

**AUTHORIZE THE SECOND AND FINAL RENEWAL AGREEMENT WITH SEDGWICK CLAIMS
MANAGEMENT SERVICES INC FOR SHORT-TERM DISABILITY (STD) AND FAMILY LEAVE
MEDICAL ACT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the second and final renewal agreement with Sedgwick Claims Management Services to provide Administrative Services for Short-Term Disability ("STD") and Family and Medical Leave Act ("FMLA") to the Talent Office at an estimated annual cost set forth in the Compensation Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to Sedgwick Claims Management Services during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Contract Administrator : Hubbard, Ms. Carisa Ann / 773-553-2280

VENDOR:

- 1) Vendor # 79006
SEDGWICK CLAIMS MANAGEMENT
SERVICES, INC
1100 RIDGEWAY LOOP RD.
MEMPHIS, TN 38120

Brian Krauss
312 542-0069

Ownership: Sedgwick Holdings Inc. - 100%

USER INFORMATION :

Project
Manager: 11010 - Talent Office

42 West Madison Street

Chicago, IL 60602

Lyons, Mr. Matthew A

773-553-2520

PM Contact:

11010 - Talent Office
42 West Madison Street
Chicago, IL 60602
Fairhall, Ms. Gail A
773-553-3807

ORIGINAL AGREEMENT:

The original agreement (authorized by Board Report 12-1024-PR14 in the amount of \$7,310,100.00 is for a term commencing November 1, 2012 and ending October 31, 2015, with the Board having two (2) options to renew for a one (1) year term. The agreement was renewed (authorized by Board Report 15-0527-PR5) for a term commencing November 1, 2015 and ending October 31, 2016. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing November 1, 2016 and ending October 31, 2017.

OPTION PERIODS REMAINING:

There are no remaining options.

SCOPE OF SERVICES:

Vendor's services will continue to include, but are not limited to, the following: administering self-insured benefits in accordance with the STD plan and FMLA for administrative services only arrangement (an "ASO arrangement") and perform any and all functions necessary to ensure appropriate financial control over plan benefits and claims. Vendor will continue to maintain and process the STD plan and FMLA eligibility files in an accurate and timely manner, and in a format and timeframe established by the board. Vendor will continue to maintain confidentiality of employee and Board records and submit reports as requested by the Board. Vendor will continue to rectify errors and resolve disputes satisfactory to the Board.

DELIVERABLES:

Vendor will continue provide STD and FMLA coverage, a comprehensive implementation plan, benefit computation plan, employee communication materials, electronic reporting and billing data, Board-specific customer service satisfaction surveys, customer service program, and disability management services.

OUTCOMES:

The STD and FMLA plan will continue to provide short term disability benefits, FMLA, and administrative services for eligible Board employees. The STD plan will continue to replace the current sick day policy which allows employees to carry over unused days. This plan will continue to be implemented to ensure all employees are provided with a fair benefits package while identifying savings that can be invested in other entities of the Board.

COMPENSATION:

Vendor shall be paid during this option period as follows: Not-to-exceed of \$2,500,000.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize Chief Talent Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women owned Business Enterprise Participation in Goods and Services Contracts, (M/WBE Program), this contract is in full compliance with the requirements of 15% total MBE and 5% WBE.

The vendor has scheduled the following:

Total MBE - 15%

Lambert Risk Management Services, Inc
1 North LaSalle Street, Suite 3500
Chicago, Illinois 60602
Contact: Shirley Evans-Wofford

Total WBE - 5%

Danielle Ashley Group
8 South Michigan Avenue, Suite 1600
Chicago, Illinois 60603
Contact: Tracy Alston

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115 General Funds
Talent Office Unit 11010
Renewal Term - Not to exceed \$2,500,000
\$1,670,000 FY17
\$830,000 FY18
Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

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 June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), 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:



LESLIE NORGRN
Chief Procurement Officer

Approved:



FORREST CLAYPOOL
Chief Executive Officer

Approved as to Legal Form: *RM*



RONALD L. MARMER
General Counsel