

Financial Services
Mrs. Judith M. Marte, Chief Financial Officer

SUBJECT: RECOMMENDATION FOR AWARD FOR REQUEST FOR PROPOSALS (RFP) #065-PP10, THIRD PARTY ADMINISTRATION (TPA) SERVICES FOR THE SELF-FUNDED WORKERS' COMPENSATION AND LIABILITY PROGRAM

COMMITTEE: FISCAL ACCOUNTABILITY

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

At the Board meeting of September 3, 2014, the Board authorized the Superintendent of Schools to issue Request for Proposal (RFP) #065-PP10, Third Party Administration (TPA) Services for The Self-Funded Workers' Compensation and Liability Program.

At the regularly scheduled bid opening of November 4, 2014, responses from the following companies were received:

- Gallagher Bassett Services, Inc.
- Johns Eastern Company
- Preferred Governmental Claims Solutions (PGCS)
- Sedgwick Claims Management Services, Inc.

Pursuant to School Board Policy 6332 - Professional Service Contracts for Insurance or Risk Management Programs—Policy, the Superintendent's Ad-Hoc Committee met on January 16, 2015 to review received proposals, at which time the committee unanimously voted to schedule oral presentations from the two companies which they felt provided the best proposals. On January 22, 2015, oral presentations were provided to the committee by representatives from Gallagher Bassett Services, Inc., and Johns Eastern Company. Subsequent to the oral presentations, the committee voted to seek best and final pricing proposals from both companies.

The Superintendent's Ad-Hoc Committee met on January 30, 2015 to evaluate best and final pricing proposals and make a final recommendation for award to the Superintendent. Based on best and final pricing submitted by Gallagher Bassett Services, Inc., and Johns Eastern Company, the committee voted in favor of awarding Request for Proposal (RFP) #065-PP10, Third Party Administration (TPA) Services for The Self-Funded Workers' Compensation and Liability Program to Gallagher Bassett Services, Inc.

Best and Final pricing from both companies are detailed below:

		Gallagher Bassett Services, Inc.	Johns Eastern Company
Year 1	July 1, 2015-July 1, 2016	\$5,275,000	\$5,350,000*
Year 2	July 1, 2016-July 1, 2017	\$5,275,000	\$5,350,000*
Year 3	July 1, 2017-July 1, 2018	\$5,275,000	\$5,350,000*
Year 4	July 1, 2018-July 1, 2019	\$5,399,000	\$5,617,500*
Year 5	July 1, 2019-July 1, 2020	\$5,499,000	\$5,842,200*
5-year Total		\$26,723,000	\$27,509,700*

*Best and Final pricing from Johns Eastern Company did not change from initial pricing

Therefore, staff is recommending that the District's contract for Third Party Claims Administration be awarded to Gallagher Bassett Services, Inc., effective July 1, 2015 for an initial three-year term, subject to cancellation provisions outline in RFP 065-PP10.

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

1. award Gallagher Bassett Services, Inc. the Third Party Administration (TPA) Services for The Self-Funded Workers' Compensation and Liability Program contract, pursuant to Request For Proposal (RFP) #065-PP10, effective July 1, 2015, for a three-year term at the annual flat rate for each of the three fiscal years of July 1, 2016 – June 30, 2016; July 1, 2016 – June 30, 2017; July 1, 2017 – June 30, 2018 at \$5,275,000, subject to cancellation provisions which provide for the ability for the District to cancel the contract at any time, requiring only notification of cancellation; with the ability to renew for two additional one-year periods subject to successful audit outcomes and subsequent negotiation and Board action; and
2. authorize the Superintendent of Schools to execute a contract with Gallagher Bassett Services, Inc. to provide Third Party Administration (TPA) Services for The Self-Funded Workers' Compensation and Liability Program pursuant to the provisions of RFP# 065-PP10.

JMM:sbc