

Ofelia San Pedro, Deputy Superintendent
Business Operations

SUBJECT: REQUEST FOR AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS (RFP) # 094-FF10, ADMINISTRATIVE SERVICES – SECTION 125 FLEXIBLE BENEFITS PROGRAM AND ENROLLMENT

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

At the Board meeting of October 19, 2005, the Board authorized renewal of its current contract with Fringe Benefits Management Company (FBMC) to provide enrollment and administrative services under the district's IRS Section 125 Flexible Benefits Program. By means of this RFP, the School Board is soliciting proposals for the following services for its Internal Revenue Code (IRC) Section 125 Cafeteria Plan, to become effective January 1, 2007:

1. Administrative services to include communication services for the district's core medical programs plus optional flexible benefits, including participation in periodic negotiations and/or re-marketing of the various flexible benefits to assure their competitiveness;
2. Open enrollment and ongoing enrollment services for district medical plans, flexible benefits plans and flexible spending accounts (FSAs). This enrollment function must include a web-based application which will interface with district systems and databases;
3. Deduction management for flexible benefits including receipt of all employee premiums, account administration and reconciliation on a per payroll basis, and remittance of employee-paid premiums to flexible benefit providers;
4. Retiree account administration including billing and enrollment; and
5. Leave employee account administration including billing and enrollment.

All services are requested to be provided directly by the designated proposer/administrator, except communications design and production and online enrollment services which may be sub-contracted by the designated administrator.

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The district has been under contract with Fringe Benefits Management Company since January 1, 2003 to provide these services. The district currently pays FBMC a fee of \$6.12/employee/month to provide the scope of services solicited. Estimated annual expenditures for calendar year 2006 under this contract are \$3 million. The Board's current contract with FBMC includes the enrollment activities for this fall's open enrollment for employee benefits for calendar year 2007, and expires December 31, 2006.

District initiatives to assume additional responsibilities for dependent premium remittance are underway; however, to bring these responsibilities "in-house" requires significant systems enhancement to support the processes. While the intent is to accomplish this via the Enterprise Resource Planning (ERP) currently underway, the final product will take up to three years before it is fully implemented. As such, it is vital that these services continue to be provided by a third party in order to support the benefits functions.

The investment necessary for a company to properly administer these services is significant and needs to be managed as the district's employee benefits program evolves. Therefore, RFP #094-FF10 has been written with the intent to enter into a three-year contract. As the district's needs for services change with the introduction of the ERP initiative, the scope of the service sought in future years can be analyzed in order to make sure that it meets the district's needs.

The timeline for RFP #094-FF10 is as follows:

M-DCPS RELEASES RFP TO VENDORS	JUNE 15, 2006
PRE-PROPOSAL CONFERENCE	JUNE 30, 2006
WRITTEN QUESTIONS DUE	JULY 14, 2006
PROPOSALS DUE	AUGUST 8, 2006
STAFF/CONSULTANT EVALUATIONS	AUGUST, 2006
RECOMMENDED BOARD ACTION	SEPTEMBER, 2006
CONTRACT EFFECTIVE DATE	JANUARY, 2007

Pursuant to School Board Rule 6Gx13- 3F-1.021, Professional Service Contracts for Insurance or Risk Management Programs – Policy, an Ad-Hoc Insurance Committee will review received proposals, and make recommendations which subsequently will be taken to the Board for final action. The Ad-Hoc Committee will consist of the following individuals:

- Deputy Superintendent, Business Operations
- Chief Financial Officer
- Risk and Benefits Officer
- Controller
- Human Resource Officer
- Director, Information Technology
- Risk Manager, Miami-Dade County

Additionally, the following representatives will serve as resource persons to the Ad-Hoc Committee:

Representative, Board Attorney's Office
Representative, Office of Procurement Management
Director, MWBE & Related Services
Representative, School Board Benefits Consultant

Copies of the RFP will be distributed to Board Members, the Superintendent of Schools, and appropriate district staff and will be placed on file in the Office of the Recording Secretary to the School Board and in the Citizens Information Center.

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

1. authorize the Superintendent of Schools to issue Request For Proposal (RFP) #094-FF10, Administrative Services – Section 125 Flexible Benefits Program and Enrollment; and
2. approve the Ad-Hoc Committee.

OSP:sc