

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT: RECOMMENDATION FOR AWARD FOR REQUEST FOR PROPOSALS (RFP) #077-NN10, FLEXIBLE SPENDING ACCOUNT (FSA) ADMINISTRATION SERVICES**

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

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

At the Board meeting of June 10, 2013, the Board authorized the Superintendent of Schools to issue Request for Proposals (RFP) #077-NN10, Flexible Spending Account (FSA) Administration Services. At the regularly scheduled bid opening of August 1, 2013, three proposals were received by the following proposers:

- Discovery Benefits
- TASC
- Wage Works

Pursuant to School Board Policy 6332 - Professional Service Contracts for Insurance or Risk Management Programs—Policy, the Superintendent's Ad-Hoc Committee met on September 11, 2013 to review received proposals. During this meeting, the Districts' benefit consultant, Aon Hewitt, indicated that Discovery Benefits did not meet one of the minimum qualifications as stated in RFP # 077-NN10, Section 1, Page 1, Minimum Qualifications:

*In order to be considered, a proposer must, on the Proposal Return Date for receipt of proposals by the Board for this RFP, meet the following minimum qualifications:*

- must have provided the FSA Administrative Services to one Florida School District at any time since 2008;

Since there was a minimum qualification in the RFP that was not met by Discovery Benefits, the committee voted unanimously to discontinue further review of the Discovery Benefits proposal since they had not met the required minimum qualification.

The Committee continued to review the proposals from TASC and Wageworks. Following a detailed analysis of the two remaining proposers, the committee members recommended that Aon Hewitt go back to the proposers for clarification regarding deviations and non-responses.

A subsequent Ad-Hoc Committee meeting was held on Monday, September 23, 2013 where the additional information requested from the two vendors was shared with the committee. Following discussions, the committee voted unanimously to recommend TASC to provide the services; however, the committee asked Aon Hewitt to attempt more strategic pricing.

Aon Hewitt has completed the negotiations with TASC for terms, conditions and pricing for this service. Results of the negotiations are as follows:

**Per participant per month pricing (PEPM):**

1-4,500	\$3.95
4,501-9,000	\$3.65
9,001-13,500	\$3.35
13,501-18,000	\$3.05
18,001-	\$2.75

Fees consisting of an initial set up fee of \$1,000 and annual renewal fees of \$500 as originally proposed by TASC have been subsequently waived as a result of final negotiations. Based upon a current base of 2,400 employees who currently have a Flexible Spending Account (FSA), the projected annual fee for this contract would be \$113,760. An educational program to promote FSA participation occurs annually during open enrollment in an effort to get employees to maximize the tax advantages which FSA's provide.

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

- award TASC the Flexible Spending Account (FSA) Administration Services contract, pursuant to Request For Proposal (RFP) #077-NN10, for an initial three-year term, effective January 1, 2014, with the ability to extend the contract for an additional two-year period; and

**Per participant per month pricing (PEPM):**

1-4,500	\$3.95
4,501-9,000	\$3.65
9,001-13,500	\$3.35
13,501-18,000	\$3.05
18,001-	\$2.75

2. authorize the Superintendent of Schools to execute a contract with TASC to provide flexible spending account (FSA) administration services pursuant to the provisions of RFP# 077-NN10, Flexible Spending Account (FSA) Administration Services.

RHH: sbc