

Personnel Management and Services  
Nelson E. Diaz, Deputy Superintendent

**SUBJECT: REQUEST FOR AUTHORIZATION TO EXTEND THE BOARD'S CONTRACT WITH WILLIAM M. MERCER, INC. FOR FRINGE BENEFITS CONSULTING AND TO HAVE STAFF BEGIN WORKING ON A REQUEST FOR PROPOSAL FOR FRINGE BENEFIT CONSULTING SERVICES**

At the Board Meeting of January 10, 1996, the Board awarded its contract for fringe benefits consulting services, pursuant to the terms of Request For Proposal (RFP) #103-SS-10, to A. Foster Higgins & Co. (now William M. Mercer, Inc.) for a three-year term, effective January 11, 1996, with two additional one-year terms to follow, which would extend the contract to January 10, 2001.

At the Board meeting of October 11, 2000, Agenda Item, Replacement E-10, the Board authorized that its contract with William M. Mercer be amended to include the additional provision of providing consulting services to the Board for restructuring of its health plan for 2002, with expenses for such consulting not to exceed \$275,000. The agenda item included a timeline for the restructuring with work on the RFP to begin in October, 2000 and final recommendations for 2002 health plans to be brought back to the Board at its meeting in May or June, 2001. While it was clearly anticipated that the restructuring would extend beyond the expiration of the Board's contract with Mercer, which was due to expire on January 10, 2001, the language in the item did not specifically include a revised termination date. As such, upon advice of the Board Attorney, authorization to confirm the extension of the Board's contract with William M. Mercer from January 11, 2001 through June 30, 2001 is now being requested.

Although the restructuring of the Board's health plan for 2002 is in its final stages of completion, the need for benefits consulting is ongoing, including, but not limited to, implementation of recommended health plans, flexible benefits, and access to Legal Counsel with specific benefit expertise, which is provided for in the current Mercer contract.

Staff is recommending that the Board's current contract with William M. Mercer, Inc. be extended through June 30, 2002, pursuant to the provisions of Request For Proposal (RFP) 103-SS-10, with annual expenditures not to exceed \$175,000, based upon the following existing hourly rates:

- \$255 for Lead Consultants, Fellow Actuaries, Physician Consultants and Attorney Consultants;
- \$234 for Senior Consultants and Associate Actuaries; and
- \$191 for Regular Consultants

This recommendation is being made as a result of the need for consistency in the implementation of the Board's restructured benefits program, and the adequacy of services provided by the incumbent. Authorization for renewal of this contract is provided for in State Board Rule 6A-1.012(11), whereby a district school board when purchasing insurance, entering risk management programs, or contracting with third party administrators, may make any such acquisitions through the bid process, or by direct negotiations and contract.

It is also recommended that staff begin working on the construction of an RFP for fringe benefits consulting which will be brought back to the Board for review, prior to being distributed, pursuant to the requirements of School Board Rule 6Gx13- 3F-1.022, Professional Service Contracts for Insurance or Risk Management Programs – Policy, including a time frame for seeking competitive quotations, with a new contract to become effective July 1, 2002.

The appropriation for the fringe benefits consulting contract is included in the General Fund of the 2000-2001 Adopted Budget, under Fund 0100, Object 5310, Location 9112, Program 7760, Function 7790.

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

1. confirm the extension of the Board's contract with William M. Mercer, Inc., as outlined in Agenda Item, Replacement E-10, Board Meeting of October 11, 2000, from January 11, 2001 through June 30, 2001;
2. authorize extension of its contract with William M. Mercer, Inc. for benefit consulting services, pursuant to the provisions contained with Request For Proposal (RFP) #173-SS-10, effective July 1, 2001 through June 30, 2002, with hourly rates of \$255 for Lead Consultants, Fellow Actuaries, Physician Consultants, Attorney Consultants; \$234 for Senior Consultants and Associate Actuaries; and \$191 for Regular Consultants, annual expenditures not to exceed \$175,000; and
3. authorize the Superintendent to begin work on a Request For Proposal (RFP) for fringe benefits consulting services, to be brought back to the Board for approval prior to distribution, with a contract effective date of July 1, 2002, pursuant to the requirements of School Board Rule 6Gx13- 3F-1.022.

The appropriation for this item is included in the General Fund of the 2000-2001 Adopted Budget; and will be included in the General Fund of the 2001-2002 Tentative Adopted Budget to be approved by the Board in July, 2001.

NED:sc