

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

FINANCIAL SERVICES DEPARTMENT

M_E_M_O_R_A_N_D_U_M

TO: Mitsi Corcoran, Chief Financial Officer

FROM: Bert Palmer, Risk Manager

DATE: March 14, 2011

SUBJECT: TSA Consulting Group, Inc. (TSACG) - Administration Services Agreement

Background

The school district is in the final year of its four (4) year services agreement with TSACG. TSACG provides assistance in maintaining compliance with the rules and regulations established by the Internal Revenue Code (IRC) in referenced to voluntary qualified retirement plans maintained by the district. TSACG's other responsibilities include maintaining our 403(b) Plan Document, recording all contributions and distributions, providing educational materials and annual handbooks for each employee, and assisting the district in the event of an audit.

Proposal

The expiring agreement service fee is \$5.40 annually for each eligible participant. The total annual cost is \$31,104 paid in monthly installments of \$2,592. The proposed renewal is the result of piggybacking on the Request for Proposal [RFP No. 2-11/LG] conducted by Duval County Public Schools. TSACG has agreed to extend the same terms and conditions to Sarasota County Public Schools.

The renewal service fee for the first year will be \$5.00 annually for each eligible participant. The total annual cost is \$28,500 paid in monthly installments of \$2,375. This is a reduction in cost of 7.41%. The first year fee will be prorated for the period 10/01/2011 through 6/30/2012, in order to allow the district to change its contract year to coincide with its fiscal year. The service fee will increase by 3% each subsequent contract year and is guaranteed for each annual renewal through 6/30/2016:

- Year 2 - \$5.15 per year per participant billed monthly (7/01/12 through 6/30/13)
- Year 3 - \$5.30 per year per participant billed monthly (7/01/13 through 6/30/14)
- Year 4 - \$5.46 per year per participant billed monthly (7/01/14 through 6/30/15)
- Year 5 - \$5.62 per year per participant billed monthly (7/01/15 through 6/30/16)

Recommendation

The proposed renewal results in a first year rate reduction of 7.41%. The annual renewal cost for each subsequent service year is guaranteed. TSACG has provided excellent service and is the key to our compliance with IRC requirements. I recommend that the district renew its service agreement with TSACG effective 10/01/2011.

Attachments (2)