

EXECUTIVE SUMMARY

First Amendment to Agreement and Renewal 16-017V – Consulting Services for Employee Benefits Program

A draft Request for Proposal (RFP) 16-002V, Employee Benefits Insurance Consultant Services, was developed and subsequently reviewed in a public meeting by the Superintendent's Insurance & Wellness Advisory Committee (SIWAC) on October 9, 2014. The RFP was released through the Onvia DemandStar system on November 24, 2014. Subsequently, the School Board received one (1) proposal in response to the RFP from Gallagher Benefit Services, Inc.

Upon receipt of the sole proposal, an addendum was released on January 7, 2015, stating in part, "If only one (1) responsive proposal is received, the Committee will proceed without scoring the one responsive proposal and may negotiate the best terms and conditions with that sole proposer or may recommend the rejection of all proposals as permitted by Section 6A-1.012(12)(c), F.A.C."

On February 18, 2015, the School Board approved Board Item EE-5 to reject all bids for RFP 16-002V. The summary also informed the School Board that staff would conduct a vendor workshop, revise the RFP, and bring forth a follow-up item to extend the current contract with Gallagher Benefit Services, Inc., by ninety (90) days and to request additional spending authority for the extended period (until such time a new RFP would be released, proposals evaluated, and a recommendation to award a new contract could be submitted to the School Board). On May 19, 2015, the School Board approved Board Item EE-1 extending the contract and authorizing additional spending authority to allow for the re-release of the RFP.

In an effort to increase competition, respond to vendor questions, provide information and/or clarification, and to obtain feedback on the previously released RFP, Procurement staff contacted numerous potential vendors via e-mail and telephone and inquired as to why they did not submit a Proposal, as well as invited them to attend a Pre-bid Conference. The Pre-bid conference allows potential vendors to comment on the contents of the previously released RFP and ask questions. The Pre-bid conference was held on Wednesday, March 25, 2015, at the TSSC Building from 9:30am-11:00am; only one (1) potential vendor attended the meeting.

Based on feedback received, and a review by Procurement & Benefits staff, the RFP was revised prior to its re-release on April 23, 2015. Staff from Procurement & Warehousing (PWS) Services contacted potential Proposers to alert them to the re-release of the RFP. Proposals were due on May 19, 2015; one (1) Proposer Gallagher Benefit Services, Inc., submitted a response to the RFP.

As permitted by Section 6A-1.012(12)(c), F.A.C., the SIWAC entered into negotiations with the sole Proposer, Gallagher Benefit Services, Inc. on June 4, 2015, based on the scope of services, cost, and small/minority/women participation. As a result of the negotiations, SIWAC voted to recommend to the Superintendent the following award: Gallagher Benefit Services, Inc.

On August 18, 2015, the contract for RFP 16-017V - Consulting Services for Employee Benefits Program was awarded to Gallagher Benefit Services, Inc. The initial contract period is October 1, 2015 through December 31, 2018.

On May 16, 2018, and June 13, 2018, the SIWAC held its annual contract renewal meetings. On June 13, 2018, the SIWAC voted unanimously to recommend approval of Gallagher Benefit Services' first one (1) year renewal option to the Superintendent of Schools. During the meeting Gallagher Benefit Services agreed to hold their rates flat for January 1, 2019 through December 31, 2019; therefore, there is no additional cost impact to the School Board for 2019.

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16-017V – Consulting Services for Employee Benefits Program
October 2, 2018 Board Agenda**

If the School Board exercises its second renewal option, Gallagher Benefit Services has agreed to hold its rates flat for the calendar year 2020.

This request is to approve the First Amendment to the Agreement. The renewal contract term is January 1, 2019 through December 31, 2019.

Gallagher Benefit Services, Inc. is a subsidiary of Arthur J. Gallagher & Co.; has more than one hundred-eighty (180) offices throughout the United States, is highly respected in the marketplace and is the largest governmental consulting firm in Florida. One (1) of Gallagher's primary focus is the K-12 market, providing expertise in the development and design of Employee Benefits Plans to their School District clients.

To date, Gallagher Benefit Services, Inc. is contracted with over eight hundred-fifty (850) clients in the Public Entity and Scholastic fields. Of those, fifty-three (53) percent represent counties and other governmental clients. Upon approval of this agenda item, the School Board and its employees will benefit from their expertise in the market and their understanding of The School Board of Broward County, Florida, objectives of lowering both School Board and employee cost, while providing high-value benefits to District employees.

In anticipation of releasing a new RFP in the next several months, PWS conducted an extensive preliminary research and outreach of potential vendors that would possibly be interested in responding to a future Benefits Consulting solicitation. The market canvassing included analysis of neighboring school district's solicitation requirements, bid responses and those District's current Benefits Consultant, compared to BCPS, as well as identifying market leaders and local vendors that would be interested in providing "Benefits Consulting" services to the District. A wide range of firms were contacted ranging from the top ten (10) in world-wide ranking to smaller, but capable firms that may be able to deliver satisfactory service. This in-depth analysis will be utilized to determine how the District can potentially increase responses from qualified vendors to the future Benefits Consulting RFP and communicate the District's needs accordingly.