

H-1 Life Insurance Company of the Southwest, Petitioner vs. The School Board of Broward County, Florida, Respondent; and AXA Equitable Life Insurance Company, Intervenor, Case No. 14-3549BID, DOAH.
03/17/15 RSBM

SUMMARY EXPLANATION AND BACKGROUND

This matter concerns a bid protest arising from an intended award of RFP 15-010P – 403(b)/457(b) Program for School Board Employees (“RFP”). This RFP does not cause The School Board to incur any expense. Rather, its purpose is to select a pool of annuities and mutual funds vendors with whom individual district employees may enroll for their personal investment services. The posted intended award was to grant contracts to three vendors of annuities services and three vendors of mutual funds services to enable them to provide investment services to school district employees. 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”). After a hearing, a DOAH Administrative Law Judge rendered a Recommended Order which would replace AXA with LSW as one of the three vendors of annuities services. After rendition of the Recommended Order, AXA intervened in the proceedings and filed exceptions to the Recommended Order.

The parties thereafter engaged in settlement negotiations concerning the disputes between them regarding the RFP. LSW and AXA have 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 with whom district employees may enroll will be expanded from three vendors to four and includes LSW and AXA as well as the other two originally recommended annuities vendors. In addition, the Stipulated Motion would render moot the Exceptions filed by AXA; eliminate any necessity for School Board Members to review the entire record; and would waive any appeal rights the parties would otherwise have regarding the case. The Office of the General Counsel and District Administration recommend The School Board’s acceptance and approval of the Stipulated Motion and the entry of the proposed Agreed Final Order. The Superintendent’s Insurance and Wellness Advisory Committee was advised of the terms of the Stipulated Motion at its February 25, 2015 meeting and expressed no objection to same.

The prior contracts for such services terminated on December 31, 2014 during the course of the bid protest proceedings. Although School Board Policy 3601 enables the awardees under those prior contracts to continue payroll deductions and service activity for their existing enrollees, they may not accept new enrollments from school district employees. Acceptance and approval of the Stipulated Motion by The School Board will bring to a prompt conclusion the dispute between the parties and enable The School Board to immediately approve contracts for the resumption of the enrollment of school district employees in annuities programs while increasing the number of annuities vendors available to district employees.

A companion item to this agenda item contains contracts to be awarded to the four annuities services providers and to the three mutual funds services providers. It also contains a contract with ProNvest, a subcontractor of AXA. Since the terms of the Stipulated Motion are contingent upon the approval of the contracts to LSW, AXA and ProNvest, it is requested that The School Board pull both this item and the one for approval of those contracts for consideration at the same time.