

**BOARD OF EDUCATION
BEEVILLE INDEPENDENT SCHOOL DISTRICT**

Agenda Item No. _____

Date: December 18, 2007

Subject: Approval of an Interlocal
Agreement with Coastal Bend
Employee Benefit Insurance
cooperative Shared Arrangement

Submitted by: Erasmo Rodriguez

Related Pages: 10

Supt's Approval:

CONSENT

BACKGROUND INFORMATION:

ESC Region II is inviting regional school districts to participate in a Benefit Insurance Cooperative. The purpose of this cooperative is to maximize the purchasing power to all participating school districts through a larger number of participants. The cooperative will use the competitive "Bid" process to procure lower prices on all supplemental employee benefit packages available under our Cafeteria 125 Plan. The Coastal Bend Insurance Cooperative will serve as a third party administrator.

ITEMS ADDRESSED:

Employee Benefit under the Cafeteria 125 Plan

RECOMMENDED ACTION:

To approve an Interlocal Agreement with Coastal Bend Insurance Cooperative Shared Service Agreement.

BUDGETARY INFORMATION:

None

**INTERLOCAL AGREEMENT
COASTAL BEND EMPLOYEES BENEFIT INSURANCE COOPERATIVE
SHARED SERVICE ARRANGEMENT**

This Inter-local Agreement is created by and between the Coastal Bend Employees Benefit Insurance Cooperative Shared Service Arrangement ("CBEBIC SSA") and all regional school districts, charter schools, and political subdivisions wishing to join the CBEBIC, hereinafter individually referred to as PARTICIPANT pursuant to the provisions of the Texas Interlocal Corporation Act (Texas Government Code Chapter 791). Acceptance and agreement to the terms and conditions. Thereof is a requirement for participation in the Coastal Bend Employee Benefit Insurance Cooperative Shared Service Arrangement. Therefore hereon known as CBEBIC SSA.

RECITALS

Whereas, the CBEBIC SSA is organized pursuant to Texas Government Code Chapter 791 for the purpose of developing requests for proposal with respect to the procurement of certain supplemental employee benefits and the administration of employee benefits procured pursuant to Texas Government Code 791.025;

Whereas, by entering into the Agreement, the independent school district/political subdivision executing this Agreement as a participant intends that the benefits procured pursuant to this Agreement satisfy any requirement that such independent school district/political subdivision seek competitive bids for the purchase of the employee benefits procured pursuant to this Agreement;

Whereas, it is the intent of CBEBIC SSA and PARTICIPANT and all CBEBIC current and future members that this Agreement define and clarify the statutory authority pursuant to which the Coastal Bend Employee Benefit Insurance Cooperative Committee Members and PARTICIPANT are acting, the governance duties, rights and responsibilities of CBEBIC SSA, the rights and responsibilities of the PARTICIPANT, and the terms and conditions under which CBEBIC and PARTICIPANT are acting with respect to the matters subject of the Interlocal Agreement.

NOW, THEREFORE, for and in consideration of the premises, and the mutual covenants and agreements set forth below, and other good and valuable consideration, PARTICIPANT and CBEBIC SSA agrees as follows:

I.

DEFINITIONS

1.01 Unless the context of their use clearly indicates otherwise, the terms listed below shall have the meanings indicated as follows:

- a. **Board of Record-** The governing body of the CBEBIC SSA which is composed of the Superintendent/Designee from each independent school district/political subdivision that becomes a member of the CBEBIC SSA by execution of the required participation/agreement.
- b. **Participant-** Any independent school district/political subdivision that has been accepted/approved for participation in the CBEBIC SSA by the Board of Record after execution of the required participation/adoption agreement by the PARTICIPANT.
- c. **Facilitate Communications** - and dealings with selected vendors offering supplemental employee benefits to independent school districts, charter schools and political subdivisions pursuant to this agreement.

Employee Benefits Program- Includes, but is not limited to, dental insurance, life insurance, disability protection, flexible spending accounts, and other supplemental employee benefits procured pursuant to this Agreement by the Board of Record.

II.

