

January 12, 2011

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT:                   REQUEST FOR AUTHORIZATION TO AWARD REQUEST  
FOR PROPOSALS (RFP) #003-LL10, CONSULTING  
SERVICES, EMPLOYEE BENEFIT PROGRAMS**

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

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

At the Board meeting of October 13, 2010, the Board authorized the Superintendent to issue Request For Proposals (RFP) #003-LL10, Consulting Services, Employee Benefit Programs. The existing contract with Deloitte Consulting, LLP was awarded as a result of RFP # 018-FF10 which was for an initial three-year term effective February 1, 2006-2009, with the ability to extend the contract for two additional one-year terms. The Board authorized an extension of the existing contract at the Board meeting of January 14, 2009 effective February 1, 2009-2011.

Two proposals were received in response to RFP #003-LL10 at the bid opening of November 11, 2010. Proposals were received from:

Aon Hewitt Health & Welfare Consulting  
Deloitte Consulting, LLP

Pursuant to School Board Rule 6Gx13- 3F-1.0122, Professional Service Contracts for Insurance or Risk Management Programs—Policy, the Superintendent's Ad-Hoc Committee met to review received proposals on January 4, 2011. Following a thorough review of the received proposals, the committee decided to conduct oral interviews. Representatives for both proposers were made aware in advance of the meeting to have representatives at the meeting who could negotiate on behalf of their firm.

The committee felt that both Aon/Hewitt and Deloitte Consulting were firms which possessed the ability to provide valuable employee benefit consulting advice. Both firms provided hourly rates on a fee basis, pursuant to the provisions of RFP# 003-LL10 as follows:

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	<u>Aon/Hewitt</u>	<u>Deloitte Consulting</u>
Lead Consultant	\$350/hour	\$335/hour
Senior Consultant	\$350/hour	\$295/hour
Consultant	\$273/hour	\$195/hour
Fellow Actuary	\$430/hour	\$335/hour
Associate Actuary	\$280/hour	\$177/hour

Both proposers proposed rate guarantees as stipulated in the RFP. Deloitte's proposal included a three-year guarantee of all proposed fees, including legal consultant fees. This represents approximately an 8% increase over current fees which have been in place for four years.

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Legal consulting was proposed by Aon/Hewitt at \$315/hour for in-house legal consulting services with the ability to contract with outside legal firms for formal legal opinions at fees to be determined. Deloitte proposed access to Greenberg Traurig, the firm which has provided legal services to the District in the past for Employee Benefit legal opinions/IRS opinions, etc. at fees of \$450/hour for Shareholders, \$300/hour for Associates and \$150/hour for paralegals.

Following a lengthy discussion, the committee voted unanimously to recommend a contract be negotiated with Deloitte Consulting, LLP, effective February 1, 2011 for a three-year period with the ability to renew for two additional one-year periods pursuant to the provisions of RFP #003-LL10.

Subsequent negotiations by staff and Deloitte have resulted in an agreed fee structure for consulting services which achieves the proposed 8% increase over a three-year period, resulting in a 0% increase over existing rates for year one; a 4% rate increase for year two and a subsequent 4% increase for year three. Legal fees as proposed pursuant to RFP# 003-LL10 are guaranteed for the three-year term.

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RECOMMENDED:

That The School Board of Miami-Dade County, Florida award RFP #003-LL10, Consulting Services, Employee Benefit Programs, to Deloitte Consulting LLP and execute an agreement effective February 1, 2011, for a three-year period at existing consulting fees listed below for year one, providing for consulting fee increases of 4% for year two and an additional 4% for year three, resulting in an 8% increase over the three-year period, with proposed legal rates as listed below to remain constant over the three-year period, and the ability to renew the contract for two additional one-year periods, subject to subsequent negotiations and Board approval:

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Lead Consultant	\$310	} R E V I S E D
Senior Consultant	\$273	
Consultant	\$174	
Fellow Actuary	\$310	
Associate Actuary	\$164	
Legal Consultant Services:		
Shareholders	\$450	
Associates	\$300	
Paralegals	\$150	

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