

EXECUTIVE SUMMARY

First Amendment to Agreement 15-010P 403(b)/457(b) Program for School Board Employees

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 fourteen (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)

Six (6) Mutual Funds proposals and seven (7) Annuities proposals were evaluated by the SIWAC on June 11, 2014, based upon Experience & Qualifications, Scope of Services, Cost, and Minority/Women Business Enterprise Certification. 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).

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

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The parties thereafter engaged in settlement negotiations concerning the disputes between them regarding the RFP. LSW and AXA 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, 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)

On March 17, 2015, the School Board approved the contracts for the above listed Tax Sheltered Annuities (TSA) vendors to provide 403(b)/457(b) products. This initial term of the contracts is March 18, 2015, through December 31, 2017, with two (2) one-year renewal options.

This request is to approve the First Amendment to Agreement for the above referenced RFP and execute the attached exhibits for VALIC.

At the time of the initial award and approval of the First Amendment to Agreements for MetLife and VOYA, the additional documents had not been received from VALIC and their third party vendors. Due to the complexity and regulatory environment for these types of products and the need for additional third party approvals, upon notice from the vendors, staff and the Benefits Consultants began reviewing the additional documents and negotiating the terms to ensure the Board and its employees received the best possible TSA products. Two of the vendors, AXA and LSW offered different products, which according to these vendors did not require the approval of additional documents.

Upon approval of this agenda item, employees will continue to 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.