

PERSONAL SERVICE AGREEMENT

CO-802A REV. 2/08

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER

1. PREPARE IN QUADRUPPLICATE
2. THE STATE BUSINESS UNIT AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS SET FORTH BY THE OFFICE OF POLICY AND MANAGEMENT PERSONAL SERVICE AGREEMENT STANDARDS AND PROCEDURES.

10 OSC 0010 AA

		(1) <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> AMENDMENT		(2) IDENTIFICATION NO. P.S. 2011 9740	
CONTRACTOR	(3) CONTRACTOR NAME Milliman, Inc.			(4) ARE YOU PRESENTLY A STATE EMPLOYEE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
	CONTRACTOR ADDRESS 80 Lamberton Road, Windsor, CT 06005-2026			CONTRACTOR FEIN/SSN - SUFFIX 91-0675641	
STATE AGENCY	(5) AGENCY NAME AND ADDRESS Office of the State Comptroller, 55 Elm Street, Hartford, CT 06016				
CONTRACT PERIOD	(6) DATE (FROM)	THROUGH (TO)	(7) INDICATE		
	10/01/2010	9/30/2014	<input type="checkbox"/> MASTER AGREEMENT <input checked="" type="checkbox"/> CONTRACT AWARD NO. <input type="checkbox"/> NEITHER		
CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELED BY THE STATE BUSINESS UNIT, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT)				(8) REQUIRED NO. OF DAYS WRITTEN NOTICE 30
	(9) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.) See attached Agreement				
COST AND SCHEDULE OF PAYMENTS	(10) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES. See Agreement, Attachment I				
	* Obligated amount excludes investment consulting services, which are to be paid by ING from administrative account for 457, 403(b) plans and Alternate Retirement Program (no State funds)				

(11) OBLIGATED AMOUNT										
										\$3,692,980
(12) AMOUNT	(13) FUND	(14) DEPARTMENT	(15) SID	(16) PROGRAM	(17) ACCOUNT	(18) PROJECT/GRANT	(19) CHARTFIELD 1	(20) CHARTFIELD 2	(21) BUDGET REFERENCE	
									11 FEB 16 PM 04:27	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121 (d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS		(22) STATUTORY AUTHORITY CGS §§5-259, 5-264, 3-112	
(23) CONTRACTOR OWNER OR AUTHORIZED SIGNATURE	TITLE PRINCIPAL + CONSULTING SERVICES	DATE DEC. 23, 2010	
(24) AGENCY (AUTHORIZED OFFICIAL)	TITLE State Comptroller	DATE 12/30/10	
(25) OFFICE OF POLICY & MANAGEMENT/DEPARTMENT OF ADMINISTRATIVE SERVICES	TITLE	DATE	
(26) ATTORNEY GENERAL (APPROVED AS TO FORM)	ASSOCIATE ATTORNEY GENERAL	DATE 2/9/11	

**Margaret Haering - Fwd: FW: Final Disposition for Personal Service Agreement
PSA 2011_9740**

From: THOMAS WOODRUFF
To: Haering, Margaret
Date: 1/31/2011 2:02 PM
Subject: Fwd: FW: Final Disposition for Personal Service Agreement PSA 2011_9740

>>> "Dakers, Robert" <Robert.Dakers@ct.gov> 1/31/2011 1:19 PM >>>
Tom, there was a snafu in our approval system, so sorry for the delay. Nancy has the note below

From: robert.dakers@ct.gov [mailto:robert.dakers@ct.gov]
Sent: Monday, January 31, 2011 1:18 PM
To: nancy.mcmahon@po.state.ct.us
Cc: Dakers, Robert
Subject: Final Disposition for Personal Service Agreement PSA 2011_9740

The Office of Policy and Management has Approved the following Personal Service Agreement PSA
Health Benefit Consulting (2011_9740)

Contractor: N/A
Effective Date: 10/1/10 - 9/30/14
Estimated Cost: \$3,692,980.00
Comments/Conditions: Office of the Secretary: Approved by RSD and Greg Messner and Karen Nolen, Budget 1-31-11

Robert Dakers
Executive Financial Officer

**AGREEMENT FOR
HEALTH AND OTHER EMPLOYEE
BENEFITS CONSULTING SERVICES**

THIS AGREEMENT "Contract" is made and entered into as of the 1st day of October 1, 2010, by and among **The Office of the Connecticut State Comptroller**, with its office located at 55 Elm Street, Hartford, CT 06106, hereinafter referred to as "Comptroller" or "OSC", on behalf of the State of Connecticut, and **Milliman, Inc.**, a firm of actuarial, employee benefits, healthcare and investment consultants, with headquarters in Seattle, WA, hereinafter referred to as "Milliman" or "Contractor".

RECITALS

WHEREAS, the OSC is responsible pursuant to Section 5-259 of the Connecticut General Statutes for procuring and administering a group hospitalization and medical and surgical healthcare benefit coverage for State employees and retirees, and for procuring healthcare coverage for enrollees of the Municipal Health Insurance Program ("MEHIP"); and

WHEREAS, the OSC is responsible for administering the State of Connecticut Deferred Compensation Section 457 Plan ("457 Plan") and the State of Connecticut 403(b) Plan ("403(b) Plan"), pursuant to Sections 5-264 and 264a of the Connecticut General Statutes; and

WHEREAS, the Connecticut State Employees Retirement Commission, pursuant to Section 5-155a(f) of the Connecticut General Statutes, has delegated to the OSC power to administer the State of Connecticut Alternate Retirement Program ("ARP"); and

WHEREAS, OSC is responsible for administering the State of Connecticut Flexible Medical Spending Account Program and other cafeteria benefit plans pursuant to Sections 5-264b and 5-264d of the Connecticut General Statutes; and

WHEREAS, OSC is empowered pursuant to Section 3-112 of the Connecticut General Statutes to enter into contractual agreements as may be necessary to discharge the above duties; and

WHEREAS, on July 15, 2010, OSC, pursuant to its responsibility to procure and administer health care benefits and to administer the 457 Plan, the 403(b) Plan and the ARP, and other employee benefit programs, issued a Request for Proposals (“RFP”), for the purposes stated therein, including the selection of one or more providers of health, investment and other employee benefit consulting services.

WHEREAS, Contractor has been selected by the OSC for the award of this Contract;

NOW, THEREFORE, intending to be legally bound the parties to this Contract agree as follows:

1. **EFFECTIVE DATE** – This Contract covers the period from October 1, 2010 through September 30, 2014, unless the parties agree to extend the Agreement for an additional term not to exceed one year.
2. **DESCRIPTION OF SERVICES**—(A) During the term of this Contract, the Contractor shall provide the OSC with a full range of consulting services in connection with the OSC’s responsibility to procure and manage a health benefit program for employees, retirees and eligible dependents and enrollees in MEHIP and to administer the 457 Plan, the 403(b) Plan and the ARP (“the defined contribution plans”), and to

implement a medical flexible spending account program and other cafeteria benefit plans, all as set forth above.

