

**02/03/2014**

**PROFESSIONAL  
SERVICES  
CONTRACT  
AMENDMENT**

<TARGET><BILL></BILL><SUBJECT>02-03-2014 PROFESSIONAL  
SERVICES CONTRACT  
AMENDMENT</SUBJECT><COMM>SF IN28</COMM></TARGET>

# DRAFT

## PROFESSIONAL SERVICES CONTRACT AMENDMENT BETWEEN

HAY GROUP, INC.

AND

SENATE FINANCE COMMITTEE  
STATE CAPITOL  
JUNEAU, AK 99801

TOTAL AMOUNT OF THIS AMENDMENT: \$150,000.00

TOTAL AMOUNT OF CONTRACT AS AMENDED: \$450,027.00

The parties to this contract amendment, made and entered into the date the Legislative Affairs Agency Executive Director or her designee signs the contract, are the Senate Finance Committee, whose address is 120 4<sup>th</sup> Street, State Capitol, Juneau, Alaska 99801-1182, hereinafter referred to as the "Committee", and Hay Group, Inc., whose address is 4301 N Fairfax Drive, Suite 600, Arlington, VA 22203, hereinafter referred to as the "Consultant".

This document amends the August 26, 2013, professional services contract between the Committee and the Consultant.

### IT IS THEREFORE MUTUALLY AGREED THAT:

1. **CLAUSE II – PERIOD AND DATES OF PERFORMANCE, IS AMENDED TO READ AS FOLLOWS:**

Work under this contract shall begin on the date the contract is signed by the Executive Director of the Legislative Affairs Agency. The contract terminates June 30, 2014.

2. **PARAGRAPH (E) OF CLAUSE III – COMPENSATION, IS AMENDED TO READ AS FOLLOWS:**

(E) Total payments under this contract, including reimbursement of expenses under (A) of this clause, may not exceed \$450,027.00.

3. AUTHORIZATION; CERTIFICATION

Execution of this contract amendment was authorized by a majority of the members of the Senate Finance Committee at a meeting on February 3, 2014.

Certification of this contract by the Legislative Affairs Executive Director or her designee hereby constitutes a certification that funds are available in an appropriation to pay for the work performed under this contract amendment.

**IN WITNESS WHEREOF**, the parties have executed this contract amendment on the dates indicated below:

CONSULTANT:  
HAY GROUP, INC.

COMMITTEE:  
STATE OF ALASKA  
SENATE FINANCE COMMITTEE

**DRAFT**

**DRAFT**

\_\_\_\_\_  
John Hennessy                      Date  
Senior Principal  
Business License No.: 930170  
Tax Identification No.: 52-1690841

\_\_\_\_\_  
Senator Kevin Meyer              Date  
Co-Chair  
Senate Finance Committee  
Procurement Officer

**DRAFT**

\_\_\_\_\_  
Senator Pete Kelly                Date  
Co-Chair  
Senate Finance Committee

PROJECT DIRECTOR:

APPROVED AS TO FORM:

**DRAFT**

**DRAFT**

\_\_\_\_\_  
Senator Anna Fairclough      Date

\_\_\_\_\_  
Legal Counsel                      Date

CERTIFYING AUTHORITY:

**DRAFT**

\_\_\_\_\_  
Pamela A. Varni                Date  
Executive Director  
Legislative Affairs Committee

PROFESSIONAL SERVICES CONTRACT BETWEEN

HAY GROUP, INC.

AND

SENATE FINANCE COMMITTEE  
STATE CAPITOL  
JUNEAU, AK 99801

CONTRACT AMOUNT: \$300,027.00

The parties to this contract, made and entered into the date the Legislative Affairs Agency Executive Director or her designee signs the contract, are the Senate Finance Committee, whose address is 120 4<sup>th</sup> Street, State Capitol, Juneau, Alaska 99801-1182, hereinafter referred to as the "Committee", and Hay Group, Inc., whose address is 4301 N Fairfax Drive, Suite 600, Arlington, VA 22203, hereinafter referred to as the "Consultant".

**THE PURPOSE OF THIS CONTRACT** is to provide consulting services to provide actuarial analysis of consolidating public school employees in Alaska under a state-managed group health insurance program for the purposes of reducing current, and containing future, costs of health benefit programs for school districts in Alaska.

**IT IS THEREFORE MUTUALLY AGREED THAT:**

**CLAUSE I – GENERAL: STATEMENT OF SCOPE OF WORK: RELATED PROVISIONS**

This Contract is established as a result of Request for Proposals No. 593 ("State Managed Group Health Insurance Program for Alaska Public School Employees") (RFP). The RFP, the amendments to the RFP, and the Consultant's 7-15-13 Cost Proposal and Technical Proposal (jointly referred to as "Offer") are incorporated into and made a part of this Contract as Exhibits A, B, and C. The Consultant shall perform the work that is described in the RFP according to and as described in the RFP and the Offer. If there is a conflict between the RFP and the Consultant's Offer, the RFP will govern.

