

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

SUBJECT: REQUEST FOR AUTHORIZATION TO RENEW EXISTING CONTRACT WITH FBMC BENEFITS MANAGEMENT, INC. FOR A ONE-YEAR TERM; PAY A FEE FOR CREATION AND IMPLEMENTATION OF A WEB-BASED DENTAL AND VISION COMPARISON TOOL; AND SEEK AUTHORIZATION TO BEGIN WORK ON A NEW REQUEST FOR PROPOSAL

COMMITTEE: FISCAL ACCOUNTABILITY

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

At the School Board meeting of December 2, 2012, authorization was received to award Request For Proposal (RFP)# 051-MM10, Selected Third Party Administration of Employee Benefits for a one-year term to FBMC Benefits Management, Inc. (FBMC). Subsequent authorization was received for extension of this initial three-year term (years two and three) at the School Board meeting of October 16, 2013, in conjunction with the awarding of RFP# 077-NN10, Flexible Spending Account (FSA) Administration Services to TASC, effective January 1, 2014. The original contract term of RFP# 051-MM10 was for an initial three-year term, with the ability to extend the contract for two additional one-year terms. Staff is recommending that the existing contract with FBMC be extended for a one-year term, effective January 1, 2016 and begin work on a new RFP for a new contract period which would become effective January 1, 2017.

As a result of awarding the FSA Administration Services to TASC, staff received confirmation of a rate credit for the FBMC contract of \$0.29/employee/month, resulting in a new composite rate for third party administrative services of \$3.86/employee/month, which has been in effect since January 1, 2014. Following negotiations with FBMC staff, they have agreed to renew the existing contract for a one-year term, effective January 1, 2016 through December 31, 2016 at the current rate of \$3.86/employee/month even though the number of employees that this rate was based upon in RFP# 051-MM10 was 36,000, and the actual number of District insured lives has continually decreased with the average number of insured lives for 2015 averaging 34,000, resulting in a net revenue loss to FBMC.

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Additionally, at the request of the District, FBMC created a compare tool specifically for Miami-Dade County Public Schools following award of RFP# 041-PP10, Group Term Life Insurance and Flexible Benefits Program, which included the recommendation to offer District employees the choice of two dental Indemnity programs and two dental HMO programs, as well as two options for vision coverage, effective January 1, 2015. This web-based compare tool is critical for District employees during open enrollment to determine which of the four offered dental programs and two offered vision programs best served the needs of covered employees as well as their families. The feedback from employees who use this tool was very positive.

This tool was outside the scope of the contract with FBMC. Staff is recommending that FBMC be paid a one-time fee of \$69,000 for creation and implementation of the web-based tool which is less than the maximum budget of \$ 75,000. This cost will be absorbed by the Third Party Administration budget.

Lastly, because of the continued changes in the District's offered healthcare programs and voluntary programs, as well as varying needs for support for retiree administration, staff has determined that re-marketing this contract for calendar year 2017 is in the District's best interest and recommends that the optional second one year extension not be exercised. As such, authorization is sought for staff to begin working on a new Request For Proposals (RFP) for Third Party Benefits Administration Services, including Flexible Spending Account (FSA) Administration services, which will be brought back to the School Board at a subsequent Board meeting for authorization to release such RFP.

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

1. renew the District's existing contract with FBMC Benefits Management, Inc. (FBMC), pursuant to their proposal in response to RFP# 051-MM10, Selected Third Party Administration for Employee Benefits for Administrative Services (A-F), not including FSA Administration at the current rate of \$3.86 per employee per month for a one-year period effective January 1, 2016;
2. authorize a one-time payment to FBMC Benefits Management, Inc. (FBMC) in the amount of \$69,000 to be paid from the budgeted 2015-2016 Third Party Administration budget for programming and implementation of the web-based Dental and Vision Comparison Tool; and
3. authorize the Superintendent to have staff begin working on a comprehensive Request For Proposal (RFP) which would be developed to seek competitive proposals for Third Party Benefits Administration Services, including Flexible Spending Account Administrative Services with an effective date of January 1, 2017 with the RFP to be brought back to a future School Board meeting to seek authorization for release of the solicitation.

JMM:sbc