PURPOSE

2.01 The purpose of the Agreement is to enable the participating independent school districts/political subdivisions to:

- a. Agree with the CBEBIC SSA and the other independent school districts/political subdivisions participating in the CBEBIC SSA through adoption of this Agreement to the purchase of supplemental employee benefits pursuant to this Agreement;
- b. Maximize the purchasing power of all the participating independent school districts/political subdivisions by procuring, through the competitive bid process permitted pursuant to Texas Government Code 791.025 of supplemental employee benefits for employees of all of the participating independent school districts/political subdivisions in accordance with the terms and conditions of this Agreements;

- c. Facilitate communications and dealings with selected vendors offering supplemental employee benefits to independent school districts/political subdivisions pursuant to this Agreement;
- d. Develop requests for proposal with respect to supplemental employee benefits for employees of participating independent school districts/political subdivisions;
- e. Evaluate responses to requests for proposal from vendors offering supplemental employee benefits to employees of participating independent school districts/political subdivisions and select a specific vendor which will be permitted to offer the supplemental employee benefits awarded by the Board of Record with respect to a particular request for proposal;
- f. Facilitate the enrollment and administration of the supplemental employee benefits made available to employees of participating independent school districts/political subdivisions pursuant to this Agreement;
- g. Gather, exchange and share information and expertise on the supplemental employees benefits offered pursuant to the terms and conditions of this Agreement to employees of participating independent school districts/political subdivisions; and
- h. Allow all participants access to the services, information, reports and work product of the vendors and consultants concerning the supplemental employee benefits made available to the employees of participating independent school districts/political subdivisions pursuant to this Agreement.

III.

GOVERNANCE STRUCTURE OF THE COASTAL BEND EMPLOYEES INSURANCE COOPERATIVE SHARED SERVICE ARRANGEMENT

- 3.01 The management, direction and administration of this Interlocal Agreement is vested in the Board of Record composed of each participant's superintendent/designee and the Region 2 Education Service Center's Executive Director/designee.
- 3.02 The Board of Record will meet as often as required to fulfill its role and function. It may meet at any place of its choosing and is not required to operate under the provisions of the Texas Open Meetings Law (Texas Government Code Chapter 551). Meetings of the Board of Record may be conducted by telephone, provided that all members or their designees participate in the conference call. Any action which the Board of Record is empowered to take may be taken without the necessity of a formal meeting if the action is evidenced by a unanimous written consent executed by all members of their designees.

- 3.03 The members of the Board of Record shall serve without compensation.
- 3.04 The Board of Record shall elect annually the Chairman, Vice Chairman and Secretary. The Chairman shall prepare the agenda and preside at all meetings of the Board of Record. The Vice Chairman shall act as Chairman in the absence of the Chairman. The Secretary shall act as custodian of all minutes, records and reports of the Board of Record and shall maintain minutes of the meetings of the Board of Record.
- 3.05 The participating independent school districts, charter schools, and political subdivisions shall underwrite any costs associated with the operation of the CBEBIC SSA. The costs shall be allocated among the participating independent school districts/political subdivisions by the Board of Record.

IV. **MEMBERSHIP**

- 4.01 The original members of the CBEBIC SSA shall be those independent school districts/charter schools, and political subdivisions that adopt this Agreement and thereby agree to the terms and conditions of the Agreement for the fiscal year 2007-2008. Membership is also open to any independent school district/political subdivision which executes the adoption agreement promulgated by the Board of Record and thereby agrees to the terms and conditions of this Agreement.
- 4.02 By execution of this Agreement or execution of the adoption agreement agreeing to the terms and conditions of the Agreement, the PARTICIPANT agrees that the CBEBIC SSA has the sole and exclusive authority to seek competitive bids for the purchase of the supplemental employee benefits procured by the CBEBIC SSA for employees of the participating independent school districts, charter schools, and political subdivisions.

V. **ROLE AND FUNCTION OF THE BOARD OF RECORD**

- 5.01 The principal role of the Board of Record is to provide overall direction to the development and operation of the CBEBIC SSA. The Board of Record shall act in a manner that is in the best interest of the CBEBIC SSA and insure that the activities of the CBEBIC SSA promote only the purpose for which the CBEBIC SSA is organized. Further, the Board of Record shall act only in accordance with the provisions of Texas Government Code Chapter 791 and any other applicable statutory provisions in carrying out the duties and responsibilities of the CBEBIC SSA pursuant to the terms and conditions of this Agreement.
- 5.02 The Board of Record shall have the following authority, duties and responsibilities on behalf of each participant:

