

EXECUTIVE SUMMARY

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

Introduction

Procurement & Warehousing Services (PWS)

This request is to approve the First Amendment to Agreement and Renewal for Request for Proposal (RFP) 16-017V – Consulting Services for Employee Benefits Program for a period of six (6) months from January 1, 2019 through June 30, 2019. This RFP provides services to the Benefits Department assisting with the development of RFPs under Florida Statute Section 112.08, analysis and design of benefits plans, including Internal Revenue Code Section 125, coupled with assistance in plan document drafting.

Goods/Services Description

Responsible: Office of Financial Services

A draft 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, PWS 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-11:00 am; only one (1) potential vendor attended the meeting.

Based on feedback received, and a review by PWS & Office of Financial Services staff, the RFP was revised prior to its re-release on April 23, 2015. Staff from PWS 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.

**First Amendment to Agreement and Renewal
16-017V – Consulting Services for Employee Benefits Program
November 7, 2018 Board Agenda
Page 2**

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, with two (2) one (1) year renewal options.

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 calendar year 2019; therefore, there is no additional cost impact to the School Board for 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.

**Procurement Method
Responsible: PWS**

The procurement method chosen is through a competitive solicitation, which is required by School Board Policy 3320, Part II, Rule D and Florida Administrative Code 6A-1.012(7). This solicitation was released to the public from April 23, 2015 through May 19, 2015, where four-hundred and twenty-five (425) vendors were notified, twenty-one (21) vendors downloaded the RFP documentation. PWS received only one (1) proposal. The proposal received was submitted by Gallagher Benefit Services, Inc.

Small/Minority/Woman Business Enterprise Participation

Gallagher Benefit Services, Inc. will be utilizing a certified Small/Minority/Woman Business Enterprise subcontractor, S. Davis & Associates, P.A., as needed, who will review Financial Statements provided by Proposers to determine whether the information submitted has been audited, in order to meet minimum qualifications of the RFP and equals approximately \$5,000 under this contract.

**First Amendment to Agreement and Renewal
16-017V – Consulting Services for Employee Benefits Program
November 7, 2018 Board Agenda
Page 3**

Financial Impact

Responsible: Office of Financial Services

Gallagher has agreed to hold its rates flat for 2019; therefore, the total spending authority requested for 2019 is a flat rate of \$275,000 and therefore does not require an additional financial impact to the School Board. The funding for this contract will come from the Fringe Benefits Clearing Account.

Next Steps

Responsible: PWS and Office of Financial Services

In anticipation of releasing an RFP in the next several months, PWS and Office of Financial Services conducted extensive preliminary research and outreach to 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 Broward County Public Schools (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. An overview of the consulting firms that were contacted are listed below:

Gallagher Benefit Services (Arthur J. Gallagher)

- Currently awarded and working with SBBC
- Top ten (10) world rank in this field
- Local office in Boca Raton
- AJG awarded on Orange County Schools RFP for Employee Consulting Services
- Experience with Public Agencies with 22,000+ Employees

Marsh & McLennan

- Top ten world rank in this field
- Contacted local office in Fort Lauderdale
- The firm is interested in participating in the bid process

Brown & Brown

- Contacted local office in Fort Lauderdale
- The firm is interested in participating in the bid process
- Lockton, Inc.

Brown & Brown (Continued)

- Top ten world rank in this field
- Contacted local office in Miramar and Miami
- The firm is interested in participating in the bid process

**First Amendment to Agreement and Renewal
16-017V – Consulting Services for Employee Benefits Program
November 7, 2018 Board Agenda
Page 4**

Aon Hewitt, Inc.

- Top 10 world rank in this field
- Contacted local office in Miami and Tampa
- AON awarded on Miami-Dade Public Schools RFP for Employee Consulting Services
- Experience with Public Agencies with 25,000+ Employees
- The firm is interested in participating in the bid process

USI Insurance

- Top 10 world rank in this field
- Contacted local office in Fort Lauderdale
- The firm is interested in participating in the bid process

Robinson-Bush

- Received company information from Orange County Public Schools' RFP.
- Contacted local agent in Orlando.
- The firm is interested in participating in the bid process

Hylant

- Received company information from Orange County Public Schools RFP.
- Contacted local agent in Orlando.
- The firm is interested in participating in the bid process

Willis Towers Watson

- Top 10 world rank in this field
- Contacted local office in Miami.
- The firm is interested in participating in the bid process

K & P Benefits

- Contacted local office in Sarasota.
- The firm is interested in participating in the bid process

CBIZ

- Contacted local office in Delray Beach.
- The firm is interested in participating in the bid process

Alliant

- Contacted regional office in Atlanta.
- The firm is interested in participating in the bid process

**First Amendment to Agreement and Renewal
16-017V – Consulting Services for Employee Benefits Program
November 7, 2018 Board Agenda
Page 5**

Gelin Benefits Group

- Contacted local office in Fort Lauderdale.
- The firm is interested in participating in the bid process

FBMC

- Contacted local office in Tallahassee.
- The firm is interested in participating in the bid process

Gehring Group

- Contacted local office in Palm Beach Gardens.
- The firm is interested in participating in the bid process

One Digital

- Contacted regional office in Jacksonville
- The firm is interested in participating in the bid process

Next Steps

PWS staff, along with Office of Financial Services staff will be conducting a Pre-bid Conference in an effort to respond to vendor questions, provide information and/or clarification and increase competition. PWS staff will release the Pre-bid Conference announcement via Onvia DemandStar, which will be held at the TSSC Building in or around November/December 2018. The release of the Benefits Consulting RFP will be targeted for January/February, 2019.