**CLAUSE II - PERIOD AND DATES OF PERFORMANCE**

Work under this Contract shall begin on the date the contract is signed by the Executive Director of the Legislative Affairs Agency. The Contract terminates May 1, 2014.

**CLAUSE III - COMPENSATION**

- (A) The Consultant shall be paid \$300,027 in total for all work specified in the Contract. This amount includes reimbursement for expenses identified on Consultant's Cost Proposal in the Offer.

- (B) Payment shall be based on monthly billings provided by the Consultant. Billings shall include the items required for time records by section 1.26 of the RFP ("Records; Audit")
- (C) The Project Director must approve a monthly billing before it may be paid.
- (D) If a payment is not made within 90 days after the Committee has received a proper billing, the Committee shall pay interest on the unpaid balance of the billing at the rate of 1.5 percent per month from, and including, the 91<sup>st</sup> day through the date payment is made. A payment is considered made on the date it is mailed or personally delivered to the Consultant.
- (E) Total payments under this Contract, including reimbursement of expenses under (A) of this clause, may not exceed \$300,027.00.

#### **CLAUSE IV – EXPENSES AND DUPLICATION**

- (A) Except as may be otherwise provided by Clause III and (B) of this clause, the Alaska business license, office space, equipment, supplies, clerical support and other expenses that are necessary for the Contractor to carry out the Contractor's obligations under this Contract shall be supplied and paid by the Contractor at no cost to the Division.
- (B) Duplicates of any material or other items produced under this Contract may be produced by the Division; the office space, equipment, supplies, clerical support, and other expenses required for duplication shall be supplied by the Division.

#### **CLAUSE V – BREACH OF CONTRACT**

Section 1.12 ("Breach of Contract") of the RFP is amended to read:

1.12 Breach of Contract: Except as otherwise provided in this section, in case of a breach of the contract, for whatever reason, by the Consultant, the Committee may procure the services from other sources and hold the Consultant responsible for damages resulting from the breach. Except for a judicial determination of fraud or bad faith, under no circumstances shall either party be liable to the other party, its agents, successors or assigns, for any lost revenue, lost profits, or any other incidental, indirect, punitive, or consequential damages, even if the party has been advised of the possibility of such damages, regardless of the theory of recovery; this sentence may not be interpreted to prevent the Consultant from being liable for the costs of the Committee to resolicit for a new contract, or for other administrative costs, caused by a breach by the Consultant.

#### **CLAUSE VI – VENUE**

In the event that the parties to the Contract find it necessary to litigate the terms of the Contract, venue shall be State of Alaska, First Judicial District, at Juneau, and the Contract shall be interpreted according to the laws of Alaska.

#### **CLAUSE VII - PROJECT DIRECTOR**

The Project Director is Senator Kevin Meyer. The Project Director serves at the discretion of the Committee and may be replaced by the Committee with notice to the Consultant.

#### **CLAUSE VIII – TIME**

Time is of the essence for this Contract.

**CLAUSE IX - AUTHORIZATION; CERTIFICATION**

Execution of this Contract was authorized by a majority of the members of the Senate Finance Committee at a meeting on July 19, 2013.

Certification of this Contract by the Legislative Affairs Committee Executive Director or her designee hereby constitutes a certification that funds are available in an appropriation to pay for the Committee's monetary obligations under the Contract through May 1, 2014.

**CLAUSE X - MODIFICATION AND PREVIOUS AGREEMENTS**

This Contract contains all terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind either of the parties to this Contract. This Contract may not be modified unless in writing and signed by the parties to this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract on the dates indicated below:

CONTRACTOR:  
HAY GROUP, INC.

*John Hennessy*      *08/09/2013*

\_\_\_\_\_  
John Hennessy                      Date  
Senior Principal  
Business License No.: 930170  
Tax Identification No.: 52-1690841

COMMITTEE:  
STATE OF ALASKA  
SENATE FINANCE COMMITTEE

*Kevin Meyer*      *8-15-13*

\_\_\_\_\_  
Senator Kevin Meyer              Date  
Co-Chair  
Senate Finance Committee  
Procurement Officer

*Pete Kelly*

\_\_\_\_\_  
Senator Pete Kelly              Date  
Co-Chair  
Senate Finance Committee

CERTIFYING AUTHORITY:

*Pamela A. Varni*      *8/26/13*

\_\_\_\_\_  
Pamela A. Varni                      Date  
Executive Director  
Legislative Affairs Committee

APPROVED AS TO FORM:

*Theresa L. Gunnist*      *8-7-13*

\_\_\_\_\_  
Theresa L. Gunnist                      Date  
Legal Counsel