

## UPDATED EXECUTIVE SUMMARY

### Recommendation to Approve Second Amendment to Agreement 16-057V – Group Disability Coverage for School Board Employees

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#### Introduction

**Responsible: Procurement & Warehousing Services (PWS)**

This request is to approve the Second Amendment to the Agreement and final renew for the above-referenced Request for Proposal (RFP) between The School Board of Broward County, Florida (SBBC), and Metropolitan Life Insurance Company for a period of one (1) year, beginning January 1, 2020 through December 31, 2020. Upon approval of this agenda item, District employees will continue to benefit from Disability Plan coverages.

The requested spending authority is ~~\$3,400,000~~ **\$3,500,000**.

#### Goods/Services Description

**Responsible: Benefits**

Metropolitan Life Insurance Company is a leading provider of insurance products and other financial services. Through its subsidiaries and affiliates, MetLife offers a product suite spanning life, health, credit, and pensions, as well as provide and utilize data and best practices to offer recommendations to employers which could enrich their benefits plans.

#### Procurement Method

**Responsible: PWS**

The procurement method chosen was through a competitive solicitation, which is required by Purchasing Policy 3320, Part V, Rule A, and Florida Administration Code 6A-1.012(15).

The Superintendent's Insurance & Wellness Advisory Committee (SIWAC) held its annual contract renewal meeting on May 14, 2015. The District's current disability carrier, Metropolitan Life Insurance Company (MetLife), submitted a 2016 renewal requesting a thirty-three (33) percent rate increase. During negotiations, MetLife agreed to reduce its requested rate increase to twenty-five (25) percent and finally to twenty (20) percent for 2016. At the conclusion of negotiations, the SIWAC voted to accept and recommend to the Superintendent the twenty (20) percent rate increase. MetLife's initial contract period expires on December 31, 2015. The current language allows for two (2) additional one (1) year renewals. MetLife's renewal request would have been its first renewal.

After further review by Benefits' staff, it was decided that an RFP should be released in order to potentially receive more competitive pricing for group disability coverage; therefore, a draft RFP 16-036V was prepared by staff and subsequently reviewed in a public meeting by the SIWAC on June 4, 2015. Procurement & Warehousing Services released the above-referenced RFP via the Onvia DemandStar System on June 18, 2015. Proposals were due on July 23, 2015.

SBBC received two (2) proposals in response to the above referenced RFP, one (1) of which was found to be non-responsive. As permitted by Section 6A-1.012(12)(c), F.A.C, which states in part, "If only one responsive proposal is received, the Committee will proceed without scoring the one (1) responsive proposal and may negotiate the best terms and conditions with that sole proposer or may recommend the rejection of all proposals."

On September 1, 2015, staff submitted Board Item E-1, Recommendation to Reject All Proposals for RFP 16-036V – Group Disability Coverage for School Board Employees. No bid tabulations were submitted as a part of September 1, 2015, per Florida Statute 119/071 (b)(3): "If an agency rejects all bids, proposals, or replies submitted in response to a competitive solicitation and the agency concurrently provides notice of its intent to reissue the competitive solicitation, the rejected bids, proposals, or replies

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remain exempt from s. 119.07 and s. 24(a), Art. 1 of the State Constitution until such time as the agency provides notice of an intended decision concerning the reissued competitive solicitation or until an agency withdraws the reissued competitive solicitation.

A bid, proposal, or reply is not exempt for longer than twelve (12) months after the initial agency notice rejecting all bids, proposals, or replies.” Subsequent to the School Board’s approval of the above-referenced item on September 1, 2015, the RFP was rereleased under RFP 16-057V, Group Disability Coverage for School Board Employees, via the Onvia DemandStar System from September 4, 2015 through October 8, 2015. Staff from Procurement & Warehousing Services contacted potential Proposers to notify them of the RFP’s re-release. Six hundred and fifty-eight (658) vendors were notified through Oniva Demandstar, twenty-two (22) vendors downloaded the RFP. Proposals were due on October 8, 2015. The District received two (2) proposals in response to the RFP:

- Metropolitan Life Insurance Company
- UNUM Life Insurance Company of America

In a public meeting held on November 4, 2015, the SIWAC reviewed and evaluated proposals from the above-referenced companies, based on Experience and Qualifications, Scope of Services, Cost and S/M/WBE participation.

As a result of the scoring and subsequent negotiations, the SIWAC voted to recommend to the Superintendent of Schools, the following award:

- Metropolitan Life Insurance Company

On November 15, 2015, the contract for RFP 16-057V- Group Disability Coverage for School Board Employees was awarded to Metropolitan Life Insurance Company (MetLife). The term of the initial Agreement was January 1, 2016 through December 31, 2018.

On May 16, 2018, SIWAC held its annual contract renewal meeting. MetLife originally requested an eleven (11) percent renewal increase; however, through an analysis of the experience data, the requested renewal increase was reduced to a nine percent increase for plan year January 1, 2019 through December 31, 2019. The SIWAC voted unanimously to recommend approval of MetLife’s first one (1) year renewal option to the Superintendent of Schools.

On May 8, 2019, SIWAC held its annual contract renewal meeting. MetLife proposed a zero (0) percent increase for 2020. The Committee voted unanimously to recommend approval of the second and final one (1) year renewal option to the Superintendent of Schools.

This request is to approve the Second Amendment to the Agreement from January 1, 2020 through December 31, 2020.

**Financial Impact  
Responsible: PWS and Benefits**

The estimated financial impact to the District for 2020 will be approximately ~~\$3,400,000~~ **\$3,500,000**. The funding for this contract will come from the Fringe Benefits Clearing Account. The financial impact represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.