(B) Milliman will monitor the State's health benefit programs and interface with the administrative service organizations, pharmacy benefit managers and carriers serving those plans, hold meetings with state staff at least monthly, and provide support for and attendance at monthly Health Care Cost Containment Committee ("HCCCC") meetings. Milliman will conduct and present analyses of health vendor data, brief staff on legislative and market updates and new developments in public sector health benefit issues, and make recommendations for improvements. Milliman health benefit consulting services shall include, but be not limited to, the following:

1. Data-gathering and analytic support to representatives of the OSC for administration, review and evaluation of the state health plans and the MEHIP;
2. Develop analytic reports for the OSC and the HCCCC using claims data from state health benefit plan vendors;
3. Review existing programs, identify and recommend changes in plan provisions, alternative delivery systems, financing alternatives, employee contributions and other areas, as appropriate;
4. Manage the competitive procurement process for state health benefit plans, including development of RFP documents, drafting performance guarantees, analyzing proposals, summarizing bid findings, conducting finalist interviews and assisting with selection of the successful vendors;
5. Assist with plan design and implementation of any new plans or vendors;
6. Review, analyze and negotiate carrier renewal proposals for insured products;

7. Provide ongoing program management support services.

(D) Milliman will perform investment consulting and/or investment monitoring for the State's defined contribution plans, review the adequacy of investment options, education, communications and participant investment outcomes, monitor performance of stable value managers, assist with selection of investment managers, and provide ongoing support services, as required.

(E) Milliman will provide General Consulting Services including but not limited to:

1. Medicare Part D subsidy application, actuarial attestation, retiree communications;
2. Submission of claims data for the Early Retiree Reimbursement Program ("ERRP") subsidy;
3. Responding to requests from the Legislature;
4. Such additional services as may be required.

3. PAYMENT

Contractor shall invoice OSC in arrears, no more frequently than monthly. Submission of detailed invoices, with any supporting documentation, shall be subject to review and approval by OSC. The Cost and Schedule of Payments is set forth in Attachment I. Contractor shall invoice consulting services provided in connection with administration of the defined contribution plans separately. Invoices must specify the Contractor's name, the Contract Number, the Contractor's Federal Employer Identification Number, and the billing period.

4. **PERFORMANCE GUARANTEE**—Milliman agrees that 3% of its proposed fees will be at risk. In the event that OSC is not satisfied any aspect of its consulting services the fee for such service will be reduced by 3%.

5. **TERMINATION**—This agreement shall remain in full force and effect for the entire term of the contract period unless canceled by OSC by giving Milliman written notice, as follows:

(A) **Termination for Cause**—If for any reason, the Contractor shall fail to fulfill in a timely and proper manner its obligations under this Agreement, the State shall thereupon have the right to terminate this Agreement by giving at least (30) days written notice before the effective date of such termination, specifying the reasons for the termination. In such event, all records and data prepared by the Contractor under this Agreement shall become available for audit. The Contractor shall not be relieved of liability to the State for damages sustained by the State by virtue of any breach of the Agreement by the Contractor, and the State may withhold any payments to the Contractor for the purposes of set-off until such time as the exact amount of damages to the State is determined.

(B) **Termination for Convenience**—The State or the Contractor may terminate this Agreement for convenience any time by giving Milliman at least 60 days written notice. If the agreement is terminated by the State as provided herein, the Contractor will be paid an amount equal to the costs actually incurred under the Agreement, less payments previously made.

(C) **Termination for Reduction or Termination of Funds** —The State reserves the right to cancel the Agreement without prior notice when funding for the contract is no

longer available.

(D) The State reserves the right to recoup any deposits, prior payment, or advance payment made to Contractor.

6. PERSONNEL—At all times, Contractor shall utilize approved, qualified personnel necessary to perform the services under this Agreement.

(A) Contractor shall advise Comptroller promptly, in writing, of any labor-related occurrence known to Contractor involving its employees which may reasonably be expected to affect Contractor's performance of services under this agreement. Comptroller may then, at its option, ask Contractor to arrange for a temporary employee(s) or subcontractor(s) satisfactory to the State to provide the Services otherwise required by the Contractor.

(B) If at any time Comptroller, in its sole discretion, determines that the personnel assigned to perform the services under this agreement are incompetent, dishonest or uncooperative or determines that the performance of services is not satisfactory for any reason, Comptroller reserves the right to request that the Contractor reassign personnel and arrange for an employee(s) or subcontractor(s) satisfactory to Comptroller to provide the services otherwise performable by the Contractor hereunder.

(C) Contractor shall review any requests by Comptroller to reassign personnel. In requesting the reassignment of personnel, Comptroller shall give thirty (30) days notice to contractor of Comptroller's desire for such reassignment. Contractor will then have fifteen (15) days to investigate the situation and attempt, if it so desires, to resolve the situation to the mutual satisfaction of the parties. Should the parties not reach a mutual resolution, then fifteen (15) days thereafter, or thirty (30) days from the date of the notice

of reassignment, Comptroller may terminate this agreement by providing written notice.

7. APPLICABLE LAW AND LITIGATION—This contract shall be governed by, construed, and enforced in accordance with the laws and court decisions of the State of Connecticut without giving effect to its conflict of law principles. Contractor agrees that the sole and exclusive means for the presentation of any claims against the State arising from this contract shall be in accordance with Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings in any State or Federal Court in addition to, or in lieu of, said Chapter 53 proceedings.

The Contractor shall provide written notice to the State of any litigation that relates to the services directly or indirectly financed under this Agreement or that has the potential to impair the ability of the Contractor to fulfill the terms and conditions of this Agreement, including but not limited to financial, legal or any other situation which may prevent the Contractor from meeting its obligations under the Agreement.

8. ENTIRE AGREEMENT—This agreement embodies the entire agreement between the State of Connecticut and Contractor on the matters set forth herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. No changes, amendments or modifications of any terms or conditions of the Agreement shall be valid unless reduced to writing and signed by both parties.

9. AMENDMENT OF THE CONTRACT—This Agreement may be amended by agreement of the parties from time to time to comply with requirements of Connecticut or federal law or to reflect experience under the Agreement. Any amendment hereto shall

be fully executed by the parties and approved by the Attorney General prior to its effective date. Formal written amendment of the contract is required for extensions to the final date of the contract period, to terms and conditions specifically stated in the original contract, and any prior amendments, including but not limited to: revisions to the cost of service, the contract's objectives, services or plan, due dates for reports, completion of objectives or services, and any other contract revisions determined to be material by the Comptroller.

10. ASSIGNMENT—The Contractor shall not be assign, transfer or subcontract any interest in or performance under this Contract without the express prior written consent of the OSC.

11. INDEMNITY— Contractor hereby agrees to indemnify, defend, and hold harmless the State, including its officers, employees and agents, and its affiliates, including their respective directors, officers, employees and agents, from and against any and all loss, liability, claim, suit or judgment, including reasonable attorneys fees arising out of the performance of this Agreement, whether arising before, during or after completion of the services hereunder and in any manner caused, occasioned or contributed to by reason of any act, omission, fault or negligence of Contractor or its employees, agents, affiliates or subcontractors.

12. SOVEREIGN IMMUNITY—Notwithstanding any provisions to the contrary contained in this Contract, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Contract.

