

Financial Services
Mrs. Judith M. Marte, 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: FISCAL ACCOUNTABILITY

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

At the School Board meeting of May 16, 2012, authorization was received to enter into a new contract with TSA Consulting Group, Inc. (TSACG), effective June 1, 2012 through September 30, 2015. Previously, the Board authorized the Superintendent to enter into a contract with TSACG for a three-year period effective June 1, 2009.

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

1. Compliance with 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 Benefits Council's (IBC) "Model Plan" in conjunction with "grandfathering" of existing providers offering IRC §403(b) Plans; and
4. Documenting into Board Policy the existence of the two additional Board-approved supplemental retirement plan program currently in existence which include the District's §457(b) and §401(k) Plans.

TSACG currently provides plan administrative services to all 67 Florida School Districts. 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

Because of the volume of Supplemental Plan participants, no District money is required to support administrative fees for this program. School Board Policy 6144.01 requires all participating investment companies which provide products to District employees and retirees to pay an administrative fee of \$17/participant/year. This fee not only supports TSACG to provide all required administrative support and communications; it 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 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)# 1408171, The School Board of Orange County, Florida (OCPS) awarded its contract for Retirement Plan Compliance and Administration Services to TSACG, effective December 9, 2014 which has now been amended for an initial contract term of three years, with the option for two additional one-year terms for a total of five years. As such, the contract term for the contract between OCPS and TSACG is currently through December 8, 2017. Staff is recommending that Miami-Dade County Public Schools contract with TSACG, through the existing contract they have with OCPS, effective October 1, 2015 through December 8, 2017, with the opportunity to continue with that contract subject to the contract extension terms, and subsequent School Board approval. The cost of this contract as previously outlined in this item is paid for by the providers and amounts to \$1.00 per participant per month, with the remaining funding outlined in School Board Policy 6144.01 to be used to offset administrative costs for the program.

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 October 1, 2015 through December 8, 2017, pursuant to the terms included in their response to Request For Proposal (RFP)# 1408171 issued by The School Board of Orange County, Florida (OCPS) 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 per participant per month and paid from fees collected from investment companies pursuant to School Board Policy 6144.01, Supplemental Retirement Investment Plans, with the option to extend the contract for up to two years, but not beyond December 8, 2019, subject to successful negotiations by OCPS and TSACG, and additional authorization to be provided by the School Board at a future date.

JMM:sbc