

**APPROVE ENTERING INTO AN AGREEMENT WITH DELTA DENTAL PLAN  
OF ILLINOIS, INC. TO PROVIDE PREFERRED PROVIDER ORGANIZATION SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into an agreement with Delta Dental Plan of Illinois, Inc. to provide Preferred Provider Organization (PPO) Services on behalf of Chicago Public School employees, at a cost not to exceed \$15,000,000.00 for a 30 month period. Delta Dental Plan of Illinois, Inc. was selected on a competitive basis pursuant to a duly advertised Request for Proposal (Specification No. 03-250288). A written agreement is currently being negotiated. No payment shall be made to vendor prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this agreement is stated below.

**SPECIFICATION NO.: 03-250288**

**VENDOR:** Delta Dental Plan of Illinois, Inc.  
801 Ogden Avenue  
Lisle IL 60532  
John Hughes  
(630) 724-4057  
Vendor No.: Pending

**USER:** Bureau of Risk and Benefits Management  
125 South Clark – 14<sup>th</sup> Floor  
Chicago, IL 60603  
Georgette Hampton, Director  
(773) 553-2818

**TERM:** The term of this agreement shall commence on July 1, 2004 and shall end December 31, 2006. This agreement shall have (2) two options to renew for 12 months each.

**SCOPE OF SERVICES:** Delta Dental Plan of Illinois, Inc. will provide PPO services (including all administrative, utilization review and dental services) for employees and their dependents who elect to participate in the dental insurance program. Delta Dental Plan of Illinois, Inc. PPO network includes dentists, specialists, and other licensed dental care professionals who will provide services to employees and their dependents in offices throughout the Chicago area.

**DELIVERABLES:** Delta Dental Plan of Illinois, Inc. will provide all necessary tasks to properly administer the PPO program, send communications, brochures, pamphlets and materials to the Board and Board employees, respond to telephone inquires and direct employees to appropriate use of PPO benefits and services, provide management reports to ensure that all services are rendered in a prompt and fair manner to all eligible employees and their dependents, and ensure that all claims are accurately processed according to the contract.

**OUTCOMES:** Delta Dental Plan's services will result in an efficient and successful dental maintenance organization.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the agreement. Authorize the President and the Secretary to execute the agreement. Authorize the Director of Risk and Benefits Management to execute all ancillary documents required to administer or effectuate this agreement.

**COMPENSATION:** Delta Dental Plan shall be paid a fixed rate per member, per month, not to exceed \$6,000,000.00 a year; total not to exceed \$15,000,000.00 for a 30 month term.

**AFFIRMATIVE ACTION:** The M/WBE goals for this contract include: 35% total M/WBE, 22% total African American , 10% total Hispanic , 2% total Asian ,and 5% total WBE.

However, the Waiver Review Committee recommends that a partial waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the vendor has demonstrated reasonable good faith efforts.

The vendor has ,however ,identified and schedule the following firms and percentages

**Total MBE10%**

**Total African American 5%**

Lambert Risk Management Services 5%  
175 W. Jackson Suite 1130  
CHICAGO IL.60604

**Total Asian 5%**

Cypress Consulting \$30,000 5%  
501 WEST Sycamore Street  
Vernon Hills IL. 60061

**Total WBE 15%**

Forte Print \$150,000 15%  
2700 Van Buren  
Bellwood IL.60104

**LSC REVIEW:** Local School Council approval is not applicable to this report

**FINANCIAL:** Charge \$6,000,000.00 Fiscal Year 2005  
Charge \$6,000,000.00 Fiscal Year 2006  
Charge \$3,000,000.00 Fiscal Year 2007

Budget Classification: Charge to sundry units, all operating funds, sundry programs, hospital insurance (object 5680)

**GENERAL CONDITIONS** :Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

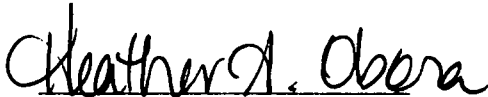
Indebtedness – The Board’s Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board’s Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

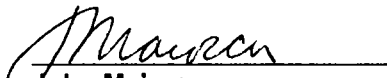
**Approved for Consideration:**



**Approved:**

  
Heather A. Obora  
Chief Purchasing Officer

  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
John Maiorca  
Chief Financial Officer

**Approved as to legal form:**   
  
Ruth Moscovitch  
General Counsel