



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

Wisconsin Department
 of Employee Trust Funds
 PO Box 7931
 Madison WI 53707-7931
 1-877-533-5020 (toll free)
 Fax 608-267-4549
 etf.wi.gov

Correspondence Memorandum

Date: May 22, 2020
To: Employee Trust Funds Board
From: Tim Steiner, Director
 Bureau of Budget, Contract Administration and Procurement
Subject: Procurement, Contract, and Program Appropriation Charging Updates

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

Current Status of Active ETF Board Contracts and other Procurements

Federal Tax and Contract Counsel

An amendment was signed by the ETF Secretary with Ice Miller LLP to extend services through June 30, 2021 and update rates. This is the final extension available under the current contract.

Actuarial Services for the Wisconsin Retirement System and Related Programs

An amendment was signed by the ETF Secretary with Gabriel, Roeder, Smith & Company (GRS) to assess the potential impact of COVID-19 on the Wisconsin Retirement System. This includes \$40,000, with a presentation of the results to the Board planned for later this year.

Insurance Administration System

Vendor responses to the Request for Proposals (RFP) to replace insurance administration legacy systems were received on May 13, 2020 and are under review by an evaluation committee.

Master Data Management (MDM) Software

A Request for Information (RFI) was released on May 4, 2020. ETF answered vendor questions until May 20, and vendor responses will be due June 5, 2020. The information gathered from this RFI will be used to determine the procurement method for the best solution to meet master data management requirements for the modernization program.

Application Programming Interface (API) and Event Management (EM) Software

A Request for Information (RFI) was released on May 11, 2020, and vendor responses will be due June 12, 2020. The information gathered from this RFI will be used to determine the procurement method for the best solution to meet data integration requirements for the modernization program.

Reviewed and approved by Pamela Henning, Assistant Deputy Secretary

Pamela L Henning

Electronically Signed 6/5/20

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ETF	6.18.20	6I

Professional Staffing Services

Vendor responses to the RFP are under review by an evaluation committee. The evaluation committee is convened and reviewing proposals for the staffing services RFP. The goal is to award and negotiate a contract by July 1, 2020 for hiring contractors for non-IT functions such as benefits specialists and accountants.

Program Appropriation Charges

At the March ETF Board meeting, we committed to routinely report to the board on all non-benefit disbursements charged to ETF's benefit program appropriations. Information on these charges for the one-year period ending on March 31, 2020 are reported below. Reported costs include Third-Party Administration (TPA) and data warehouse and analytical service expenses. Costs reported do not include:

- indirect expenses that are charged to ETF's operational appropriations, such as: staff salaries and fringe benefits, travel/training, rent, contract staff, and other contractual services; or
- benefit disbursements made to participants.

For additional background information on this topic, please refer to ETF's prior Program vs. Administrative Cost memorandum provided to the ETF Board on March 26, 2020 (Item # 6C).

Non-Benefit Disbursements Charged to ETF Benefit Program Appropriations¹

Expense Summary	2nd Quarter Calendar 2019	3rd Quarter Calendar 2019	4th Quarter Calendar 2019	1st Quarter Calendar 2020	One-year Ending 3/31/20
Third Party Administration					
Health Insurance	\$5,774,622	\$4,462,698	\$4,400,138	\$4,612,298	\$19,249,756
Income Continuation Insurance	564,825	753,100	564,825	564,825	2,447,575
ERA and Commuter Benefits	298,346	147,722	220,737	330,716	997,521
Wisconsin Retirement System	99,675	132,900	99,675	99,675	431,925
Other Administrative					
Health Data Warehouse	\$94,250	\$180,765	\$103,370	\$124,670	\$503,055
Total Costs	\$6,831,718	\$5,677,185	\$5,388,745	\$5,732,184	\$23,629,832

¹ Information is presented on a cash rather than accrual basis. Life Insurance TPA expenses are not included in the summary above. This information will be incorporated in future reporting. For the one-year period from July 1, 2018 to June 30, 2019, Life Insurance administration costs were approximately \$1,538,370.

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