13. INSURANCE—The Contractor, at its sole expense, agrees to secure and keep in full force and effect at all times during this Agreement sufficient insurance (liability and/or other) as applicable according to the nature of the service to be performed so as to “save harmless” the State of Connecticut from any insurable cause whatsoever, including any act or omission of the Contractor in providing services under this Agreement. If requested, certificates of such insurance shall be filed with the Comptroller prior to the performance of services.

14. AUDIT AND RECORDS—The Contractor shall maintain books, records, documents, program and individual service records and other evidence of its accounting and billing procedures and practices, which sufficiently reflect all direct and indirect costs of any nature in the performance of this contract.

(A) The Contractor agrees to provide access to Comptroller, or where applicable, State and federal agencies, or any of their duly authorized representatives to any books, documents, papers, and records (including computer records) of the Contractor or subcontractor which are directly pertinent to performance of this contract, in order to conduct audits and examinations, and make excerpts, transcripts, and photocopies; this right also includes timely and reasonable access to Contractor’s personnel for the purpose of interviews and discussions related to such documents.

(B) The Contractor shall preserve and make available all financial records, supporting documents, statistical records, and all other pertinent records for each funding period for a period of three years. The retention period shall start from the date of submission of the final invoice for that funding period. The aforementioned records shall be retained beyond the prescribed period, if any litigation or audit is begun or if a

claim is instituted involving this contract. In these instances the records shall be retained until the litigation, audit or claim has been finally resolved.

(C) All costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers or other official documentation evidencing in proper detail the nature and proprietary of charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to this agreement shall be directly identified and readily accessible.

(D) The Contractor shall comply with all state and federal auditing requirements, including, where applicable, the requirements of Connecticut General Statutes Section 7-396a.

15. NOTICES—Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally or by mail. Notices will be effective if delivered personally or, if by mail, upon receipt, to the following addresses:

STATE: Office of the Comptroller
55 Elm Street
Hartford, Connecticut 06106
Attention: Thomas C. Woodruff, Ph.D., Director
Healthcare Policy & Benefit Services Division

CONTRACTOR: Milliman, Inc
80 Lambertson Road
Windsor, CT 06095
Attn: William J. Thompson
Fax No: (860) 687-2111

The parties may change their respective addresses for notices under this paragraph upon prior written notification to the other.

16. PUBLIC RECORDS—In accordance with Connecticut General Statutes, Section 1-218, each contract in excess of two million five hundred thousand dollars between a public agency and a person for the performance of a governmental function shall (1) provide that the public agency is entitled to receive a copy of the records and files related to the performance of the governmental function, and (2) indicate that such records and files are subject to the Freedom of Information Act and may be disclosed by the public agency pursuant to the Freedom of Information Act. No request to inspect or copy such records or files shall be valid unless the request is made to the public agency in accordance with the Freedom of Information Act. Any complaint by a person who is denied the right to inspect or copy such files shall be brought to the Freedom of Information Commission in accordance with the provisions of Sections 1-205 and 1-206 of the Connecticut General Statutes.

17. NONDISCLOSURE—Except as necessary to perform the services, Contractor shall not release any information concerning identifiable State-claims information or data in the possession or knowledge of the Contractor pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the State. Where such disclosure is required, Contractor will provide advance notice to the State of the need for the disclosure and will not disclose absent consent from the State.

19. EXAMINATION OF CONTRACTOR'S RECORDS—The State or its representatives shall have the right at reasonable hours to examine any books, records and other documents of Contractor or its subcontractors pertaining to the services, claims, payments, decisions, appeals and any other matter pertinent to this Agreement provided

that the State or its representatives adhere to Contractor's security policies and procedures. The State will give Contractor or such subcontractor 72 hours notice prior to such intended examination. At the State's request, the Contractor shall provide the State with hard copies of any data or information on matters pertaining to the services performed under this Agreement, which data or information is in the possession or control of the Contractor.

20. CONFLICTS, ERRORS, OMISSIONS AND DISCREPANCIES—In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the State for clarification. The State shall issue such clarification within a reasonable period of time. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by Contractor prior to clarification by the State shall be at Contractor's risk.

21. NON-WAIVER—None of the conditions of this Agreement shall be considered waived by the State or the Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach of modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

22. ASSURANCES —The Contractor acknowledges that it has reviewed the requirements of Sections 4a-60 and 4a-60a of the Connecticut General Statutes as well as the Contract Compliance Regulations codified at Section 46a-68j-21 through 43 of the Regulations of Connecticut State Agencies, available on the Commission on Human Rights and Opportunities' web site at www.state.ct.us/chro under "Contract Compliance." The definitions, obligations, activities, procedures and standards as outlined and otherwise stated in Sections 4a-60 and 4a-60a of the Connecticut General Statutes as well

as the Contract Compliance Regulations codified at Section 46a-68j-21 through 43 of the Regulations of Connecticut State Agencies, are hereby incorporated by reference into and made a part of the Contract as if had been fully set forth.

(A) Non-Discrimination. The contractor agrees to the following provisions required pursuant to 4a-60a of the Connecticut General Statutes:

(a) For the purposes of this section, “minority business enterprise” means any small Contractor or supplier of materials fifty-one percent or more of the capitol stock, if any, or assets of which is owned by a person or persons. (1) who are active in the daily affairs of the enterprise; (2) who have the power to direct the management and policies of the enterprise; and (3) who are member of a minority, as such term is defined in subsection (a) of Connecticut General Statutes Section 32-9n; and “good faith” means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. “Good faith efforts” shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements. For purposes of this section, “Commission” means the Commission on Human Rights and Opportunities. For purposes of this section, “Public works contract” means any agreement between any individual, firm or corporation and the state or any political subdivision of the state other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the state, including but not limited to, matching expenditures, grants, loans, insurance or guarantees.

(b)(1) The Contractor agrees and warrants that in the performance of the Agreement such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an “affirmative action – equal opportunity employer” in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which the Contractor

has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this section and Connecticut General Statutes Sections 46a-68e and 46a-68f and with regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes Sections 46a-56, 46a-68e and 46a-68f; (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission and permit access to pertinent books, records and accounts, concerning the works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprise as subcontractors and suppliers of materials on employment practices and procedures of this Contractor as relate to the provisions of this section and Section 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

(c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices: affirmative advertising, recruiting; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(e) The Contractor shall include the provisions of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes Section 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Agreement and as they may be adopted or amended from time to time during the term of this Agreement and any amendments thereto.

(B) Non-discrimination Regarding Sexual Orientation - Unless otherwise provided by Connecticut General Statutes, Section 46a-51p, the Contractor agrees to the following provisions required pursuant to Section 4a-60a of the Connecticut General Statutes:

(a)(1) The Contractor agrees and warrants that in the performance of the Agreement such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding, and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Section 46a-56 of the Connecticut General Statutes; (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts concerning the employment practices and procedures of the Contractor which relate to provisions of this section and Section 46a-56 of the Connecticut General Statutes.

