRS. Procurement delegation for the actuarial audit services was granted by the Board to the ETF Secretary at its December 13, 2018 meeting.

In addition, the Group Insurance Board contract with Segal Consulting for actuary services for the health insurance programs is being amended to include actuarial audit services for the valuations conducted by Milliman, Inc. for the Income Continuation Insurance Program and the Duty Disability program.

### Federal Tax Counsel

The current contract with Ice Miller, LLP, expires June 30, 2019. It has two one-year renewal periods available. Before June 30, ETF will enter into an amendment for a one-year contract extension.

### Pension Administration Benchmarking

ETF is continuing to participate in the annual survey by CEM Benchmarking Inc., under the Board's September 2018 delegation to the Secretary to continue procuring these services. Fiscal year 2018 results will be presented to the Board later this year.

## **Pending Contract Activity**

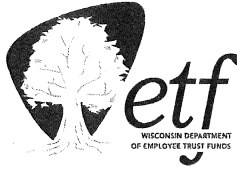
Contract Compliance Audit Services. ETF issued the attached notice of intent to award on February 1, 2019, and anticipates executing contracts resulting from an October 2018 Request for Proposals (RFP) for compliance audit services for multiple programs. The Board delegated authority to the ETF Secretary for this RFP and award of contracts at its March 2018 meeting.

**Future Contract Updates**

Updates on current contracting activity will be provided at all future Board meetings.

Staff will be available at the meeting to address any questions.

Attachment: Notice of Intent to Award a Contract



State of Wisconsin  
Department of Employee Trust Funds  
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February 1, 2019

To Whom It May Concern:

On behalf of the Employee Trust Funds Board and the Deferred Compensation Board, and pursuant to Chapter 40 of the Wisconsin Statutes, the State of Wisconsin Department of Employee Trust Funds intends to contract with the following vendors for the Request for Proposals listed below:

RFP#	RFP Title	Vendor
ETH0039	Compliance Audit Services for IRC Section 125 Cafeteria Plan and Employee Reimbursement Accounts (ERA) Program	Wipfli
ETH0040	Compliance Audit Services for Health Savings Accounts (HSA) Program	Wipfli
ETH0041	Compliance Audit Services for Commuter Fringe Benefits Accounts (Commuter) Program	Wipfli
ETH0042	Compliance Audit Services for Pharmacy Benefit (PBM) Program	PillarRx
ETH0043	Compliance Audit Services for Income Continuation Insurance (ICI) Program	Wipfli
ETH0044	Compliance Audit Services for Life Insurance (Life) Program	Wipfli
ETH0045	Compliance Audit Services for Uniform Dental Benefits (Dental) Program	Claim Technologies, Inc.
ETH0048	Compliance Audit Services for Wisconsin Deferred Compensation (WDC) Program	Wipfli

This letter is a notice of intent to contract and does not constitute a contractual commitment.

Sincerely,

**Joanne Klaas** | Contracts Specialist  
Budget, Contract Administration & Procurement  
Wisconsin Department of Employee Trust Funds | [etf.wi.gov](http://etf.wi.gov)  
608 261-7247 | 877 533-5020

cc: RFP Proposers: Wipfli, Claim Technologies, Inc., PillarRx  
RFP Evaluation Committee  
ETF Procurement File, ETF Secretary's Office, ETF Office of Legal Services