

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT:                   REQUEST FOR AUTHORIZATION TO CONTRACT WITH  
TSA CONSULTING GROUP, INC. TO PROVIDE PLAN  
ADMINISTRATIVE SERVICES FOR THE DISTRICT'S TAX  
SHELTERED ANNUITY IRC 403(b) PROGRAMS**

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

**LINK TO DISTRICT  
STRATEGIC PLAN:        IMPROVE FINANCIAL SERVICES**

At the Board meeting of May 20, 2009, the School Board authorized the Superintendent to enter into a contract with TSA Consulting Group, Inc. (TSACG), effective June 1, 2009, for a three-year period to provide Internal Revenue Code (IRC) 403(b) plan administration services to Miami-Dade County Public Schools under their agreement with the Florida Independent Benefits Council (IBC). Services provided by TSACG include the following:

- Recordkeeping
- Provider Re-evaluations
- EPARS electronic transmission of data and employee contributions
- Annual notification to employees of Supplemental Retirement Plans

This contract was put in place following the adoption of what is now School Board Policy 6144.01, Supplemental Retirement Investment Programs, when the Board adopted this policy originally on November 18, 2008. The School Board Policy was created to achieve four strategic goals which include:

1. Compliance of the District's Tax Sheltered Annuity Investment Program, IRC §403(b), with Federal Regulations;
2. Investment options for District employees which include financially sound companies offering investment choices with the lowest fee structures available in the industry;
3. Adoption of the Independent Benefit Council's (IBC) "Model Plan" in conjunction with "grandfathering" of existing providers offering IRC §403(b) Plans; and

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4. Documenting into Board Policy the existence of the two additional Board-approved supplemental retirement plan programs currently in existence which include the District's §457 and §401(k) Plans.

TSACG currently provides plan administrative services to all 67 Florida School Districts. Because of the current volume of Supplemental Plan participants, no District money is required to support administrative fees for this program. As referenced above, School Board Policy 6144.01 requires all participating investment companies which provide products to District employees/retirees to pay administrative fees of \$17/employee/year. This fee not only supports TSACG to provide all required administrative support and communications, and also supports administrative costs associated with the program in the District's Office of Risk and Benefits Management.

As a result of the significant experience of TSACG in administering programs statewide, as well as their close work with the IBC in the creation of the "Model Plan", staff is seeking authority to enter into a new contract with TSACG pursuant to the authority in School Board Policy 6320 - Purchasing, which will permit purchases by a School Board when the proposer awarded a contract by another public entity permits purchases by a school board on the same terms, conditions, and prices (or below) awarded in the contract, and the purchases are economically advantageous to the School Board.

As a result of the issuance of Request For Proposal (RFP) #2-11/LG, Duval County Public Schools awarded a contract for Plan Administration and Compliance Services to TSACG effective October 1, 2010 through September 30, 2015, with the ability to extend that contract with five additional one-year renewals. Staff is recommending Miami-Dade County Public Schools contract with TSACG effective June 1, 2012 through September 30, 2015, subject to the following fee structure which requires no Board funds and is much more aggressive than other District's pricing:

June 1, 2012 through September 30, 2015 – Current pricing of \$1/participant/month

While the numbers of employees enrolled in a 403(b) program fluctuate, there are approximately 9,500 current participants.

**RECOMMENDED:**

That The School Board of Miami-Dade County, Florida, authorize the Superintendent to enter into a new contract with TSA Consulting Group, Inc. (TSACG), effective June 1, 2012 through September 30, 2015, pursuant to the terms included in their response to Request For Proposal (RFP) #2-11/LG issued by Duval County School Board to provide Internal Revenue Code (IRC) §403(b) plan administration services to Miami-Dade County Public Schools including, but not limited to recordkeeping, provider re-evaluations, EPARS electronic transmission of data and employee contributions, and Annual Notification of Employer Sponsored Supplemental Retirement Plans, with fees for all services to be \$1.00/participant/month from June 1, 2012 through September 30, 2015 and paid from fees collected from investment companies pursuant to School Board Policy 6144.01, Supplemental Retirement Investment Plans.

RHH:sbc