

Financial Services
Mr. Ron Y. Steiger, Chief Financial Officer

SUBJECT: **INITIAL READING: PROPOSED AMENDMENT TO POLICY 6332, PROFESSIONAL SERVICES CONTRACTS FOR INSURANCE OR RISK MANAGEMENT PROGRAMS**

COMMITTEE: **FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS**

LINK TO STRATEGIC BLUEPRINT: **EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

On November 20, 2019, at its regular meeting, the Board approved Agenda item H-3 (School Board Policy 6332), by Vice Chair Dr. Steve Gallon III, and co-sponsored by Ms. Perla Tabares Hantman, Chair, Dr. Martin Karp, and Board Members Dr. Dorothy Bendross-Mindingall, Dr. Lawrence S. Feldman, Dr. Lubby Navarro and Ms. Maria Teresa Rojas. The item directed the Superintendent to initiate rulemaking proceedings to amend School Board Policy 6332 – *Professional Services Contracts for Insurance or Risk Management Programs* to ensure the formal representation and participation, in the form of both voice and vote, of union representatives including those employee organizations such as Confidential Exempt Personnel and Management Exempt Personnel in matters that involve the selection of healthcare, fringe benefits, and related risk management professional services, and those required by and subject to collective bargaining for all contracts that exceed \$50,000 annually.

This item requests Board approval of amendments to Board Policy 6332 that would establish a benefits selection committee to review all insurance and benefit solicitations related to collective bargaining. This committee would include members from each bargaining unit and each meet and confer organization, as well as the Chief Financial Officer, the Risk and Benefits Officer, individual representatives of the Office of Economic Opportunity, Human Capital, School Operations, and to the extent possible, an external benefits manager. The majority vote of the bargaining units and meet and confer organizations shall count as one vote towards the final recommendation of the committee. Individual members, and the organizations they represent, must comply with the cone of silence in accordance with Policy 6325, *Cone of Silence*.

Other amendments expand the types of competitive solicitations that may be used when seeking to contract for insurance, delete the requirement for prior Board approval of solicitation specifications prior to issuance, and specify that solicitation committee members under this policy must recuse themselves from voting on the selection committees under this policy when the member or the organization they represent is offering a competing product or service to employees. Finally, additional policy

amendments allow direct negotiations and contract under certain circumstances that do not involve collective bargaining.

Attached are the Notice of Intended Action and the proposed policy amendments. Changes from the current policy are indicated by underscoring words to be added and ~~striking through~~ words to be deleted.

Authorization of the Board is requested for the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedures Act to amend School Board Policy 6332 - *Professional Services Contracts for Insurance or Risk Management Programs*.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedures Act to amend School Board Policy 6332 - *Professional Services Contracts for Insurance or Risk Management Programs*.

RYS:mf

NOTICE OF INTENDED ACTION

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, announced on March 18, 2020 its intention to amend Board Policy 6332, *Professional Services Contracts for Insurance or Risk Management Programs*, at its regular meeting on April 29, 2020.

PURPOSE AND EFFECT: The proposed changes are intended to ensure formal representation and participation, in the form of both voice and vote, of union representatives and employee organizations in matters that involve the selection of healthcare, fringe benefits, and related risk management professional services, and those required by and subject to collective bargaining for all contracts that exceed \$50,000 annually. Other amendments expand the types of competitive solicitations that may be used when seeking to contract for insurance, delete the requirement for prior Board approval of solicitation specifications prior to issuance, and specify that solicitation committee members under this policy must recuse themselves from voting on the selection committees under this policy when the member or the organization they represent is offering a competing product or service to employees. Finally, additional policy amendments allow direct negotiations and contract under certain circumstances that do not involve collective bargaining.

SUMMARY: The change to this policy will allow the District to ensure formal representation and participation, in the form of both voice and vote, of union representatives and employee organizations in matters that involve the selection of healthcare, fringe benefits, and related risk management professional services, subject to collective bargaining for all contracts that exceed \$50,000 annually.

SPECIFIC LEGAL AUTHORITY UNDER WHICH RULEMAKING IS AUTHORIZED: 1001.41(1),(2); 1001.43(2), (10), F.S.

LAW IMPLEMENTED, INTERPRETED, OR MADE SPECIFIC: 1001.43(2); 1001.43(10), F.S.

IF REQUESTED, A HEARING WILL BE HELD DURING THE BOARD MEETING of April 29, 2020, which begins at 1:00 p.m., in the School Board Administration Building, School Board Auditorium, 1450 N. E. Second Avenue, Miami, Florida 33132. Persons requesting such a hearing or who wish to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative as provided by Section 120.541(1), F.S., must do so in writing by April 14, 2020 to the Superintendent of Schools, Room 912, at the same address.

ANY PERSON WHO DECIDES TO APPEAL THE DECISION made by The School Board of Miami-Dade County, Florida, with respect to this action will need to ensure the preparation of a verbatim record of the proceedings including the testimony and evidence upon which the appeal is to be based. Section 286.0105, F. S.

A COPY OF THE PROPOSED AMENDED POLICY is available at cost to the public for inspection and copying in the Citizen Information Center, Room 102, 1450 Northeast Second Avenue, Miami, Florida 33132.



Book	Policy Manual
Section	February 12, 2020 - <u>Initial</u> Reading
Title	PROFESSIONAL SERVICES CONTRACTS FOR INSURANCE OR RISK MANAGEMENT PROGRAMS
Code	6332
Adopted	May 11, 2011

6332 - PROFESSIONAL SERVICES CONTRACTS FOR INSURANCE OR RISK MANAGEMENT PROGRAMS

A Request for Proposals (RFP), Intent to Negotiate (ITN), or Intent to Bid (ITB) may ~~shall~~ be used when seeking to contract for insurance or risk management professional services.

