

RFP Recommendation of \$500,000 or Less
15-010P – 403(b)/457(b) Program for School Board Employees
March 17, 2015 Board Agenda
Page 3

CONTINUATION OF SUMMARY BACKGROUND AND EXPLANATION

A draft Request for Proposal (RFP) for Tax Sheltered Annuities-403(b) and 457(b) was developed and, subsequently, reviewed in a public meeting by the Superintendent’s Insurance & Wellness Advisory Committee (SIWAC) on January 15, 2014. The RFP was released via DemandStar on March 4, 2014.

The School Board of Broward County, Florida (SBBC) received responses from eleven (11) proposers, who collectively submitted a total of 14 proposals for RFP 15-010P, 403(b)/457(b) Program for School Board Employees; seven (7) proposals for Mutual Funds and seven (7) proposals for Annuities.

Mutual Funds (7)	Annuities (7)
Aspire Financial	AXA Equitable Life Insurance Company
ING Life Insurance and Annuity Company	Great American Insurance Group
Metropolitan Life Insurance Company	Horace Mann Life Insurance Company
Plan Member Securities Corporation	ING Life Insurance and Annuity Company
Security Benefits	Life Ins. Co. of the Southwest
The Legend Group	Metropolitan Life Insurance Company
Variable Annuity Life Ins. Co. (VALIC)	Variable Annuity Life Ins. Co. (VALIC)

Under the *Mutual Funds* category, one (1) vendor, Aspire Financial was found by SIWAC to be non-responsive for failure to comply with Section 4.2, Minimum Eligibility of the RFP. Specifically, subsection 4.2.5 which stated, “*If Proposer is not an insurance company or lacks an AM Best or financial size category, Proposer must provide the most recent three (3) years of independent, Audited Financial Statements.*” All proposals submitted under the *Annuities* category were found to be responsive to the RFP.

Subsequently, the remaining six (6) Mutual Funds proposals and seven (7) Annuities proposals were evaluated by SIWAC on June 11, 2014. The proposals were evaluated based on Experience & Qualifications, Scope of Services, Cost, and Minority/Women Business Enterprise (M/WBE). As a result of the subsequent negotiations on June 12, 2014, the SIWAC voted to recommend to the Superintendent the following awards:

Mutual Funds (3)	Annuities (3)
ING Life Insurance and Annuity Company	AXA Equitable Life Insurance Company
Metropolitan Life Insurance Company	ING Life Insurance and Annuity Company
Variable Annuity Life Ins. Co. (VALIC)	Variable Annuity Life Ins. Co. (VALIC)

Subsequent to the posting of the awards, a protest was filed by Life Insurance Company of the Southwest (“LSW”) concerning only the annuities portion of the intended award, which challenged the responsiveness of the proposal submitted by AXA Equitable Life Insurance Company (“AXA Equitable”).

After a hearing, a DOAH Administrative Law Judge rendered a Recommended Order, which would replace AXA Equitable with LSW as one of the three (3) vendors of annuities services. After rendition of the Recommended Order, AXA Equitable intervened in the proceedings and filed exceptions to the Recommended Order.

CONTINUATION OF SUMMARY EXPLANATION AND BACKGROUND

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The parties thereafter engaged in settlement negotiations concerning the disputes between them regarding the RFP. LSW and AXA Equitable filed a Stipulated Motion for Agreed Final Order to resolve all disputes in this case. Under the terms of the Stipulated Motion, the pool of annuities awardees will be expanded from three (3) vendors to four (4) and includes LSW and AXA Equitable, as well as the other two (2) originally recommended annuities vendors (VOYA, formerly ING Life Insurance and Annuity Co., and Variable Annuity Life Insurance Company (VALIC)). As a result of the above noted Stipulated Motion for Agreed Final Order the following awards are recommended:

Mutual Funds (3)	Annuities (4)
VOYA, formerly ING Life Insurance and Annuity Co.	AXA Equitable Life Insurance Company*
Metropolitan Life Insurance Company	VOYA, formerly ING Life Insurance and Annuity Co.
Variable Annuity Life Ins. Co. (VALIC)	Life Insurance Co. of the Southwest (LSW)
	Variable Annuity Life Ins. Co. (VALIC)

*Plus agreement with AXA Equitable subcontractor ProNvest.

Based on the above, SBBC staff and Gallagher Benefit Services drafted agreements for each of the vendors listed above (and AXA Equitable’s subcontractor ProNvest) and over several weeks participated in numerous conference calls with the vendors in order to finalize the attached contracts.

Upon approval of this agenda item, employees will have the ability to sign-up for a tax sheltered annuity. Participating in a retirement savings/investment plan, offers an employee the opportunity to establish another retirement fund in which he or she can draw from at the time of retirement. The contributions made to this retirement savings plan are employee funded and are available through payroll reduction.

M/WBE Participation – The following vendors have allocated M/WBE participation as indicated below:

VENDORS	M/WBE PARTICIPATION	VALUE ADDED SERVICES
AXA Equitable Life Insurance Company	\$25,000 annually	\$2,500 annually to Broward Education Foundation
Life Insurance Co. of the Southwest (LSW)	\$10,000 annually	Annual School-Specific Community Involvement

RFP Recommendation of \$500,000 or Less
15-010P – 403(b)/457(b) Program for School Board Employees
March 17, 2015 Board Meeting
Page 5

CONTINUATION OF SUMMARY EXPLANATION AND BACKGROUND

VENDORS	M/WBE PARTICIPATION	VALUE ADDED SERVICES
Metropolitan Life Insurance Company (MetLife)	\$5,000 annually (minimum)	\$2,500 annually to Broward Education Foundation
Variable Annuity Life Ins. Co. (VALIC)	\$50,000 contract term	N/A
VOYA (formerly ING Life Insurance and Annuity Co.)	\$15,000 annually (printing services)	\$2,500 annually to Broward Education Foundation