

CONNECTICUT HEALTH INSURANCE EXCHANGE

Policy: PROCUREMENT: CONTRACTING FOR PERSONAL SERVICES

The Exchange, acting through its Chief Executive Officer or another duly authorized officer, shall have the authority to engage accountants, attorneys, appraisers, financial brokers, investment advisors, underwriters, investment managers, investment bankers, brokers, architects, construction managers, engineers and other consultants and professionals on any terms necessary or incidental to carrying out the purposes of the Exchange pursuant to Public Act 11-53, as amended from time to time.

Procurement Procedures:

Contracts for personal services shall be awarded by the Exchange in such manner, including on the basis of sole source procurement, as the Chief Executive Officer determines to be appropriate and in the best interests of the Exchange under the circumstances, provided that in the case of any contract for personal services requiring an expenditure by the Exchange of over \$75,000 during a twelve-month period or for a particular project, wherever possible, such contract shall be awarded on the basis of a competitive process which includes the solicitation of proposals from at least three qualified parties. No contract shall be deemed awarded until actual execution of the contract. Any contract entered into by a state agency for the benefit of the Exchange may be assigned to the Exchange and subsequently amended and/or funded by the Exchange.

In no event shall personal service contracts for any non-budgeted expenditure in excess of \$5,000 be entered without the approval of the Board of Directors.

Solicitation of Proposals for Certain Professional Services:

The Exchange shall solicit proposals at least once every three years for financial, legal, bond underwriting and other professional services required by the Exchange.

Sole Source Procurements:

For contracts awarded on the basis of a sole source procurement, one of the following requirements must be met and documented in a written bid waiver justification before the contract is awarded to a selected vendor:

- (i) *Executive Discretion – Immediate Need/Emergency Situations:* Services that are needed in three weeks or less or are required due to an emergency that exists that will adversely affect the Exchange's operations.
- (ii) *Executive Discretion – Specialized Skills/Services:* Services for which there is only one documented accepted source, such as transactions involving vendors that have unique services or skills due to the existence of patents or certain proprietary rights.
- (iii) *Executive Discretion – Unusual Conditions/Contingencies:* Purchases because of unusual conditions or contingencies. For this purpose, an "unusual condition or contingency" exists (a) when there are unusual conditions or contingencies that could not reasonably be foreseen, or (b) because of unusual trade or market

conditions.

- (iv) *Receipt of Less Than Three Proposals*: If the Exchange solicits proposals through a competitive bidding process (i.e., a Request for Proposals) but only receives proposals from less than three qualified bidders, then the procurement is deemed a sole source procurement.

The Board of Directors shall be notified anytime a contract is awarded on the basis of a sole source procurement.

Ethics/Conflicts of Interest:

No contract shall be awarded unless such contract will be in compliance with the Exchange's Ethics Policy then in effect.

State Contracting Requirements:

Any solicitation of bids or proposals by the Exchange, and any award of a contract by the Exchange, shall be subject to all state procurement and contracting requirements applicable to quasi-public agencies of the state, including, without limitation, the following, to the extent applicable in the circumstances:

- Public Act 07-1 and Section 9-612 of the General Statutes, as amended, relating to campaign contributions by state contractors and their principals and related notices to state contractors and prospective state contractors;
- Section 4-252 of the General Statutes relating to gifts from contractors under certain large state contracts;
- Section 4a-81 of the General Statutes relating to affidavits with respect to consulting fees;
- Section 3-13l of the General Statutes relating to the prohibition of finder's fees in connection with investment transactions;
- Section 3-13j of the General Statutes relating to the disclosure of third party fees attributable to investment services contracts;
- Section 4-61dd of the General Statutes relating to whistleblower protections; and
- Section 4a-60, 4a-60a and 4a-60g of the General Statutes relating to non-discrimination in state contracting and Public Act 07-142 relating to documentation of contractor adoption of a corporate policy supporting the non-discrimination agreements and warranties required by Sections 4a-60 and 40a-60a.

Federal Requirements:

To the extent that Federal policies, procedures and/or requirements apply to any contract based on the use of Federal funding for such contract, the Exchange shall comply with any and all such policies, procedures and/or requirements.