- A. If the cost of the contract is estimated to cost more than \$50,000 annually, the following process shall be followed:
1. The Superintendent shall appoint an ad hoc insurance committee which will include broad based representation of various administrative offices of the School Board, and, to the extent possible, some external risk managers, to review property and casualty competitive solicitations ~~requests for proposals not related to collective bargaining. The Fringe Benefits Council will serve in this capacity for items involving collective bargaining.~~ This review will include detailed criteria for business development and assistance.
 2. The Superintendent shall establish a benefits selection committee to review all solicitations related to collective bargaining. The benefits selection committee shall consist of staff, including but not limited to, the Chief Financial Officer, the Risk and Benefits Officer, an individual from the Office of Economic Opportunity, an individual from Human Capital, an individual from School Operations, and to the extent possible, an external benefits manager. The benefits selection committee shall also include a member from each bargaining unit and each meet and confer organization. The majority vote of the bargaining units and meet and confer organizations shall count as one vote towards the benefits selection committee's final recommendation. An individual from the Office of Procurement Management Services shall serve as a non-voting committee member. Each individual member on the benefits selection committee, as well as the organization each member represents, must comply with the cone of silence in accordance with Policy 6325, *Cone of Silence*.
 3. ~~If the contract is estimated to exceed \$50,000 annually, the Board will then be presented with the final draft specifications, and Board approval shall be sought prior to the issuance of the request for proposal. The agenda item shall specify the services required and major points in the selection process.~~
 4. The Board's Office Bureau of Procurement ~~and Materials~~ Management Services will release the specifications and receive responses ~~proposals~~, which will be opened at scheduled bid-opening dates.

5. The competitive solicitations~~request for proposals~~ shall be advertised to solicit a wide variety of vendor participation. To enhance Minority/Women Business Enterprise (M/WBE) participation, ~~it is recommended that all~~ advertisements may be published and announced in media outlets that serve minority communities ~~major ethnic publications~~ (and risk management trade journals as the need arises).
6. The ad hoc insurance committee or the benefits selection committee~~Fringe Benefits Council~~ will review responses~~proposals received~~, when necessary interview proposers, and make ~~consensus~~ recommendations to the Superintendent, prior to Board action on the award.
7. The Goal Setting Committee (GSC), as established in Board Policy 6320.02, Small/Micro, Minority/Women, and Veteran Business Enterprise Programs, shall review the solicitations to determine Small Business Enterprise (SBE), Micro Business Enterprise (MBE), M/WBE or VBE participation in the proposal.

B. If the contract is estimated to cost under \$50,000 annually then the following process shall be followed:

1. The Board's Office of Procurement Management Services~~ad hoc insurance committee or the Fringe Benefits Council~~ will review draft specifications relating to insurance or risk management programs. This~~such~~ review will include detailed criteria for small and minority business development.
2. The Board's Office~~Bureau~~ of Procurement ~~and Materials~~ Management Services will release the specifications and receive competitive solicitation responses~~proposals~~, which will be opened at scheduled bid-opening dates.
3. The competitive solicitation responses~~request for proposals~~ shall be advertised to solicit greater vendor participation. To enhance Minority/ Women Business Enterprise (M/WBE) participation, ~~it is recommended that all~~ advertisements may be published and announced in media outlets that serve the minority community ~~major ethnic publications~~ (and risk management trade journals as the need arises).

C. Except for selection of insurance benefits that is subject to collective bargaining, the Board may use either competitive solicitation or direct negotiation of contract when purchasing insurance, entering risk management programs, or contracting with third party administrators.

D. Implementation Schedule

Each competitive solicitation ~~request for proposal~~ shall include a list of specific evaluation criteria which shall serve as the basis for the insurance committee or benefits selection committee~~Fringe Benefits Council~~ to select the vendor. Although the criteria will vary depending upon the nature of the proposal, the proposal should include the following:

1. Goal Setting Meeting
2. general information
3. experience of firm
4. personnel
5. price
6. Diversity Program requirements
7. small business development requirements

8. administrative specifications

9. references

10. instructions

E. No Conflict of Interest

1. Participants of the ad hoc insurance committee ~~and~~ or the benefits selection committee~~fringe benefits council~~ must recuse themselves from the selection process if any of the following circumstances apply:
 - a. Participant, or the company or business they represent has any specific interest or ownership in the vendor.
 - b. Participant, or the company or business they represent receives commission, fees, remuneration from, or derives some benefit from vendor or lobbyist representing the vendor in any way.
 - c. Participant, or the company or business they represent is otherwise not able to exercise impartiality in selecting or not selecting a specific vendor.
 - d. Participant or the organization they represent offers a competing product or service to M-DCPS employees.
 - e. Board employees who are participants of the ad hoc insurance committee, or the benefits selection committee~~fringe benefits council~~ must adhere to the provisions of policies governing conflict of interest.

2. Self Reporting

All participants of the ad hoc committee or benefits selection committee,~~fringe benefits council~~ upon meeting to review ~~a~~ specific responses~~proposal or proposals~~, shall certify in writing that they will abide by the requirements of this policy and that they will self-report any relationship that may create a potential conflict of interest, other violations of this policy, or other applicable policies. In the event that a participant cannot determine whether a conflict requires recusal from participation, final determination will be made by the Superintendent.

Effective 7/1/11