

EXECUTIVE SUMMARY

Recommendation of \$500,000 or Greater FY20-010 – Consulting Services for Employee Benefits Program

Introduction

Responsible: Procurement & Warehousing Services (PWS)

This request is to approve the recommendation to award the Request for Proposal (RFP) FY20-010 – Consulting Services for Employee Benefits Program between The School Board of Broward County, Florida (SBBC), and Gallagher Benefit Services (GBS) for a period of three (3) years, beginning January 1, 2020 through December 31, 2022, with an option for two (2) additional one (1) year renewals. The estimated financial impact to the District will be \$1,900,000 for the initial term of the contract.

Goods/Services Description

Responsible: Benefits Department

Services to be provided under this RFP will include providing assistance in the development of RFPs under Florida Statute Section 112.08 (Group Insurance for Public Officers, Employees, and Certain Volunteers; Physical Examinations), analysis and design of benefit plans, including Internal Revenue Service Section 125 Tax Code, coupled with providing assistance in drafting documents for the plans. In addition, the awardee will provide consulting services, as necessary, on matters relating to the Affordable Care Act and the employee benefits program for SBBC, as more fully described in the RFP, Section 4.6, Scope of Services.

SBBC periodically conducts an evaluation of the insurance marketplace for the appropriateness of its group term life insurance, disability, dental, vision, health insurance programs, voluntary supplemental plans, and other benefits insurance programs. These programs further include a Section 125 Cafeteria Plan and related flexible spending account arrangements and tax shelter annuities. The insurance consulting firm selected will also assist in this endeavor for the term of the contract.

Procurement Method

Responsible: PWS

The procurement method chosen was through a competitive solicitation, which is required by Purchasing Policy 3320, Part II, Rule D, and Florida Administrative Code 6A-1.012(7).

A draft RFP FY20-010 – Consulting Services for Employee Benefits Program was developed and subsequently reviewed in a public meeting by the Superintendent's Insurance & Wellness Advisory Committee (SIWAC) on February 13, 2019. On February 25, 2019, Procurement & Warehousing Services (PWS) released RFP FY20-010 – Consulting Services for Employee Benefits Program through the Onvia DemandStar System and opened on April 8, 2019 at 2:00 PM. Six hundred and forty-six (646) vendors were notified of the release of the RFP. The following consultant vendors were included for notification: Alliant, Aon Consulting, Brown & Brown of Florida, Deloitte, FBMC, Gallagher Benefit Services, Hylant, K & P Benefits, Lockton, Marsh & McLennan, Robinson Bush, USI and Willis Towers Watson. Thirty-seven (37) vendors downloaded the solicitation from Demandstar. PWS received three (3) proposals on April 8, 2019 from Aon Consulting, Inc., Bolton Partners, Inc. d/b/a Bolton Gelin and GBS.

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 invited them to attend a Non-Mandatory Proposers (Pre-bid) Conference. The Pre-bid Conference was held on Wednesday, March 6, 2019 at the TSSC Annex Building from 10:00 a.m.-12:00 p.m.; eight (8) potential vendors attended the Pre-bid Conference. Based on feedback received, and a review by PWS & Benefits staff, the RFP was revised in order to clarify portions of the RFP discussed during the Pre-bid Conference.

**Recommendation of \$500,000 or Greater
FY20-010 – Consulting Services for Employee Benefits Program
November 6, 2019 Board Agenda
Page 2 of 3**

Subsequently, the following addendums were released: Addendum One, (1) released on March 13, 2019; Addendum Two (2) released on March 22, 2019 included answers to ninety-six (96) questions; Addendum Three (3), released on March 27, 2019 and Addendum Four (4), released on April 1, 2019.

On April 26, 2019, the SIWAC met to evaluate the three (3) proposals received in response to RFP FY20-010 – Consulting Services for Employee Benefits Program. The SIWAC was informed that the proposals were reviewed by Siver Insurance Consultants, Benefits Department Staff, PWS Staff, and the District’s legal counsel. It was recommended to the Committee to reject the following proposal for the reason(s) noted below:

- Aon Consulting, Inc.
The Proposer failed to meet the minimum eligibility requirements in Section 4.2.1 of the RFP.

The SIWAC voted 7-1 to reject Aon Consulting, Inc.’s proposal, for the reason(s) outlined above, and moved forward with the evaluation of the remaining proposals from Bolton Gelin and GBS.

