



District School Board of Pasco County

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Heather Fiorentino, Superintendent

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May 2, 2006

MEMORANDUM

TO: Honorable Board Members

FROM: Kendra Goodman, CPPB, Purchasing Agent

SUBJECT: **Permission to Directly Negotiate Contract
Employee Benefits and Risk Management Department (EBARM)
Voluntary Benefits Insurance Agent/Application Service Provider
(ASP) For All Benefits Programs**

On August 10, 2004, official action (attached) was taken to award a three-year negotiated contract to Fringe Benefits Management Company for Flexible Benefit Plan Administration. The final year of the contract will expire on December 31, 2006. As the contract is due to expire, the District Insurance Committee is currently developing a solicitation for these services.

While striving to maintain the same product package currently offered to employees, the Insurance Committee is also interested in migration to a computerized benefits management system. Such a system would enable all District employees to utilize the Internet to enroll in their annual benefits package, and would then update Human Resources (HR) and Payroll records in TERMS.

Up to this point, the District has operated on a manual system. Committee investigation has shown that many school districts in Florida, our size and larger, are successfully using web-based enrollment to minimize paperwork, increase accuracy of employee benefits selection, and communicate with employees in a timely and comprehensive manner. Additionally, Information Services has recently informed the Insurance Committee that, in an effort to keep all TERMS database systems aligned, the District has begun an upgrade to the new TERMS 3.1 HR System. In this 3.1 release, the vendor, Crosspointe, has removed all support for any employee benefits management solution. Information Services is therefore in support of an ASP vendor solution providing online, web-based employee benefit open enrollment supported with a total employee benefits management system.

Date/Time: April 26, 2006 11:21:00

Based upon DOE Rule 6A-1.012(11), the District is permitted to directly negotiate for contracting with third-party administrators, when it is in the best interest of the Board to do so. In addition, DOE Rule 6A-1.012(10) authorizes the District to directly negotiate for information technology resources. The Invitation to Negotiate (ITN) currently being developed encompasses both aspects of these resources.

At this time, we believe that it is in the Board's best interest to issue an ITN incorporating administration of voluntary products, and web-based enrollment for all benefits. An Evaluation Subcommittee of the Insurance Committee has been formed to develop and evaluate the solicitation. We are requesting permission to negotiate this contract for third-party administration services and associated software through an ITN process. Based upon an average of the Subcommittee's scores, we will rank the proposers and provide the results to the Board at a later date.

If you have any questions or concerns, please feel free to contact Mary Tillman, Director of EBARM, or me.