

SCHOOL BOARD OF BREVARD COUNTY, FLORIDA

BOARD AGENDA ITEM – September 9, 2021

PROCUREMENT SOLICITATION

**RFP 21-271-P-KR - Employee Benefits Consultant,
Actuarial Services, and Broker of Record Services – Amendment 1**

| | | |
|---|--|---|
| <input type="checkbox"/> (ITB) Invitation To Bid | <input type="checkbox"/> (ITN) Invitation To Negotiate | <input type="checkbox"/> (PB) Piggyback |
| <input checked="" type="checkbox"/> (RFP) Request For Proposal | <input type="checkbox"/> (RFQ) Request For Qualifications | <input type="checkbox"/> (SC) State Contract |
| <input type="checkbox"/> (SS) Sole Source | | |

REQUESTOR: Employee Benefits and Risk Management **Legal Review Required:** Yes No
Standard Template Used with No Changes: Yes No
Standard Template Type: Amendment

| VENDOR NAME | AMENDMENT AMOUNT AWARDED | REQUIRED PRODUCTS/SERVICES |
|--|---------------------------------|---|
| Southeast Series of Lockton Companies, LLC | No Change | Employee Benefits Consultant, Actuarial Services, and Broker of Record Services |

| | | |
|--|--------------------------------|-----------|
| <input type="checkbox"/> Contract Renewal | Amendment Amount | \$0 |
| <input type="checkbox"/> Recurring Contract | Current Contract Amount | \$187,300 |
| <input checked="" type="checkbox"/> Amendment | Variance | \$0 |

PRICE INCREASE / DECREASE EXPLANATION: N/A

DISCUSSION:

On January 19, 2021, the Board awarded the agreement for Employee Benefits Consultant, Actuarial Services, and Broker of Record Services to Southeast Series of Lockton Companies, LLC.

In accordance with Section 5.7 “Agreement to Forgo Receipt of Base Commissions” of the Agreement, “BPS may then seek and obtain approval from the School Board of Brevard County before the Contractor is allowed to receive commissions. If commissions are to be paid to the Contractor these commissions will only be used to offset benefit related Contractor fees scheduled to be paid by BPS, fees paid by BPS for its benefit management system, premium credit for policies procured, or to offset other BPS benefit related expenses as allowed by law.”

During the voluntary benefits marketing process, vendors were asked to include commissions to offset future Lockton fees and/or provide enrollment services. Amendment 1 documents the Voluntary Benefits commissions payable Lockton to be used to provide on-site face to-face enrollment services with a third party and/or used to offset the fees in Year 2-5. In the event the commissions received exceed Lockton fees, Lockton will offset the following year’s fees based on the surplus commissions and reduce future year commissions, respectfully reducing plan rates and avoiding overpayment of commissions.

The standard amendment template has been used, which does not require legal review.

CONTRACT TERM:

The contract term commenced January 20, 2021 and shall continue until January 19, 2024 with one (1) additional two (2) year renewal period.

RECOMMENDATION:

It is the recommendation of Beth Thedy, Ed.D., Deputy Superintendent/Chief Human Resources Officer and Antonia Scipio, Director of Employee Benefits and Risk Management to approve the attached amendment with Southeast Series of Lockton Companies, LLC.

AUTHORITY FOR ACTION:

Florida Administrative Code 6A-1.012



Agreement #: RFP 21-271-P-KR

Amendment 1
To Agreement Between
The School Board Of Brevard County, Florida
and
Southeast Series of Lockton Companies, LLC
For Employee Benefits Consultant, Actuarial Services, and Broker of Record Services

THIS AMENDMENT (hereinafter referred to as "Amendment") to the agreement identified above (referred to as the "Agreement") by and between The School Board of Brevard County, Florida, a political subdivision of the State of Florida, located at 2700 Judge Fran Jamieson Way, Viera, Florida 32940, more commonly known as Brevard Public Schools (hereinafter referred to as "BPS") and Southeast Series of Lockton Companies, LLC whose business address is 4221 W. Boy Scout Blvd, Suite 550, Tampa, FL 33607, (hereinafter referred to as "Contractor"), is made as follows:

