Office of Superintendent of Schools
Board Meeting of May 12, 2010

May 3, 2010

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: **RECOMMENDATION FOR AWARD OF REQUEST FOR PROPOSAL (RFP) 006-KK10, WORKERS' COMPENSATION AND THIRD PARTY LIABILITY CLAIMS ADMINISTRATION SERVICES**

COMMITTEE: **INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS**

LINK TO STRATEGIC FRAMEWORK: **FINANCIAL EFFICIENCY/STABILITY**

At the School Board meeting of November 17, 2009, the Board authorized the release of Request For Proposal (RFP) 006-KK10, Workers' Compensation and Third Party Liability Claims Administration Services. In addition to authorizing release of the RFP, the agenda item approved the makeup of the Superintendent's Ad-Hoc Insurance Committee, pursuant to the provisions of School Board Rule 6Gx13- 3F-1.022, Professional Service Contracts for Insurance or Risk Management Programs – Policy. The committee members which served in this capacity are as follows:

Deputy Superintendent of Schools
Associate Superintendent and Chief Financial Officer
Assistant Superintendent, Human Resources
Chief Facilities Officer
Risk and Benefits Officer
Supervisor, Workers' Compensation
Workers' Compensation Manager, Miami-Dade County

Additionally, the following representatives served as non-voting resource persons to the Ad-Hoc Committee:

Representative from the Board Attorney's Office
Representative from the Office of Procurement Management
Representative from MWBE& Related Services
Representative from Board Property/Casualty Insurance Consultant

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In addition to being posted on the Procurement website, 24 vendors were sent copies of the RFP. A Pre-Proposal conference was held on Thursday, December 10, 2010, where received questions/clarifications to the RFP were reviewed and questions were taken from vendors in attendance.

Two addenda were issued to the RFP, with the first being issued on December 18, 2009, and the second addendum issued on January 6, 2010.

Received proposals were opened at the regular bid opening of January 26, 2010, from the following vendors:

EMI (Employers Mutual)
Gallagher Bassett Services
John Eastern
Opta Comp (Blue Cross/Blue Shield of Florida)
Sedgwick CMS

The Board's consulting firm of Siver Insurance Consultants, Inc. took the information from the proposals and put it into a spreadsheet format for purposes of organizing the received information. The first meeting of the Superintendent's Ad-Hoc Committee was held on March 12, 2010. The first action of the committee was to vote that EMI's proposal not be considered further as it did not meet the minimum qualifications as stipulated in the RFP. The committee then conducted a thorough review of the four remaining received proposals. Subsequently, the committee voted to eliminate Sedgwick CMS from further consideration due to the fact that when compared to the other received proposals, Sedgwick CMS did not demonstrate any governmental workers' compensation experience. At the end of the meeting the committee voted to bring back the three remaining vendors for oral presentations the following week. The format was to be that all three vendors would be asked the same questions.

The second Ad-Hoc Committee meeting occurred on March 19, 2010. After brief introductions, the committee heard opening remarks from all three vendors in the following order:

Gallagher Bassett
Johns Eastern
Opta Comp

At the end of the questioning, the committee voted to have the consultant ask for "Best and Final" pricing, terms and conditions from all three vendors.

The third meeting of the Ad-Hoc Committee meeting was held on April 15, 2010, at which time the "Best and Final" offerings from the three vendors was presented to the committee. The committee also voted to have each of the proposers (who were in attendance) to briefly comment as to why they should be the successful vendor.

Pursuant to evaluation provisions of the RFP, the committee scored the proposers based upon the following components criteria and point system:

Demonstration of Competency and Experience (Maximum Points: 35).

Projected Cost (Maximum Points: 25).

Extent to which the Proposer is willing and able to provide all services sought (Maximum Points: 35).

Extent to which Minority and Women Business Enterprise or individuals will participate in providing of services (Maximum Points: 2.5).

Extent to which minorities and women are utilized in the proposer's workforce (Maximum Points: 2.5).

The committee voted separately on the workers' compensation claims administration services and then on the third party liability claims administration services, as they severable in the RFP.

The final vote placed Gallagher Bassett as the recommended vendors for both workers' compensation claim administration services, as well as third party liability claims administration. The pricing of their proposal for all services sought, based upon a three year contract term as specified in the RFP, is as follows:

July 1, 2010 – June 30, 2011 (year one)	$ 5,411,837
July 1, 2011 – June 30, 2012 (year two)	$ 5,411,837
July 1, 2012 – June 30, 2013 (year three)	$ 5,411,837
Total 3-years	$ 16,235,511

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

1. award Gallagher Bassett Services, Inc. the Workers' Compensation and Third Party Liability Claims Administration Services contract, pursuant to Request For Proposal (RFP)# 006 KK10, effective July 1, 2010, for a three year term with annual pricing for such services to be $5,411,837 for each of the three year representing a total contract price for all three years of $16,235,511; and

2. authorize the Superintendent of Schools to execute a contract with Gallagher Bassett Services, Inc. for a three year term to provide claims administration services.

RHH:sbc