(b)The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on any subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for non compliance in accordance with Section 46a-56 of the Connecticut General Statutes provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

25. PROMOTION—Unless specifically authorized in writing by the State on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State:

- in any advertising, publicity, promotion; nor
- to express or to imply any endorsement of Contractor's products or services; nor
- to use the names of the State, its officials or employees, or the State Seal in any manner whether or not similar to uses prohibited by Subparagraphs (a)

and (b) above, except only to produce and deliver in accordance with this Agreement such items as are hereby contracted by the State.

26. EXECUTIVE ORDERS— The Contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, the State Agency shall provide a copy of these orders to the Contractor. The Contract may also be subject to Executive Order No. 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms and Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions.

27. INCORPORATION OF CERTIFICATES AND AFFIDAVITS—The following Certifications and Affidavits as listed below and as attached in Exhibit A will be executed by the Contractor contemporaneously with the execution of this subject Contract and returned to the Office of the State Comptroller with the executed Contract. Once executed, the following Certifications and Affidavits will be incorporated by reference into and made a part of the Contract as if they had been fully set forth:

- (a) Gift Certification: pursuant to Conn. Gen. Stat. §§ 4-250 and 4-252.
- (b) Campaign Contribution Certification: pursuant to Conn. Gen. Stat. § 4-250 and Conn. Gen. Stat. § 9-333n.

- (c) Consulting Agreement Affidavit: pursuant to Public Act 05-287.
- (d) Summary of State Ethics laws developed by the State Ethics Commission pursuant to section 1-81b of the Connecticut General Statutes.
- (e) Certification (Resolution) of Non-Discrimination: pursuant to Public Act 07-245 and Public Act 07-142.

By signing this Agreement, the Contractor acknowledges that it has reviewed the applicable statutes and regulations referenced by and in these Certifications and Affidavits and agrees to abide by such statutes and regulations. By executing these Certifications and Affidavits, the Contractor is affirming that it and its key employees have read, understand and agree to the provisions contained within these documents.

28. CAMPAIGN CONTRIBUTION RESTRICTION— For all State contracts as defined in P.A. 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See Exhibit A [SEEC Form 11].

29. WHISTLE BLOWING—This Agreement is subject to the provisions of §4-61dd of the Connecticut General Statutes. In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the contracting state or quasi-public agency or to the Auditors of Public Accounts or to the Attorney General under the provisions of subsection (a) of such statute, such contractor shall be for a civil penalty of

not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Agreement. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state contractor, as defined in the statute, shall post a notice of the provision of the statute relating to large state contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

30. SEVERABILITY—If any term or provision of the Contract or its application to any person, entity, or circumstance shall to any extent be held to be invalid or unenforceable, the remainder of the Contract or the application of such term or provision shall not be affected as to persons, entities or circumstances other than those to whom or to which it is held to be invalid or unenforceable. Each remaining term and provision of the Contract shall be valid and enforced to the fullest extent possible by law.

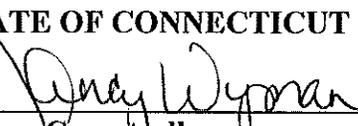
31. FORCE MAJEURE—None of the parties hereto shall be liable to the other for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond its control including, without limitation, strikes, boycotts, picketing, slow-downs, work stoppages or labor troubles of any other type, acts of God, wars, riots or national or local emergencies.

IN WITNESS WHEREOF, the parties execute this Agreement.

MILLIMAN, INC.

By: 
Title: PRINCIPAL & CONSULTING ACTUARY
Date: DEC 23, 2010

**OFFICE OF THE STATE THE
COMPTROLLER OF THE
STATE OF CONNECTICUT**

By: 
Title: Comptroller
Date: 12/30/10

**ATTACHMENT I
COST AND SCHEDULE OF PAYMENTS**

Hourly Fees Billing Rates

2010 Hourly Billing Rates are attached. For all services (not stated as maximum, fixed fee) Milliman agrees that hourly billing rates will increase by no more than the rate of inflation, defined as the national CPI-U, or 5% per year, whichever is less. Fees are net of expenses.

***Requests for Proposals**

During the four-year period of the contract, Milliman will provide consulting services in connection with Requests for Proposals. These services may be performed in any one of the four contract years, but are likely to be performed in Years Two and Three of the contract. The total maximum fixed fees for such services are as follows:

Medical RFP (ASO)	\$133,000
Dental RFP (Fully insured)	\$ 85,500
Prescription Drug RFP(ASO)	\$104,500

October 1, 2010 to September 30, 2011

a. Health and Employee Benefits Services (excluding investment consulting) will not exceed the sum of \$917,400*, comprised as follows:

Monthly Experience Reporting Package ProBand†		
Annual License Fee	\$150,000	Fixed
Hosting Fee - Reporting (\$8,000 per month)	\$ 96,000	Fixed
Risk Adjusters Annual License Fee	\$ 30,000	Fixed
Annual Benefit Consulting Services	\$193,500	Fixed
Medicare Part D Consulting Fee	\$ 7,500	Fixed
General Consulting Fee (includes GASB 45 valuation due 12/2010)	\$402,000	
Early Retirement Reinsurance Program (ERRP)		
Data Aggregation and HHS reporting (\$3,200 per month)	\$ 38,400	
	\$917,400	

†Includes preparation of Access database for use by State

b. Investment Consulting, Defined Contribution Retirement Plans

Not to exceed	\$ 50,000
---------------	------------------

October 1, 2011 to September 30, 2012

a. Health and Employee Benefits Services (excluding investment consulting) will not exceed the sum of \$925,400*, comprised as follows:

Monthly Experience Reporting Package ProBand†		
Annual License Fee	\$150,000	Fixed
Hosting Fee - Reporting (\$8,000 per month)	\$ 96,000	Fixed
Risk Adjusters Annual License Fee	\$ 30,000	Fixed
Annual Benefit Consulting Services	\$198,000	Fixed
Medicare Part D Consulting Fee	\$ 7,500	Fixed
General Consulting Fee	\$320,000	
Early Retirement Reinsurance Program (ERRP)		
Data Aggregation and HHS reporting (\$3,200 per month)	\$ 38,400	
Dental RFP (Fully insured)*	\$ 85,500	Fixed
	\$925,400	

†Includes preparation of Access database for use by State

b. Investment Consulting, Defined Contribution Retirement Plans
Not to exceed **\$ 55,000**

October 1, 2012 to September 30, 2013

a. Health and Employee Benefits Services (excluding investment consulting) will not exceed the sum of \$1,043,340*, comprised as follows:

Monthly Experience Reporting Package ProBand†		
Annual License Fee	\$ 150,000	Fixed
Fixed Hosting Fee - Reporting (\$8,000 per month)	\$ 96,000	Fixed
Risk Adjusters Annual License Fee	\$ 31,000	Fixed
Annual Benefit Consulting Services	\$ 203,940	Fixed
Medicare Part D Consulting Fee	\$ 7,500	Fixed
General Consulting Fee	\$ 279,000	
Early Retirement Reinsurance Program (ERRP)		
Data Aggregation and HHS reporting (\$3,200 per month)	\$ 38,400	
Medical RFP (ASO)*	\$ 133,000	Fixed
Prescription Drug RFP (ASO)*	\$ 104,500	Fixed
	\$1,043,340	

