

Financial Affairs  
Richard H. Hinds, Chief Financial Officer

**SUBJECT: REQUEST FOR AUTHORIZATION TO AWARD REQUEST FOR PROPOSAL (RFP) # 094-BB10, CONSULTING SERVICES, EMPLOYEE BENEFIT PROGRAM**

At the Board meeting of March 13, 2002, the Board authorized the Superintendent to issue Request For Proposal (RFP) 094-BB10, Consulting Services, Employee Benefit Program. The Board also approved the Ad-Hoc Insurance Committee which was to review the received proposals. The approved Ad-Hoc Committee members are as follows:

Mr. Frank J. Bolaños, School Board Member  
Dr. Richard H. Hinds, Chief Financial Officer  
Mr. Paul Philip, Chief of Staff  
Ms. Magaly Abrahante, Chief Personnel Officer  
Dr. Rose Barefield-Cox, Assistant Superintendent  
Mr. Scott B. Clark, Administrative Director  
Ms. Patricia Freeman, Director  
Ms. Marsha Pascual, Risk Manager, Miami-Dade County

At the regularly scheduled bid opening of April 16, 2002, proposals were received from five companies. Declinations were received from five companies, Siver Insurance Consultants, Inc., Watson Wyatt Worldside, Buck Consultants, Towers Perrin, and Gallagher Benefit Consulting, Inc.

Proposals were received from the following companies:

Aon Consulting, Inc. - Miami, Florida  
Deloitte & Touche, LLP - Miami, Florida  
Mercer, Inc./MMC - Atlanta, Georgia  
Milliman USA - Tampa, Florida  
PricewaterhouseCoopers, LLP - Atlanta, Georgia

Following a detailed analysis of the received proposals, the committee voted unanimously to recommend Deloitte & Touche, LLP (D&T), Miami, Florida to be the Board's employee benefits consulting firm, effective July 1, 2002. This recommendation was based upon the fact that Deloitte & Touche met or exceeded every one of the proposal criteria, including having the lowest overall cost.

**G-48**

Pursuant to the provisions of State Board Rule 6A-1.012 (11), whereby the Board is authorized to directly negotiate and contract with companies who are providing risk management programs, the committee voted to have staff negotiate a contract with D&T for an initial three year period, with the ability to extend the contract for an additional two year period, depending upon successful performance, etc.

The results of these negotiations with D&T have resulted in D&T agreeing to an initial three year contract with the pricing in their proposal in response to RFP # 094-BB10, to remain constant for the first and second year. Subsequent rate increases would be capped at an amount not to exceed the Consumer Price Index (CPI), U.S. City Average, Less Food and Energy, from April, 2003 to April, 2004.

The rate in the D&T proposal for the legal consultant was \$225; however, in order to retain the firm of Greenberg, Traurig P.A., Miami, Florida, who has provided legal consulting to the Board in the past and is presently engaged in a project, this rate has been negotiated to be the same as the lead consultant's rate of \$281.

The recommended rate structure is as follows:

Lead Consultant - \$281/hour  
Senior Consultant - \$248/hour  
Consultant - \$158/hour  
Fellow Actuary - \$281/hour  
Associate Actuary - \$149/hour  
Medical Consultant (Florida Physician) - \$225/hour  
Legal Consultant (Florida Attorney) - \$281/hour  
Clerical - included in above rates

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

1. authorize the Superintendent to enter into a contract for employee benefit consulting to Deloitte & Touche, LLP, Miami, Florida, pursuant to the terms of Request For Proposal (RFP) # 094-BB10, and the proposal received from Deloitte & Touche, LLP, for an initial three-year term, effective July 1, 2002, with hourly rates for consulting fees for the first two years of \$281 for Lead Consultant, Fellow Actuary, and Legal Consultants; \$248 Senior Consultant; \$225 for Medical Consultant; \$158 for Consultant; \$149 for Associate Actuary; and clerical expenses included in above rates, with annual expenditures not to exceed \$175,000

2. authorize an initial third year of the employee benefits consulting contract with Deloitte & Touche, LLP, effective July 1, 2004, with a rate increase not to exceed the Consumer Price Index (CPI), U.S. City Average, Less Food and Energy, based upon the change from April, 2003 to April 2004.

Funds for this contract will be included in the General Fund of the 2002-2003 Adopted Budget.

RHH:sc