



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

4D. Action

Date: July 24, 2006

SUBJECT: EMPLOYEE BENEFITS CONSULTANT

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient, and accountable in support of the district's mission.

FISCAL NOTE: Fee Paid Through Employee Benefits Program

Background Information:

- The district entered into a 5-year contract with Smith and Associates Consulting in July, 2001, for consulting services in the area of employee benefits
- A RFP was issued by the district for benefits consulting services to take effect following the expiration of the current agreement
- The district received 4 responses to its RFP for employee benefits consulting

Administrative Considerations:

- Each proposal was evaluated on the basis of the following criteria:
 - Overall experience in employee benefits matters
 - Specific public school experience in employee benefits matters
 - Assessment of experience of the firm's personnel
 - Completeness of each proposal
 - Consideration of cost
- An evaluation team consisting of representatives from the Human Resources, Finance and Business Operations department met to review, evaluate and rank each proposal according to the criteria and weights specified in the RFP.
- The proposals were ranked by the evaluation team in the following order:
 1. Smith and Associates Consulting
 2. RWL Group
 3. Alamo Insurance
 4. Wachovia Insurance Services

- In addition to previous information that was provided regarding the top two proposals, the administration also has taken into consideration the following with regard to the top proposal submitted by Smith and Associates Consulting:
 - Smith and Associates current fee is \$3.00 PEPM. The fee offered in their new proposal is a reduction of \$.50 to \$2.50 PEPM, which results in a reduction of costs of approximately \$15,000 per year compared to the current fee
 - The fee offered by Smith and Associates also includes workers compensation program coordination and management should the district wish to include those services
 - The district currently pays \$7500 annually to Alamo Insurance Group for similar services
 - The current multi-year contract with Alamo Insurance Group expires the end of December
 - The services provided would include the same types of services that are applicable to the other employee benefit programs currently in place

+++++

The administration recommends that the Board accept the proposal submitted by Smith and Associates Consulting and authorize the administration to enter into a contract with Smith and Associates Consulting for a term not to exceed three years.

Respectfully submitted,

Bill Stone, Asst. Supt.
Business Operations