†Includes preparation of Access database for use by State

b. Investment Consulting, Defined Contribution Retirement Plans

Not to exceed \$ 60,000

October 1, 2013 to September 30, 2014

a. Health and Employee Benefits Services (excluding investment consulting) will not exceed the sum of \$806,840*, comprised as follows:

Monthly Experience Reporting Package ProBand†		
Annual License Fee	\$150,000	Fixed
Hosting Fee - Reporting (\$8,000 per month)	\$ 96,000	Fixed
Risk Adjusters Annual License Fee	\$ 32,000	Fixed
Annual Benefit Consulting Services	\$203,940	Fixed
Medicare Part D Consulting Fee	\$ 7,500	Fixed
General Consulting Fee	\$279,000	
Early Retirement Reinsurance Program (ERRP)		
Data Aggregation and HHS reporting (\$3,200 per month)	\$ 38,400	
	\$806,840	

†Includes preparation of Access database for use by State

b. Investment Consulting, Defined Contribution Retirement Plans
Not to exceed **\$ 65,000**



Certification of Corporate Secretary

State of Washington)

ss.

County of King)

Mary C. Clare, being first duly sworn upon oath, deposes and says:

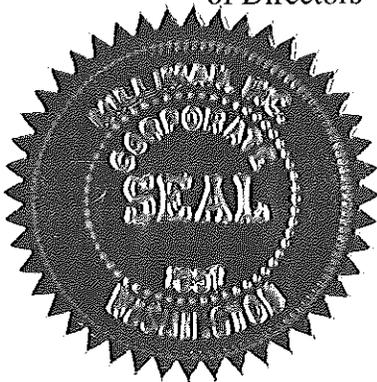
- 1. I am the duly qualified and acting Assistant Corporate Secretary of Milliman, Inc.
- 2. On December 3, 2002, the following resolution was duly adopted by the Board of Directors of the corporation and remains in effect.

BE IT HEREBY RESOLVED, that each Principal of the firm and any consultant meeting requirements established by the Board of Directors are hereby granted the authority to individually negotiate and enter into proposals, engagement letters, contracts, letters of intent, and other documents on behalf of the corporation for the purpose of providing consulting, actuarial, and other professional services.

3. William J. Thompson

is a duly elected and acting Principal of the firm

is a consultant of the firm who meets the requirements established by the Board of Directors

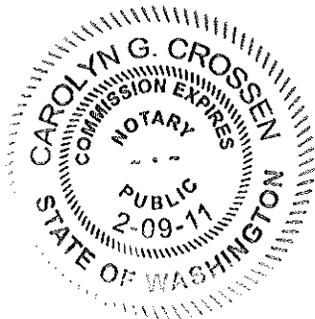


DATED this 22 day of December 2010

Mary C. Clare
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 22nd day of December 2010

Notary Public in and for the State of Washington residing at Shoreline, Washington.
My commission expires 02/09/2011.

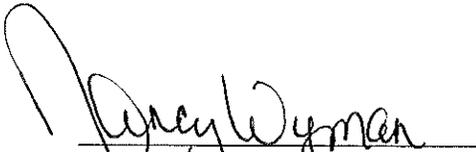


Office of the State Comptroller

Certification re: Authority to Execute Contracts

I, Nancy Wyman, Comptroller, am authorized to execute the attached contract on behalf of the Office of the State Comptroller. I hereby certify that the selection of the person, firm or corporation for the attached contract with a value of \$50,000.00 or more in a calendar or fiscal year was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

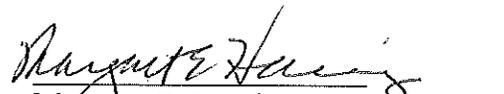
Sworn to as true to the best of my knowledge and belief, subject to the penalties of false statement.



Nancy Wyman

12/30/10
Date

Subscribed and sworn before me on this 30th day of December, 2010.



Margaret E. Haering
Commissioner of the Superior Court



STATE OF CONNECTICUT
GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Certification to accompany a State contract with a value of \$50,000 or more in a calendar or fiscal year, pursuant to C.G.S. §§ 4-250 and 4-252(c); Governor M. Jodi Rell's Executive Orders No. 1, Para. 8, and No. 7C, Para. 10; and C.G.S. §9-612(g)(2), as amended by Public Act 07-1

INSTRUCTIONS:

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution (and on each anniversary date of a multi-year contract, if applicable).

CHECK ONE: Initial Certification Annual Update (Multi-year contracts only.)

GIFT CERTIFICATION:

As used in this certification, the following terms have the meaning set forth below:

- 1) "Contract" means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) If this is an Initial Certification, "Execution Date" means the date the Contract is fully executed by, and becomes effective between, the parties; if this is an Annual Update, "Execution Date" means the date this certification is signed by the Contractor;
- 3) "Contractor" means the person, firm or corporation named as the contractor below;
- 4) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) "Gift" has the same meaning given that term in C.G.S. § 4-250(1);
- 6) "Planning Start Date" is the date the State agency began planning the project, services, procurement, lease or licensing arrangement covered by this Contract, as indicated by the awarding State agency below; and
- 7) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am the official authorized to execute the Contract on behalf of the Contractor. I hereby certify that, between the Planning Start Date and Execution Date, neither the Contractor nor any Principals or Key Personnel has made, will make (or has promised, or offered, to, or otherwise indicated that he, she or it will, make) any **Gifts** to any Applicable Public Official or State Employee.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding **Gifts** by providing for any other principals, key personnel, officials, or employees of the Contractor, or its or their agents, to make a **Gift** to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

CAMPAIGN CONTRIBUTION CERTIFICATION:

I further certify that, on or after December 31, 2006, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(g)(1), has made any **campaign contributions** to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(g)(2)(A). I further certify that **all lawful campaign contributions** that have been made on or after December 31, 2006 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(g)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:



STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Lawful Campaign Contributions to Candidates for Statewide Public Office:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>
NONE				

Lawful Campaign Contributions to Candidates for the General Assembly:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>
NONE				

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

William J. Thompson, FSA, MAAA
Printed Contractor Name

[Handwritten Signature]
Signature of Authorized Official

Subscribed and acknowledged before me this 6th day of December, 20010.

[Handwritten Signature]
Commissioner of the Superior Court (or Notary Public)



Annabella F. Ortiz
NOTARY PUBLIC
State of Connecticut
My Commission Expires
~~May 31, 2014~~

Awarding State Agency	Planning Start Date
Contract Number or Description	



STATE OF CONNECTICUT
NONDISCRIMINATION CERTIFICATION – Affidavit
By Entity
For Contracts Valued at \$50,000 or More

Documentation in the form of an affidavit signed under penalty of false statement by a chief executive officer, president, chairperson, member, or other corporate officer duly authorized to adopt corporate, company, or partnership policy that certifies the contractor complies with the nondiscrimination agreements and warranties under Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended

INSTRUCTIONS:

For use by an entity (corporation, limited liability company, or partnership) when entering into any contract type with the State of Connecticut valued at \$50,000 or more for any year of the contract. Complete all sections of the form. Sign form in the presence of a Commissioner of Superior Court or Notary Public. Submit to the awarding State agency prior to contract execution.

