

RFP 99-359N
ADDITIONAL RECOMMENDATION 1 OF 1
BOARD MEETING: AUGUST 14, 2001

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

ADDITIONAL RECOMMENDATION
RFP 99-359N
EMPLOYEE BENEFIT INSURANCE CONSULTANT SERVICES

It is recommended that the School Board authorize an additional expenditure of \$700,000 to the subject RFP. This recommendation does not require any changes to the District budget. This recommendation will allow the Risk Management, Safety and Benefits Department to continue purchasing employee benefit insurance consultant services through May 17, 2004 and will provide for an approximate total expenditure of \$1,400,000 for the award period.



Phyllis Ben-Asher, CPPB
Purchasing Agent III

Attachments:
Executive Summary
Original Recommendation/Tabulation

EXECUTIVE SUMMARY
EMPLOYEE BENEFIT INSURANCE
CONSULTANT SERVICES

On May 18, 1999, the School Board of Broward County, Florida (SBBC) awarded RFP 99-359N to Gallagher Benefit Services (GBS) for a 5 year period.

GBS's involvement with the School Board for the first half of the contract was extensive. While many of the projects and/or issues were contemplated, many were unforeseen, or were by their very nature, completely unpredictable. With the help of GBS, the return to the District has been positive and in many cases financially sizable. The projects/issues are summarized below:

Terminal Pay:

GBS assisted the Superintendent's Insurance Advisory Committee (Insurance Committee) in the preparation and release of the Request for Information (RFI) and the Request for Proposals (RFP) for Retirement Plan Administration and Investment Services, and provided analysis and evaluation of the responses to the RFP to the Insurance Committee to assist in selecting a provider. This resulted in substantial savings to the School Board and employees by eliminating the FICA contributions and tax sheltering employees' terminal pay.

Dental Coverage:

GBS assisted in the preparation and release of the RFP for Group Dental Benefits for School Board Employees and provided analysis and evaluation of the responses to the RFP to the Insurance Committee to assist in selecting providers.

Disability:

GBS assisted in the preparation and release of the RFP for Group Long Term Disability Coverage for School Board Employees and provided analysis and evaluation of the responses to the RFP to the Insurance Committee to assist in selecting a provider.

Group Life and Accidental Death and Dismemberment:

GBS assisted in the preparation and release of the RFP for Group Term Life and Accidental Death And Dismemberment (AD&D) insurance and provided analysis and evaluation of the responses to the RFP to the Insurance Committee to assist in selecting a provider.

Group Vision:

GBS assisted in the preparation and release of the RFP for Group Vision Care and provided analysis and evaluation of the responses to the RFP to the Insurance Committee to assist in selecting a provider. They also assisted in the successful defense of the bid protest.

Student Vision & Dental:

GBS assisted in the preparation and release of the RFP for Student Vision and Dental Plan and provided analysis and evaluation of the responses to the RFP to the Insurance Committee to assist in selecting providers.

SBBC/Broward County Government Initiative:

GBS assisted in the evaluation of joint purchasing opportunities for health care coverage. The evaluation was presented to a joint meeting of the School Board and County Commission.

Foundation Health:

GBS provided the initial legal work through subcontract and ongoing actuarial support in the School Board's case against Foundation's withdrawal and the ultimate settlement, in the School Board's favor, in excess of \$5 million dollars.

Medical RFP(s):

GBS assisted in the preparation and release of the RFP Group Medical Benefits for School Board Employees and provided evaluation of the responses to the RFP to the Insurance Committee to assist in the ultimate selection of a replacement for Foundation Health. In addition, they assisted in the negotiations with HIP Health Plan of Florida (HIP) and provided actuarial support and assisted the legal team to enforce HIP's agreement under the existing RFP. GBS actively assisted in the School Board's successful defense of AvMed's bid protest.

Flexible Spending Accounts:

GBS assisted in the preparation and release of the RFP for Administration of Flexible Spending Accounts for School Board Employees and will provide analysis and evaluation of the responses to the RFP to the Insurance Committee when the proposals are received.

Examination of Self-Insurance:

GBS assisted in the evaluation of self-insurance options and development of self-insurance strategy. In addition, GBS presented formal workshops to both the Insurance Committee and the School Board.

Miscellaneous and General Insurance Committee Issues:

GBS has acted as a technical resource to the Insurance Committee for routine discussions and plan evaluations.

Prospective Projects:

Tax Sheltered Annuities: (TSA) An RFP for SBBC's TSA program is being prepared. GBS will be involved in the preparation and oversight of the RFP process. GBS will assist in the evaluation and selection of new/additional TSA vendors.

Self-Insurance RFI: An RFI for SBBC's medical coverage is being prepared. GBS will be involved in suggesting new plan designs as well as the analysis of the self-insured RFI responses. GBS will assist the Insurance Committee and School Board in the evaluation of the RFI's from potential bidders.

Medical RFP: Based on the results of the RFI a RFP may be prepared for solicitation of health coverage for the 2003 year.