The proposals for both Bolton Gelin and GBS were evaluated based on experience & qualifications, scope of services, Small/Minority/Women Business participation, and cost of services. As a result of the evaluations, the SIWAC voted 6-4 to select and recommend to the Superintendent of Schools, the following award:

- Gallagher Benefit Services, Inc.

GBS is a subsidiary of Arthur J. Gallagher & Co., has more than one hundred and eighty (180) offices throughout the United States, is highly respected in the marketplace and is the largest governmental consulting firm in Florida. One 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, GBS is contracted with over eight hundred and 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 SBBC’s objectives of lowering both School Board and employee cost, while providing high-value benefits to District employees.

The Affirmative Procurement Method implemented in this solicitation is the Small Business Enterprise (SBE) Prime Evaluation Preference.

S/M/WBE subcontractor is HMC Healthworks, who will provide educational webinars, wellness seminars, onsite classes, podcasts, etc. for the term of the contract.

Protests

A recommendation to award GBS was posted on Demandstar and PWS on May 1, 2019, at 3:00 p.m. Two (2) protests were received; one (1) from Aon Consulting, Inc., and the other from Bolton Gelin.

On May 6, 2019, an intent to protest was received from Aon Consulting, Inc. An acknowledgment of receipt of the intent to protest was sent to Aon Consulting, Inc. on May 7, 2019, from Mary C. Coker, Director of PWS, indicating that the formal written protest must be received by PWS on May 17, 2019, on or before 5:00 p.m. with a cost bond of \$21,840 included with the formal written protest. Aon Consulting, Inc.’s formal written protest was received by PWS on May 15, 2019 at 4:38 p.m. and did not include the cost bond with the letter. On May 23, 2019, a letter from Mary C. Coker, was sent to Aon Consulting, Inc. to dismiss the bid protest for failure to timely file the bid protest bond with PWS as required by Purchasing Policy 3320, Part VIII.

Recommendation of \$500,000 or Greater
FY20-010 – Consulting Services for Employee Benefits Program
November 6, 2019 Board Agenda
Page 3 of 3

On May 6, 2019, an intent to protest was received from Shutts & Bowen LLP, representing Bolton Gelin. An acknowledgment of receipt of the intent to protest was sent to Shutts & Bowen LLP on May 7, 2019, from Mary C. Coker, indicating that the formal written protest must be received by PWS on May 17, 2019, on or before 5:00 p.m. with a cost bond of \$21,840 included with the formal written protest. The formal written protest from Shutts & Bowen LLP representing Bolton Gelin was received by PWS on May 15, 2019 and included their cost bond as specified.

In accordance with Section 120.57(3) and Purchasing Policy 3320, Part VIII, the School Board provided an opportunity to resolve the protest by mutual agreement on June 26, 2019, from 9:00 a.m. to 12:15 p.m. at the Kathleen C. Wright Administration Center in the Pre-Function Room. After hearing presentations by all parties, the Bid Protest Committee voted to reject the Bolton Gelin’s protest and uphold the recommendation to award the RFP to Gallagher Benefit Services, Inc. Bolton Gelin accepted the outcome of the Protest Committee’s recommendation and did not pursue the case to the Department of Administrative Hearings.

Financial Impact
Responsible: PWS and Benefits Department

The estimated financial impact to the District will be \$1,900,000 for the initial term of the contract. The funding source will come from the Fringe Benefits Clearing Account for the initial term of the contract. The financial impact amount represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.

Cost of Services Breakdown

Annual Service	Flat Fee
2019-2020	\$ 624,000
2020-2021	\$ 624,000
2021-2022	\$ 624,000
Total	\$ 1,872,000

Additional Services*	Hourly Cost
Lead Consultant	\$ 278
Senior Consultant	\$ 228
Attorney	\$ 278
Consultant	\$ 175
Fellow Actuary	\$ 294
Associate Actuary	\$ 232
Medical Consultant/Florida Licensed Physician	\$300 - \$500 (If needed)
Clerical	No Charge
Auditing Services	Varies based on scope
PharmD	\$ 278
Pharmacy Consultant	\$ 258
Wellness Consultant	\$ 258

(*) Additional services which fall outside the negotiated scope of services for this contract