- a. Develop requests for proposal for supplemental employee benefits to be made available to employees of participating school districts/political subdivisions;
 - b. To circulate to interested vendors requests for proposal seeking responses and competitive bids from such interested vendors;
 - c. Evaluate the responses to requests for proposal issued by the CBEBIC SSA;
 - d. Make awards to the responding vendor making the most suitable response to the request for proposal and agreeing to terms for the provision of supplemental employee benefits to employees of each participating school district, charter school, and political subdivision in accordance with the selected request for proposal and the contract resulting from negotiations between the selected vendor and the CBEBIC SSA;
 - e. Serve as a liaison between employees of participants, participants, and vendors to whom awards are made and with whom contracts are negotiated by the Coastal Bend Insurance Committee; including general communications, problem resolution, enrollment meetings, and PARTICIPANT meeting coordination;
 - f. Terminate any agreement into which the CBEBIC SSA has entered on behalf of the participating school districts, charter schools, and political subdivisions in accordance with the terms and conditions of the contracts negotiated by the CBEBIC SSA with the vendor;
 - g. Establish guidelines for membership in the CBEBIC SSA;
 - h. Carry out its duties and responsibilities in accordance with all applicable statutes and in a fair and responsive manner; and
 - i. Determine a fiscal agent/financial officer for the CBEBIC SSA. The fiscal agent/financial officer shall be responsible for making reports to the CBEBIC SSA on the performance of the contracts negotiated by the CBEBIC SSA pursuant to this Agreement. The fiscal agent/financial officer is not liable for any financial or other loss that is incurred by the CBEBIC SSA unless there is a judgment by a court of competent jurisdiction that the fiscal agent/financial officer has acted in a grossly negligent or fraudulent manner.
- 5.03 The Board of Record, its authorized representatives, employees and designees and each participant shall have no duty or liability to any employee of any participating school district, charter school and political subdivision electing to participate in any employee benefit made available pursuant to this Agreement as a result of the negligence of any participant, insurance carrier, or other provider.

IV.
RESPONSIBILITIES OF PARTICIPANTS

- 6.01 Any independent school district, charter school, and political subdivision by action of its governing authority may become a participant in the CBEBIC SSA by executing the adoption agreement promulgated pursuant to this Interlocal Agreement and pursuant to which such participant agrees to the terms and conditions of this Agreement. Any independent school district, charter school, political subdivision may petition the Board of Record for participation in the CBEBIC SSA and request a participation agreement for execution pursuant to the governing authority of such independent school district, charter school and political subdivision.
- 6.02 PARTICIPANT will execute any enrollment or similar agreement required by any vendor selected by the CBEBIC SSA to provide a supplemental employee benefit to the employees of participants in this Agreement. Further, the employees of each participant will execute any enrollment or similar document required by the vendor selected by the CBEBIC SSA to provide an employee benefit to the employees of the participants in the CBEBIC SSA.
- 6.03 PARTICIPANT agrees to furnish any needed census data as directed or required by the Board of Record.
- 6.04 PARTICIPANT will remit in a timely manner all premiums and/or contract charges specified in the contracts providing employee benefits as selected by the Board of Record.
- 6.05 PARTICIPANT shall be responsible for its prorated share of any yearend deficit as respects the operations of the CBEBIC SSA. The prorated share owed by PARTICIPANT shall be determined by the CBEBIC SSA predicated upon the premiums and/or contract charges paid by all the participants' employees for the benefit plans made available pursuant to this agreement compared to the total premiums and/or contract charges paid by all employees of the PARTICIPANT in the CBEBIC SSA for the fiscal year which is the basis for the prorated calculation.

VII.
TERMINATION

- 7.01 This Agreement shall be for an initial term ending on the last day of the month of the fiscal year in which this Agreement shall automatically renew for an additional 12 month period, unless PARTICIPANT shall provide written notice to the Board of Record of PARTICIPANT's intent to terminate its participation in this CBEBIC SSA by April 1st. of the fiscal year during which this Agreement is in effect.

Termination of this Agreement may only be made by PARTICIPANT at the conclusion of a fiscal year.

- 7.02 The CBEBICC SSA may terminate participation of PARTICIPANT for a good cause other than the experience of the employees of PARTICIPANT with respect to any benefit plan offered by a vendor pursuant to this Agreement upon one hundred twenty (120) days written notice to PARTICIPANT. Good cause is defined to mean that the continued participation of PARTICIPANT jeopardizes the overall continued success of the CBEBIC SSA.
- 7.03 A terminated participant has no claim on any CBEBIC SSA fund balance or other moneys which may be available to the CBEBIC SSA based on the experience of all participants.
- 7.04 Only members of the CBEBIC SSA upon dissolution may share in any CBEBIC SSA asset distribution.

VIII.