Supplemental Insurance: An RFP for employee voluntary programs is contemplated during calendar year 2002.

Routine Issues: Renewal activities, continued evaluation, forecasting and strategic assistance are contemplated throughout the contract period.

The total cost of projects and services for the remainder of the contract period is \$700,000. This encompasses all known activities and reasonable amount for routine services. As in the past, GBS will continue to provide maximum cost on major projects.

Delineated below is an expense summary, by category, for the period May 1999 through May 2001:

<u>PROJECT</u>	<u>TOTAL</u>
Terminal Pay Plan RFI & RFP	\$42,641
Group Dental RFP	35,817
Group Disability RFP	25,000
Group Life, AD&D RFP	24,397
Group Vision RFP (& Protest)	38,827
Student Vision & Dental RFP	16,600
SBBC/Broward County Initiative	10,000
Foundation Health Issues	158,549
Medical RFP (& Protest)	229,377
Examination Self-Insurance	41,085
TSA RFP	2,170
Insurance Committee Issues	35,776
Miscellaneous Issues	<u>12,382</u>
 Total Paid to Gallagher	 \$672,621
 Board Approved Amount	 \$700,000
Less Payment to Gallagher	<u>- 672,621</u>
 Amount Remaining	 \$27,379

The School Board of Broward County, Florida
Purchasing Department

RFP No.:	<u>99-359N</u>	Board Meeting	<u>MAY 18, 1999</u>
Description:	<u>EMPLOYEE BENEFIT INSURANCE CONSULTANT</u>	RFPs Sent:	<u>116</u> Proposals Rec'd: <u>2</u> No Response: <u>10</u>
	<u>SERVICES TERM CONTRACT</u>	Proposal Opening:	<u>APRIL 26, 1999</u>
For:	<u>RISK MANAGEMENT, SAFETY AND BENEFITS DEPARTMENT</u>	Advertised Date:	<u>APRIL 13, 1999</u>
	<u>(School/Department)</u>		
Fund:	<u>DEPARTMENT'S OPERATING BUDGET</u>	Award Amount:	<u>\$700,000 (PER CONTRACT PERIOD)</u>

POSTING OF PROPOSAL RECOMMENDATION/TABULATION: RFP Recommendations and Tabulations will be posted in the Purchasing Department on MAY 10, 1999 @ 3:00 P.M., and will remain posted for 72 hours. Any person desiring to protest the Proposal Recommendation/Tabulation shall file, in writing, a notice of protest within 72 hours after the time posted as stated herein, and shall file a formal written protest within ten days after filing the notice of protest. Saturdays, Sundays and legal holidays shall be excluded in the computation of the 72-hour time period. Filings shall be at the office of the Director of Purchasing, 7720 West Oakland Park Boulevard, Suite 323, Sunrise, Florida 33351. Section 120.57(3)(b), Florida Statutes, states that "The formal written protest shall state with particularity the facts and law upon which the protest is based."

BASED UPON THE RECOMMENDATION OF THE SUPERINTENDENT'S INSURANCE COMMITTEE CONSISTING OF: RAY ADKINS, CONFIDENTIAL OFFICE PERSONNEL ASSOCIATION; HAL BLITMAN, DISTRICT ADMINISTRATION; WALTER BROWNE, FEDERATION OF PUBLIC EMPLOYEES; PAUL D. EICHNER, ESQUIRE, SCHOOL BOARD MEMBER; JAMES FLYNN, SUPPORT SERVICES PERSONNEL ASSOCIATION; ANTHONY GENTILE, BROWARD TEACHERS UNION; LISA MAXWELL, BROWARD PRINCIPALS AND ASSISTANTS ASSOCIATION; MIRIAM OLIPHANT, SCHOOL BOARD MEMBER; JOHN QUERCIA, FINANCIAL, MANAGEMENT AND SUPPORT SERVICES; SUZAN RUDD, BROWARD PROFESSIONAL ASSOCIATION; RONALD WEINTRAUB, RISK MANAGEMENT, SAFETY AND BENEFITS DEPARTMENT; LOIS WEXLER, SCHOOL BOARD MEMBER.

THIS AWARD SHALL BE MADE TO A PRIMARY CONSULTANT AND AN ALTERNATE CONTINGENT CONSULTANT SUBJECT TO THE COMPLETION OF CONTRACT NEGOTIATIONS WITH EACH PROPOER:

GALLAGHER BENEFIT SERVICES (PRIMARY CONSULTANT)
ARTHUR ANDERSEN LLP (ALTERNATE CONTINGENT CONSULTANT)

CONTRACT PERIOD: MAY 18, 1999 THROUGH MAY 17, 2004.

FOR FURTHER INFORMATION ABOUT THIS RFP, SEE PAGE 1 OF 16 PAGES OF THE RFP.

By: *Christie B. Asher* Date: 5/7/99
(Buyer/Purchasing Agent)