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Correspondence Memorandum

Date: April 19, 2021
To: Employee Trust Funds Board
From: Michelle Baxter, Director, Office of Enterprise Initiatives
Subject: Contract Extension – Transformation, Integration and Modernization Consulting Services

The Department of Employee Trust Funds (ETF) requests the Employee Trust Funds Board (Board) approve a two-year extension for the following ETF contract with The Segal Company: ETB0033 for Transformation, Integration and Modernization (TIM) Consulting Services for the period January 1, 2022, through December 31, 2023.

Background

Based on ETF’s recommendation, on December 1, 2011, the Board delegated authority to solicit proposals from qualified firms to assist with technology upgrades and business process re-engineering, under Wis. Stat. § 40.03(1)(c), to ETF’s Secretary (Ref. ETF | 12.1.11 | 4F). In April 2012 ETF issued a Request for Proposals (RFP).

At its June 21, 2012 meeting, the Board approved the recommendation of ETF to award a contract to LRWL Incorporated (LRWL) through December 31, 2017, with the option for two, two-year extensions (through December 31, 2021), for consulting services associated with implementing a new benefit system (Ref. ETF | 6.21.12 | 6). On July 12, 2012, the Board entered into a contract with LRWL for the aforementioned services and contract term.

In 2019, the Segal Company (Segal) assumed LRWL assets, including ETF’s contract. Work under the contract continues to be provided by former LRWL staff (now Segal staff). ETF continues to move forward with efforts to modernize. One key component of the modernization effort is focused on ETF’s legacy information technology systems. These include an enterprise content manager, insurance administration system (IAS), pension administration system, and various integration and data tools. These systems support of our strategic plan goals to create an effortless customer experience and implement modern, secure, and resilient information technologies.

Reviewed and approved by John Voelker, Secretary

Electronically Signed 5/27/21

Board	Mtg Date	Item #
ETF	6.17.21	4D

The continuation of Segal's services is required to provide sustained project management oversight across modernization projects, including assisting with the IAS contracting and implementation without significant disruption and added risk to the efforts currently underway. Segal has remained a good partner in honoring the LRWL rates for the last two years. We do expect an increased rate for this extension but anticipate it will be lower than if we were to rebid the contract, resulting in additional savings. In addition, Segal has extensive knowledge of ETF systems and finding a suitable replacement that shares ETF's future vision, may prove to be difficult and time consuming; time ETF unfortunately does not have without delaying our modernization efforts.

ETF recommends the Board approve a Segal contract extension for the period January 1, 2022 through December 31, 2023. Staff will be available at the June 17, 2021 meeting to answer questions.