AFFIDAVIT:

I, the undersigned, am over the age of eighteen (18) and understand and appreciate the obligations of an oath. I am Principal and Consulting Actuary of Milliman, Inc., an entity
Signatory's Title Name of Entity

duly formed and existing under the laws of Connecticut.
Name of State or Commonwealth

I certify that I am authorized to execute and deliver this affidavit on behalf of
Milliman, Inc. and that Milliman, Inc.
Name of Entity Name of Entity

has a policy in place that complies with the nondiscrimination agreements and warranties of Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended.

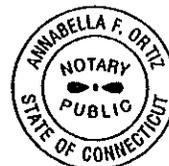
William J. Thompson
Authorized Signatory

William J. Thompson, FSA, MAAA
Printed Name

Sworn and subscribed to before me on this 6th day of December, 2010.

Annabella F. Ortiz
Commissioner of the Superior Court
Notary Public

May 31, 2014
Commission Expiration Date



Annabella F. Ortiz
NOTARY PUBLIC
State of Connecticut
My Commission Expires
May 31, 2014



STATE OF CONNECTICUT
AFFIRMATION OF RECEIPT OF STATE ETHICS LAWS SUMMARY

Affirmation to accompany a large State construction or procurement contract, having a cost of more than \$500,000, pursuant to Connecticut General Statutes §§ 1-101mm and 1-101qq

INSTRUCTIONS:

Complete all sections of the form. Submit completed form to the awarding State agency or contractor, as directed below.

CHECK ONE:

- I am a person seeking a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency with my bid or proposal. [Check this box if the contract will be awarded through a competitive process.]
I am a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency at the time of contract execution. [Check this box if the contract was a sole source award.]
I am a subcontractor or consultant of a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the contractor.

IMPORTANT NOTE:

Contractors shall submit the affirmations of their subcontractors and consultants to the awarding State agency. Failure to submit such affirmations in a timely manner shall be cause for termination of the large State construction or procurement contract.

AFFIRMATION:

I, the undersigned person, contractor, subcontractor, consultant, or the duly authorized representative thereof, affirm (1) receipt of the summary of State ethics laws* developed by the Office of State Ethics pursuant to Connecticut General Statutes § 1-81b and (2) that key employees of such person, contractor, subcontractor, or consultant have read and understand the summary and agree to comply with its provisions.

* The summary of State ethics laws is available on the State of Connecticut's Office of State Ethics website at http://www.ct.gov/ethics/lib/ethics/guides/contractors_guide_09_final.pdf

Signature: [Handwritten Signature] Date: December 6, 2010
Printed Name: William J. Thompson, FSA, MAAA Title: Principal and Consulting Actuary
Firm or Corporation (if applicable): Milliman, Inc.
Street Address: 80 Lambertson Road City: Windsor State: CT Zip: 06095

The Office of the CT State Comptroller
Awarding State Agency

**Guide to the Code of Ethics
For Current or Potential
State Contractors**



2009

Guide for Current or Potential State Contractors

INTRODUCTION

The Connecticut Office of State Ethics (OSE) is an independent regulatory agency for the state of Connecticut, charged with administering and enforcing Connecticut General Statutes, Chapter 10, Part I and Part II, with limited jurisdiction over Part IV.

The Ethics Codes under the OSE's jurisdiction are comprised of:

- The Code of Ethics for Public Officials (Part I);
- The Code of Ethics for Lobbyists (Part II); and
- Limited jurisdiction over Ethical Considerations Concerning Bidding and State Contracts (Part IV).

This guide provides general information only. The descriptions of the law and the OSE are not intended to be exhaustive. Please contact the OSE with any questions regarding interpretation of the law.

For more information on the subjects discussed in this guide, call, write or visit:

Connecticut Office of State Ethics
18-20 Trinity Street
Suite 205
Hartford, CT 06106

860/263-2400
www.ct.gov/ethics



Citizen's Ethics Advisory Board:

Robert Worgaftik, Chairperson (through September 2009)
Sister Sally J. Tolles, Vice Chairperson (through September 2009)
Ernest Abate (through September 2011)
G. Kenneth Bernhard (through September 2011)
Kathleen F. Bornhorst (through September 2012)
Thomas E. Dooley (through September 2009)
Rebecca M. Doty (through September 2011)
Dennis Riley (through September 2010)
Shawn T. Wooden (through September 2013)

Guide for Current or Potential State Contractors

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Guide for Current or Potential State Contractors

THE OFFICE OF STATE ETHICS (OSE)

The Connecticut Office of State Ethics (OSE) was officially created on July 1, 2005, by Public Act 05-183. The governing body of the OSE is the Citizen's Ethics Advisory Board (CEAB), nine members appointed by the Governor and legislative leadership. The CEAB holds monthly meetings that are open to the public and that are often covered by CT-N. A schedule of CEAB meeting dates, times and locations is available on the OSE's Web site, www.ct.gov/ethics.

The OSE is an independent watchdog agency for the state of Connecticut that administers Connecticut General Statutes, Chapter 10, Parts I and II, with limited jurisdiction over Part IV.

Simply put, the OSE educates all those covered by the law (the "regulated community"); provides information to the public; interprets and applies the codes of ethics; and investigates potential violations, and otherwise enforces the codes.

The OSE is made up of the following components:

- Citizen's Ethics Advisory Board
- Executive Director
- Legal Division
- Enforcement Division

THE BIG PICTURE

All state officials and employees (except judges) are covered by Part I of the Code of Ethics for Public Officials (henceforth, Part I, or the Code). It is important to remember that certain provisions of the Code also apply to public officials and state employees after they leave state service.

As you read through this guide, be aware that these laws were enacted to prevent individuals from using their public position or authority for personal, financial benefit.

Each state agency also has its own ethics policy, which in many cases may be more restrictive than what follows. Be sure to obtain a copy of the agency's policy before you attempt to provide any benefit to an agency official or employee.

Guide for Current or Potential State Contractors

GIVING BENEFITS TO STATE PERSONNEL



Gifts

As a current or potential state contractor, you are presumably doing business with or seeking to do business with a state agency, and are therefore considered to be a restricted donor. In general, public officials, state employees and candidates for public office may not accept gifts from restricted donors.

Restricted Donors

Restricted donors include:

- Registered lobbyists (a list is available on the OSE's Web site) or a lobbyist's representative;
- Individuals or groups doing business with a state department or agency;
- Individuals or groups seeking to do business with a state department or agency;
- Individuals or groups engaged in activities regulated by a state department or agency; or
- Contractors pre-qualified by the Connecticut Department of Administrative Services (Conn. Gen. Stat. § 4a-100).

A gift is defined as anything of value that is directly and personally received by a public official or state employee (or sometimes family members of those two categories) *unless* consideration of equal or greater value is provided. Conn. Gen. Stat. § 1-79 (e).

Gift Exceptions

There are, however, certain exceptions to this definition of gift. Not all exceptions are covered below; see Conn. Gen. Stat. § 1-79 (e) (1) – (17) for the complete list.