WITNESSETH:

WHEREAS, pursuant to the terms of the Agreement, the parties may amend the Agreement upon mutual written consent; and

WHEREAS, BPS and Contractor wish to amend the Agreement to modify Exhibit B through this Amendment;

NOW, THEREFORE, in consideration of the mutual covenants and provisions contained herein, the parties hereto agree as follows:

1. Replace Exhibit "B" with the attached Revised Exhibit "B" effective January 1, 2022.
2. The above recitals are true and correct and are hereby incorporated by reference.
3. Except as expressly modified herein, the terms and conditions of the Agreement remain unchanged. In the event of a conflict between the terms of this Amendment and those of the Agreement, BPS and Contractor agree that the terms of this Amendment shall prevail and control.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, BPS has made and executed this Amendment and Contractor has made and executed this Amendment on the day and year below written.

SOUTHEAST SERIES OF LOCKTON COMPANIES, LLC

By: DocuSigned by:
Gary Hartnett _____ Date: 8/30/2021
ABE016C527CD420...
Authorized Representative Signature

Print Name: Gary Hartnett
Title: Southeast Benefits Practice Leader

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA

By: _____ Date: _____
Misty Belford, Board Chairperson

| YEAR | FND | CNTR | PROJECT | FUNC | OBJT | PRG | S | AMOUNT |
|------|-----|------|---------|------|------|-----|---|--------|
| | | | | | | | | |

Send required insurance certificates to the Procurement Department.
New Vendors: Send all completed Forms to the Procurement and Distribution Services Department.

Contractor Contact Name: Mike Meredith
Email Address: mmeredith@lockton.com
Phone Number: 561-504-1449

Exhibit “B”**FEES FOR SERVICES**

The commissions proposed in RFP 21-438-P-KR Voluntary Worksite Benefits specified a flat 20% commissions payable to Lockton. These commissions may be used to provide on-site face to-face enrollment services with a third party and/or used to offset the fees in Year 2-5. In the event the commissions received exceed Lockton fees, Lockton shall offset the following year’s fees based on the surplus commissions and reduce future year commissions, respectfully reducing plan rates and avoiding overpayment of commissions.

| <u>Total for Initial Three-Year Term</u> | | \$561,900.00 |
|---|-------------------|-----------------------------|
| | Annual Fee | Monthly Installments |
| <i>Year One</i> | \$187,300.00 | \$15,608.33 |
| <i>Year Two</i> | \$187,300.00 | \$15,608.33 |
| Year 2 Reduction in annual fee based on fee offset of 1% of 2022 stop-loss premium and commission paid on Voluntary Accident, Voluntary Critical Illness, and Voluntary Hospital Indemnity premiums after Lockton pays any Third-party enrollment service fees. | | |
| <i>Year Three</i> | \$187,300.00 | \$15,608.33 |
| Year 3 Reduction in annual fee based on fee offset of 1% of 2022 stop-loss premium and commission paid on Voluntary Accident, Voluntary Critical Illness, and Voluntary Hospital Indemnity premiums after Lockton pays any Third-party enrollment service fees. | | |
| <u>Total for Two-Year Renewal Period</u> | | \$374,600.00 |
| | Annual Fee | Monthly Installments |
| <i>Year Four</i> | \$187,300.00 | \$15,608.33 |
| Year 4 Reduction in annual fee based on fee offset of 1% of 2022 stop-loss premium and commission paid on Voluntary Accident, Voluntary Critical Illness, and Voluntary Hospital Indemnity premiums after Lockton pays any Third-party enrollment service fees. | | |
| <i>Year Five</i> | \$187,300.00 | \$15,608.33 |
| Year 5 Reduction in annual fee based on fee offset of 1% of 2022 stop-loss premium and commission paid on Voluntary Accident, Voluntary Critical Illness, and Voluntary Hospital Indemnity premiums after Lockton pays any Third-party enrollment service fees. | | |
| <u>Total for Five Years</u> | | \$936,500.00 |