

FOURTH MODIFICATION OF ACTUARIAL AND CONSULTANT SERVICES CONTRACT

THIS FOURTH MODIFICATION is made the 8th day of ^{October}~~September~~, 2010 by and between GABRIEL, ROEDER, SMITH & COMPANY and the STATE OF MARYLAND, acting through the DEPARTMENT OF BUDGET AND MANAGEMENT.

In consideration of the promises herein, the adequacy of which is duly acknowledged, the parties hereto agree to amend the Actuarial and Consultant Services Contract, dated November 15, 2006, amended by a first Modification dated March 6, 2007, a Second Modification dated February 7, 2008, and a Third Modification dated November 19, 2009 between the parties as follows:

1. **Defined Terms.** All capitalized terms used in this Fourth Modification shall have the same meaning as provided in the Contract or the Request for Proposals, whichever is applicable.

2. **Exercise of Option.** The parties acknowledge that the State has exercised its second unilateral option to extend the Contract for an additional year, thereby extending the period of performance to include December 1, 2010 through November 30, 2011.

3. Invoices and Payment for Actuarial Services

3.1 Effective December 1, 2010, the RFP, as incorporated into the Contract by Section 2, is amended as follows, with deleted language stricken and double-underlined language added:

3.4.2 Timing of Invoices

The Contractor shall submit invoices on a monthly basis by the 15th of each month.

(a) In connection with fixed-fee Actuarial Services (see Section 3.1), the Contractor shall bill on a fixed-rate hourly basis (see Section 3.7.1) all services provided in connection with the Actuarial Services during the invoiced period. The State may pay the Contractor on that basis but in no event may payments for Actuarial Services for any given contract year exceed the total fixed fee for Actuarial Services for that year. ~~that percentage of the fixed fee total payment for the service that corresponds the percentage of the work needed for completion of the project that was completed in the prior month.~~ All payments for fixed-fee Actuarial Services are progress payments only. The Contractor shall not be entitled to retain any payments unless the State accepts the final deliverable associated with the Actuarial Services. Progress payments shall be tied to tangible work which has been performed that is at least as valuable to the State as the requested payment amount. The accomplishment of tangible work is not the same as merely accruing hours of effort expended and amounts paid for materials. Rather, it means the completion of work that can be reasonably quantified, and that would not have to be redone by the State or another contractor if, for any reason, the contract would terminate as of the end of the period for which the bill has been submitted. Examples of such tangible work include records/data/information entered into a deliverable database, and document sections completed. In the event the State does not accept the completed Actuarial Services and requests Contractor repay all or a portion of the progress payments made hereunder, upon receipt by the State of such payments, the State will return all deliverables associated with such payments to Contractor.

4. **Consideration and Payment.** Notwithstanding Section 4 of the Contract and those terms of the Contractor's Financial Proposal, RFP §1.4.2, and RFP Attachment F that provide for increased prices during an option period, payments to the Contractor for the second option year period (December 1, 2010 through November 30, 2011), shall be as follows:

(a) Actuarial Services (see RFP §3.1): a flat fixed fee [REDACTED] and

(b) Hourly Rates: the fully-loaded hourly rates for the three labor categories shall be:

Job Classification	Hourly Rate
Principal	\$ [REDACTED]
Senior Consultant	\$ [REDACTED]
Junior Consultant	\$ [REDACTED]

5. **Scope of Fourth Modification.** This Fourth Modification amends the Contract specifically as described herein. Except as specifically revised by the terms of this Fourth Modification, all of the terms of the Contract shall remain in full force and effect, shall apply during the term of the Contract and any option period, and shall apply to this Fourth Modification.

IN WITNESS THEREOF, The parties have executed this Fourth Modification.

Contractor

State of Maryland
By: Department of Budget and Management

[REDACTED]

9-8-2010
Date

[REDACTED]

By: T. Eloise Foster
Secretary

10/8/10
Date

Approved for form and legal sufficiency this 14 day of Sept 2010:

[REDACTED]
Assistant Attorney General