- *Token Items* – Restricted donors such as current or potential state contractors may provide any item of value that is not more than \$10 (such as a pen, mug, or inexpensive baseball cap) to a public official or state employee, provided that the annual aggregate of such items from a single source is \$50 or less. Conn. Gen. Stat. § 1-79 (e) (16).
- *Food and Beverage* – Restricted donors may also provide less than \$50 worth of food and beverage in a calendar year to a public official or state employee, provided that the restricted donor or his/her representative is in attendance when the food and/or beverage is being consumed. Conn. Gen. Stat. § 1-79 (e) (9).
- *Training* – Vendors may provide public officials and state employees with training for a product purchased by a state or quasi-public agency provided such training is offered to all customers of that vendor. Conn. Gen. Stat. § 1-79 (e) (17).

Guide for Current or Potential State Contractors

- *Gifts to the State* – Restricted donors may provide what are typically referred to as “gifts to the state.” These gifts are goods and services provided to a state agency or quasi-public agency for use on state or quasi-public agency property or that support an event, and which facilitate state or quasi-public action or functions. Conn. Gen. Stat. § 1-79 (e) (5).
- *Other Exceptions* – There are a total of 17 separate gift exceptions in the Code. Also exempt from the definition of gift are items such as informational materials germane to state action, ceremonial plaques or awards costing less than \$100, or promotional items, rebates or discounts also available to the general public. See Conn. Gen. Stat. § 1-79 (e) (1) – (17).

Note: The popularly-cited exception for major life events does not apply to those who are regulated by, doing business with or seeking to do business with a state agency. The only restricted donor that can make use of this very narrow exception is a registered lobbyist.

Gift Provisions

Example: You are in the process of submitting a contracting bid to a state agency. You provide the agency head with a gift certificate for \$45 to a popular West Hartford eatery for her to use on her own. You have not previously given anything of value to this individual.

Even though you are under the permissible \$50 food and beverage limit, this gift is not allowed because you or your representative will not be in attendance while the food and beverage is being consumed.

Reporting Requirements

Should you or your representative give anything of value to a public official or state employee, you must, within 10 days, give the gift recipient and the head of that individual's department or agency a written report stating:

- Name of the donor;
- Description of item(s) given;
- Value of such item(s); and
- Total cumulative value of all items to date given to that recipient during the calendar year.



This helps both you and the state employee keep track of the gift exceptions noted above, so that permissible limits are not exceeded. Conn. Gen. Stat. § 1-84 (o).

Guide for Current or Potential State Contractors

Necessary Expenses

You may provide necessary expenses to a public official or state employee *only* if the official or employee, in his/her official capacity, is actively participating in an event by giving a speech or presentation, running a workshop, or having some other active involvement.

Necessary expenses are limited to:

- Travel (not first class);
- Lodging (standard cost of room for the nights before, of, and immediately following the event);
- Meals; and
- Related conference expenses.

Conn. Gen. Stat. § 1-79 (9).

Entertainment costs (tickets to sporting events, golf outings, night clubs, etc.) are *not* necessary expenses. Necessary expense payments also *do not* include payment of expenses for family members or other guests.



Fees/Honorariums

Public officials and state employees may *not* accept fees or honorariums for an article, appearance, speech or participation at an event in their official capacity.

Fees or honorariums for such activities, if offered based solely on expertise and without any regard to official capacity, may be acceptable. Contact the OSE before offering such payment to an official or employee. Conn. Gen. Stat. § 1-84 (k).



Necessary Expenses, Fees and Honorariums

Example: You invite a state employee to travel to New York City to give a speech to your managers on issues surrounding contracting with a state agency. You provide Amtrak fare for the employee as well as his spouse, who will spend the day in the city. The evening of the speech, you will treat the employee and his spouse with complimentary tickets to a Broadway show in lieu of a speaking fee.

You may provide non-first class travel expenses only to the state employee who is actively participating in an event. In this case, you may only provide Amtrak fare for the employee giving the speech, not his spouse. Entertainment costs, such as tickets to a show, are not considered necessary expenses and may not be provided. Additionally, state employees may not accept fees or honorariums for a speech given in their official capacity.

Guide for Current or Potential State Contractors

HIRING STATE PERSONNEL

Post-state Employment (Revolving Door)

If you are considering hiring a *former* state employee, you should be aware of the Code's post-state employment, or revolving door, provisions.

Lifetime Bans

- Former state employees may never disclose any confidential information they learned during the course of their state service for anyone's financial gain. Conn. Gen. Stat. § 1-84a.
- A former state official or employee may never represent anyone other than the state regarding a particular matter in which he or she was personally or substantially involved while in state service and in which the state has a substantial interest. This prevents side-switching. Conn. Gen. Stat. § 1-84b (a).

One-year Bans

- If you hire or otherwise engage the services of a former state official or employee, he or she may not represent you before his or her former agency for a period of one year after leaving state service. Conn. Gen. Stat. § 1-84b (b). (See Advisory Opinion 2003-3, which provides a limited exception to this provision if the employee is providing purely technical expertise, for example, to help implement a previously-awarded contract. This exception applies to extremely limited circumstances; contact the OSE for guidance.)
- You are prohibited from hiring a former state official or employee for a period of one year after he or she leaves state service if that individual was substantially involved in, or supervised, the negotiation or award of a contract (that you or your business was a party to) valued at \$50,000 or more, and the contract was signed within his or her last year of state service. Conn. Gen. Stat. § 1-84b (f).
- Employees who held certain specifically-designated positions (with significant decision-making or supervisory responsibility) at certain state regulatory agencies are prohibited from seeking or accepting employment with any business subject to regulation by the individual's agency within one year of leaving the agency. Note that there is an exception for *ex-officio* board or commission members. Conn. Gen. Stat. § 1-84b (c).

Post-state Employment

Example: You run a hospital regulated by the Office of Health Care Access (OHCA). You would like to offer a job to the former Commissioner of OHCA, who has been out of state service for 5 months.

Because the hospital is regulated by a state agency whose Commissioner is specifically designated in 1-84b (c), the former head of such agency would not be permitted to accept employment with you for one full year after leaving state service. See Advisory Opinion 2003-19.

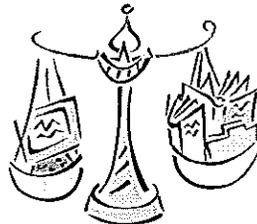
Outside Employment for Current Public Officials and State Employees

If you are considering hiring a *current* state employee, especially from a state agency with which you do business or by which you are regulated, you should be aware of the following rules regarding the employment of current state employees.

- A current state employee may not accept outside employment that impairs his or her independence of judgment regarding his or her state duties, or that encourages him or her to disclose confidential information learned in his or her state job. Conn. Gen. Stat. § 1-84 (b).
- A current state employee may not use his or her state position for his or her own financial gain or the gain of his or her family (spouse, child, child's spouse, parent, brother or sister) or an associated business, however inadvertent that use may be. Conn. Gen. Stat. § 1-84 (c).

