

**APPROVE THE EXTENSION OF THE EXISTING AGREEMENT WITH
COGHLAN KUKANKOS COOK LAW OFFICES
TO PROVIDE SUBROGATION CLAIMS MANAGEMENT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the renewal of the existing agreement with Coghlan Kukankos Cook Law Offices (CKC) to provide Subrogation Claims Management Services for the Board's self-funded medical insurance plan. CKC will be paid on a contingency fee basis. A written extension agreement for these services is currently being negotiated. No payment shall be made to CKC prior to the execution of the written extension agreement. The authority granted herein shall automatically rescind in the event a written extension agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this extension is stated below.

SPECIFICATION NO: 00-250470

VENDOR: Coghlan Kukankos Cook
Law Offices
Chicago Illinois 60606
One North Franklin
John Kukankos
(312) 357-9200
Vendor No.# 24950

USER: Bureau of Benefits Management
125 South Clark 14th Floor
Chicago Illinois 60603
Georgette Hampton, Director
(773) 553-2818

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 01-0124-PR23) is for a term commencing March 26, 2001 and ending March 25, 2004. The agreement was renewed for a term commencing March 26, 2004 and ending March 25, 2005 (authorized by Board Report# 04-0324-PR28). The original agreement was awarded on a non-competitive basis because of vendor's previous success at achieving subrogation collections higher than other firms examined.

RENEWAL TERM: The term of this agreement is being extended for 9 months, commencing March 26, 2005 and ending December 31, 2005.

SCOPE OF SERVICES: CKC shall continue to provide subrogation services, reimbursement recovery and coordination of benefits for injury, illness, medical care or other losses to an employee participating in the Board's self funded insurance program, which will be subrogated to all present and future rights of recovery that representatives may have arising out of an injury. Subrogation rights are included as provisions in the Board's self insurance medical program, so that the Plan may recover, when appropriate, the amounts it has paid on behalf of participants for injuries that are related to an accident where other coverage or reimbursements is available and also so that the Plan may coordinate benefit payments with other insurers.

DELIVERABLES: CKC shall continue to provide monthly and annual reports indicating names, dates of services and medical providers for which reimbursement has been received. CKC shall also continue to maintain a database so trends can be established to determine vendors' claim payment patterns to determine if they are not acceptable to the Board of Education's standards.

OUTCOMES: CKC's services will result in an efficient cost-effective Subrogation Claims Management Program aligned with the Board's self-funded medical plan.

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

COMPENSATION: CKC will be paid a contingency fee in the amount of 29.75% of the gross recoveries it is responsible for obtaining during this renewal term.

REIMBURSABLE EXPENDITURES: CKC shall be reimbursed for ordinary expenses which may include the following: itemized long-distance telephone charges, police report copying charges, photocopying, laser printing, lexis or other computer research, overnight express delivery and postage expenses incurred by CKC, and shown, to the Board's satisfaction, to be incidental to CKC's performance under the agreement; providing, however, such ordinary expenses shall not exceed 2.3% of year-one recoveries, 1.5% of year-two recoveries, 1.4% of year three recoveries and 1.4% of recoveries during this renewal term. Additionally, CKC shall be reimbursed for expenses of legal actions including charges made by court clerks for filing documents or for duplication of filed documents, costs of transcripts of testimony at depositions, trials or other proceedings, witness fees incurred on behalf of the Plan, and authorized travel providing; however, any and all such legal actions must be authorized by the Board's Director of Risk and Benefits Management. CKC shall be reimbursed even if they don't recover funds.

AFFIRMATIVE ACTION The M/WBE goals for this contract include: 35% total MBE, 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 contract scope is not further divisible.

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

Total MBE 10.8%

Total African American 8.33%

Blackwell Consulting	\$25,000	8.33%
100 S. Wacker Drive		
CHICAGO, IL. 60606		

Total Hispanic 1.66%

Kopic Inc.	\$5,000	1.66%
1444 W. 37 th . Street		
Chicago, IL. 60609		

Total WBE .92%

Arrow Messenger Service	\$300	.1%
1322 W. Walton		
Chicago, IL. 60622		

Moran Graphics	\$728	.24%
208 S. LaSalle		
Chicago, IL. 60601		

Data Media Products	\$1750	.58%
1946 Lehigh Ave.		
Glenview, IL. 60025		

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

FINANCIAL: Charge to Bureau of Risk and Benefits Management: \$50,000 Charge to sundry units, all operating funds, sundry programs, hospital insurance (object 5680) Fiscal Year: 2005
Subrogation collections will be deposited to the appropriate health care budget lines so that health care costs can be reduced.

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.

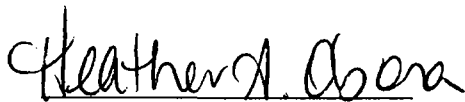
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

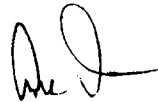
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:



Arne Duncan
Chief Executive Officer

Within Appropriation:



John Malorca
Chief Financial Officer

Approved as to legal form: 



Patrick J. Rocks
General Counsel