

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT:                   REQUEST FOR AUTHORIZATION TO AWARD REQUEST  
FOR PROPOSALS (RFP) #012-NN10, CONSULTING  
SERVICES FOR EMPLOYEE BENEFIT PROGRAMS**

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

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

At the Board meeting of October 10, 2012, the Board approved the issuance of RFP #012-NN10, Consulting Services For Employee Benefit Programs and the composition of the Superintendent's Ad-Hoc Committee.

The purpose of the RFP was to solicit proposals for the following services:

- Plan review, including plan design evaluation and benchmarking
- Renewal evaluations and negotiations, including review of claims and vendor administrative costs
- Validation of Benefits Audit/Claims Audits
- Plan funding and premium contribution strategies
- Supplemental Retirement Programs including IRS 403(b) Tax Sheltered Annuity; IRS 401(k) and IRS 457 Programs
- Voluntary Products (dental, vision, legal, disability, etc.)
- Assistance with the drafting of RFP's and subsequent comparison of proposals for all employee benefit programs
- Negotiation of stop-loss coverage renewal terms
- Legal Consulting services through an attorney or law firm knowledgeable about employee benefit issues including, but not limited to tax law; collective bargaining; Florida law pertaining to employee benefits; Federal laws such as HIPAA, COBRA, and Health Care Reform

**E-66**

Proposals were received on November 13, 2012 from the following firms:

- Aon Hewitt
- Deloitte Consulting LLP
- Gallagher Benefit Services, Inc.
- Towers Watson
- Wells Fargo Insurance Services

The Superintendent's Ad-Hoc Committee met on December 14, 2012 to review the received proposals. As a result of that committee meeting, a subsequent meeting of the committee was scheduled for December 19, 2012 to have oral presentations from three firms which were deemed to have the most strategic proposals for Miami-Dade County Public Schools. Those firms include:

- Aon Hewitt
- Deloitte Consulting LLP
- Gallagher Benefit Services

All three firms were notified of the opportunity to make a presentation. Also, all firms were notified of requirements of Board Policy 8150, Lobbyists and that they would need to complete appropriate paperwork and pay the \$250 fee prior to the Ad-Hoc Committee meeting. All firms complied.

The three finalists were provided 10 minutes for a presentation with the Ad-Hoc Committee able to ask follow up questions regarding the proposals. After all three firms had presented, the committee discussed the presentation and proposals and then voted unanimously to award the District's contract for Employee Benefit Consulting Services to Aon Hewitt, effective February 1, 2013, subject to their agreement to waive the stand alone clerical fee of \$95/hour. Staff is in receipt of an e-mail from Aon Hewitt stating that they are willing to waive that fee. The recommendation for Aon Hewitt included the following features of their proposal:

- Significant Florida governmental experience
- Depth in actuarial services
- Strong Florida presence
- Five-year price guarantee

Therefore, staff is recommending that the recommendation for award for Request For Proposal (RFP)# 012-NN10, Consulting Services, Employee Benefit Programs, be made to Aon Hewitt, effective February 1, 2013 for a five-year period at the following hourly rates as stipulated in their proposal and as negotiated by the Ad-Hoc Committee.

Lead Consultant - \$300  
Senior Consultant - \$275  
Consultant - \$225  
Fellow Actuary - \$275  
Associate Actuary - \$225  
Legal Consultant - Fees quoted by Greenberg, Traurig for a three-year period at rates of \$500/hour, Shareholder; \$360/hour Associates; \$160/hour, Paralegals

Work performed under the employee benefit consulting contract tends to be very fluid and time sensitive. As a result, there are two major active projects that the current consultant, Deloitte Consulting LLP (Deloitte) has been working on. Staff strongly believes that it is in the District's best interest to allow these two projects to be finalized by Deloitte, due to the background work and contracts which have been finalized, rather than spending additional District resources with the new selected consulting firm. Staff is recommending that these two projects, which include a claims audit with Cigna (Cigna pays the cost of the audit pursuant to contract), and the State of Florida, Office of Insurance Regulation annual filing for calendar year 2012, be finalized by Deloitte at existing rates, for a maximum 90-day time period, effective February 1, 2013 through April 30, 2013. Deloitte has agreed to this extension at existing rates which are as follows:

Lead Consultant - \$300/hour  
Senior Consultant - \$273/hour  
Consultant - \$174/hour  
Lead Actuary - \$273/hour  
Actuary - \$164/hour

RECOMMENDED:

That The School Board of Miami-Dade County:

1. award its contract for employee benefit consulting services to Aon Hewitt, pursuant to RFP# 012-NN10, Consulting Services, Employee Benefit Programs, effective February 1, 2013 for a five-year period at the following rate structure:

Lead Consultant - \$300/hour  
Senior Consultant - \$275/hour  
Consultant - \$225/hour  
Fellow Actuary - \$275/hour  
Associate Actuary - \$225/hour  
Legal Consultant (Greenberg, Traurig 3-year guarantee)  
Shareholders - \$500/hour  
Associates - \$360/hour  
Paralegals - \$160/hour

2. authorize an extension of the District's existing contract for employee benefit consulting with Deloitte Consulting, LLP at existing rates for two projects including the upcoming Cigna Claims Audit and State of Florida, Office of Insurance filing, effective February 1, 2013 through April 1, 2013; and
3. authorize the Superintendent to enter into a contact with Aon Hewitt for services to be performed, pursuant to RFP 012-NN10.

RHH:sbc