Other Considerations

Business entities engaged in Indian gaming activities in the state should be aware of specific provisions that apply to present or former Gaming Policy Board or Division of Special Revenue public officials or employees. See Conn. Gen. Stat. §§ 1-84b (d) and (e).



Outside Employment

Example: Your small business occasionally receives grants or contracts from Agency X. You know that a particular contract manager with Agency X has the skills you need to help you grow your business. This employee has expressed interest in earning a little extra money for himself, while helping you with your business in the evenings and on weekends.

It would constitute an impermissible impairment of judgment for the employee of Agency X, who has contract management responsibilities, to accept outside employment with your business – a business that receives grants or contracts from Agency X.

Guide for Current or Potential State Contractors

OTHER PROVISIONS

Prohibited Activities for Consultants or Independent Contractors

If you are hired by the state as a consultant or independent contractor, you are prohibited from the following:

- Using your authority under the contract or any confidential information acquired during the course of the contract for your financial gain or the financial gain of your immediate family;
- Accepting another state contract that would impair your independence of judgment or your performance in your existing state contract; and
- Accepting anything of value based on the understanding that your actions on behalf of the state would be influenced.

Conn. Gen. Stat. § 1-86e (1) – (3); see also Conn. Gen. Stat. § 1-101nn.

Gift and/or Campaign Contribution Certifications

Contractors seeking large state contracts must provide certifications regarding gifts and/or campaign contributions made to certain state employees or public officials in the two-year period prior to the submission of a bid or proposal. Copies of these certifications and other updated information regarding state contractors can be found on the Web sites of the Department of Administrative Services (www.das.state.ct.us) and the Office of Policy and Management (www.opm.state.ct.us).



Investment Services and the Office of the Treasurer

If you or your business provides investment services, as defined in the Code, and you make a political contribution to the State Treasurer's campaign, you may be prohibited from contracting with the Office of the Treasurer. See Conn. Gen. Stat. § 1-84 (n).

Registering as a Lobbyist

If you or your business spends or receives over \$2,000 in a calendar year for activities that constitute lobbying under Part II of the Code of Ethics (whether to affect legislation or the actions of an administrative state agency), you/your business may have to register as a lobbyist with the Office of State Ethics. Lobbyist registration information is available at www.ct.gov/ethics.



Contribution Ban for Communicator Lobbyists (Conn. Gen. Stat. § 9-610 (g) and (h).)

Registered communicator lobbyists, their affiliated political action committees (PACs), as well as members of their immediate families are banned from soliciting or donating political campaign contributions. Please contact the State Elections Enforcement Commission at 860-566-1776 for more information.

Guide for Current or Potential State Contractors

Sessional Contribution Ban for Client Lobbyists (Conn. Gen. Stat. § 9-610 (e).)

Registered lobbyists and their affiliated political action committees (PACs) are banned from soliciting or donating political campaign contributions. Specifically, there is a temporary ban while the General Assembly is in session that applies to all registered client lobbyists and their affiliated PACs. Please contact the State Elections Enforcement Commission at 860-566-1776 for more information.

Public Act 05-287

Public Act 05-287 prohibits anyone who is a party (or seeking to become a party) to a large state construction, procurement, or consultant services contract over \$500,000 from:

- Soliciting information from a public official or state employee that is not available to other bidders for that contract, with the intent to obtain a competitive advantage;
- Intentionally or recklessly charging a state agency for work not performed or goods or services not provided;
- Falsifying invoices or bills; or
- Intentionally violating or circumventing state competitive bidding and ethics laws.

This Act also requires any prospective state contractor to affirm in writing that he or she has received a summary of the state's ethics laws and that his or her key employees have read and understood the summary and agree to comply with the applicable provisions. Conn. Gen. Stat. § 1-101qq.

An affirmation form is available through the Connecticut Office of Policy and Management.

Executive Orders

Executive Order 3

Under this Order, the Department of Administrative Services established and maintains on its Web site the State Contracting Portal for purposes of posting all contracting opportunities with state agencies and providing information on contracting processes and procedures.

Executive Order 7C

This Order covers the State Contracting Standards Board, established to conduct a comprehensive review of existing procurement and contracting laws and prepare a uniform code to govern all aspects of procurement and contracting.

The full text of these Executive Orders can be found on the Governor's Web site, www.ct.gov/governorrell/site/default.asp.

Guide for Current or Potential State Contractors

FOR MORE INFORMATION

This guide provides general information only. The descriptions of the law and the OSE are not intended to be exhaustive. For more information regarding the Code of Ethics as it pertains to current or potential state contractors, please contact the Office of State Ethics, Monday – Friday, 8:30 a.m. to 5:00 p.m.

Office of State Ethics
18-20 Trinity Street
Hartford, CT 06106-1660



T: 860/263-2400
F: 860/263-2402
www.ct.gov/ethics



Specific Contacts:

Questions or advice regarding the Ethics Codes: Ethics.Code@ct.gov
Lobbyist filing/reporting questions: lobbyist.OSE@ct.gov
Public official filing/reporting questions: SFI.OSE@ct.gov
Enforcement questions: Ethics.Enforcement@ct.gov
All other inquiries: ose@ct.gov





STATE OF CONNECTICUT
CONSULTING AGREEMENT AFFIDAVIT

Affidavit to accompany a State contract for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b)

INSTRUCTIONS:

If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete all sections of the form. If the bidder or vendor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. If the bidder or vendor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if the contractor enters into any new consulting agreement(s) during the term of the State contract.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: one]

I, the undersigned, hereby swear that I am the chief official of the bidder or vendor awarded a contract, as described in Connecticut General Statutes § 4a-81(a), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except for the agreement listed below:

William J. Thompson, FSA, MAAA Principal & Consulting Actuary Milliman, Inc.
Consultant's Name and Title Name of Firm (if applicable)
October 1, 2010 September 30, 2014 \$3,922,980.00
Start Date End Date Cost

Description of Services Provided: Health and Employee Benefits Consulting Services

Is the consultant a former State employee or former public official? [] YES [X] NO

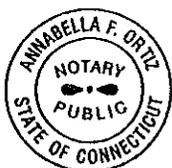
If YES: Name of Former State Agency Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Milliman, Inc. Signature of Chief Official or Individual December 6, 2010
Printed Name of Bidder or Vendor

William J. Thompson, FSA, MAAA The Office of the CT State Comptroller "OSC"
Printed Name (of above) Awarding State Agency

Sworn and subscribed before me on this 6th day of December, 2010.



Annabella F. Ortiz
NOTARY PUBLIC
State of Connecticut
My Commission Expires
May 31, 2014

Signature of Commissioner of the Superior Court or Notary Public



STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION
20 Trinity Street Hartford, Connecticut 06106-1628

SEEC FORM 11

NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF
CAMPAIGN CONTRIBUTION AND SOLICITATION BAN

This notice is provided under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined below):

Campaign Contribution and Solicitation Ban

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract* or *state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or *solicit* contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

Duty to Inform

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

Penalties for Violations

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties—\$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of \$2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or \$5000 in fines, or both.

Contract Consequences

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information and the entire text of P.A. 07-1 may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to "State Contractor Contribution Ban."

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.