ELIGIBILITY REQUIREMENTS

- 8.01.1 The CBEBIC SSA will consider applications for participation annually. Independent school districts, charter schools, and political subdivisions must make application for membership to the Board of Record by the date specified by the Board of Record. The Board of Record shall publish to all potentially interested participants the deadline for submission of applications for membership in the CBEBIC SSA. An independent school district, charter school, political subdivision will be considered for membership upon submission of the required adoption agreement and other participation documents as are specified by the Board of Record. To participate in the CBIC SSA, the independent school district, charter school, political subdivision is required to participate in all employee benefits procured through the CBEBIC SSA. The CBEBIC SSA will notify requesting independent school districts, charter schools, and political subdivisions by April 1, or such other date as the Board of Records shall announce to the independent school districts, charter schools, and political subdivisions seeking membership of the Board of Record's decision to accept or reject the application for participation and adoption agreement of such independent school district, charter school and political subdivision, for the ensuing September 1, plan year.

IX.
LIABILITY

- 9.01 PARTICIPANT does hereby hold the Board of Record, employees of the participating school districts, charter schools, and political subdivisions and all other participants harmless with respect to any claim, liability, loss, cause of action arising from the procurement and/or administration of supplemental employee benefits pursuant to this Agreement. PARTICIPANT does hereby agree that any dispute with respect to any matter arising under this Agreement shall be subject to binding arbitration pursuant to the rules of The American Arbitration Association and such arbitration shall be conducted in Beeville, Texas.
- 9.02 PARTICIPANT is responsible for the payment of all premiums and/or charges for any employee benefit program made available to its employees pursuant to this Agreement.

This Interlocal Cooperation Agreement of the Coastal Bend Insurance Cooperative Shared Service Arrangement has been duly approved by the governing board of PARTICIPANT at a meeting held on the 18th of December, 2007. BY execution of this Agreement, PARTICIPANT does hereby agree to the terms and conditions set out herein and certifies that the governing board of PARTICIPANT has agreed to the terms and conditions of the Agreement.

Executed this 18th day of December 2007.

Beeville Independent School District John Hardwick, Jr.

District Name

School Official

Superintendent

Officials Title

Coastal Bend Employee Benefit Insurance Cooperative Shared Service Arrangement
Board of Record Agents:

Jim Carlisle – Associate Director for Operational Services

Jose H. Cantu – Deputy Director for Fiscal Affairs

Name of Contact Person: Erasmo Rodriguez, Deputy Superintendent / Camilla Lopez, Secretary

Phone Number: (361) 358-7111 Fax # (361) 358-7837

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**REGION 2, COASTAL BEND INSURANCE EMPLOYEE BENEFIT
COOPERATIVE SHARED SERVICE ARRANGEMENT INTERLOCAL
AGREEMENT ADOPTION RESOLUTION**

WHEREAS, Beeville I.S.D., a political subdivision of the State of Texas with principal offices at Beeville, Texas ("Applicant") pursuant to the authority granted under Chapter 791 of the Government Code V.T.C.A., as amended, desires to join together with other school districts, charter schools or political subdivisions to participate in employee benefits procured through the Region 2, Coastal Bend Insurance Cooperative Shared Service Arrangement, holding the opinion the participation in these programs will be beneficial to the school district, charter school or political subdivision and its employees. NOW, THEREFORE be it;

RESOLVED, that we request the Region 2 Coastal Bend Employee Benefit Insurance Cooperative Shared Service Arrangement to include Beeville ISD (name of school district) as a participant.

FURTHER RESOLVED, that the Interlocal Agreement of the Region 2, Coastal Bend Employee Benefit Insurance Cooperative Shared Service Arrangement has been reviewed by the Board of Trustees of the Applicant and by adoption of this Resolution Applicant does hereby agree to the terms and conditions of such Interlocal Agreement.

FURTHER RESOLVED, Applicant does hereby acknowledge the obligation to comply with the operational procedures as established and approved by the Region 2 Coastal Bend Employee Benefit Insurance Cooperative Shared Service Arrangement and the Board of Record.

I certify that the foregoing is a true and correct copy of the resolution adopted by the Board of Trustees of

Beeville ISD and that the same is reflected in the minutes of the Board meeting held
December 18, 20 07.

In witness thereof, we hereunto affix our signatures this 18th day of
December, 20 07.

BY: _____
Signature of Board Chairperson

Nick Cardenas
Typed Name of Board Chairperson

Signature of Chief Executive Officer

John Hardwick Jr. , Superintendent
Typed Name of Chief Executive Officer

Name of Agency: Beeville Independent School District

Address: 2400 N. St. Mary's Street