

**APPROVE ENTERING INTO AN AGREEMENT WITH COGHLAN KUKANKOS COOK LAW OFFICES
TO PROVIDE SUBROGATION CLAIMS MANAGEMENT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an 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. Consultant was selected on a competitive basis pursuant to Board Rule 5-4.1. A written agreement for Consultant's services is currently being negotiated. No services shall be provided by Consultant and no payment shall be made to Consultant 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 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

SPECIFICATION NO: 06-250036

CONSULTANT: Coghlan Kukankos Cook Law Offices (CKC)
55 West Wacker Drive, #1210
Chicago, Illinois 60601
Contact: John Kukankos
(312) 357-9200
Vendor No.: 24950

USER: Compensation and Benefits Management
Department of Human Resources
125 South Clark, 14th Floor
Contact: Dale M. Moyer
(773) 553-2818

TERM: The term of this agreement shall commence on January 1, 2007 and shall end December 31, 2009. This agreement shall have two options to renew for periods of 12 months each.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES: CKC shall provide the following services:

- Provide open and close status on all injury claim files.
- Evaluate the subrogation potential of each claim based upon information that is available from police reports, the statements of Covered Persons and witnesses, hospital records, insurance company claim files or other information.
- Provide in writing a determination as to whether the plan has a viable and cost effective right to recover subrogation with respect to each injury claim.
- Make demands that responsible third parties or their insurers or other persons who may be obligated to provide injury-related benefit coverage that is primary to that which is provided by the plan.
- Make payments to or on behalf of Covered Persons as required by Plan terms.
- Defend benefit actions brought against the Plan and/or shall commence or monitor or intervene in litigation on behalf of a designated Covered Person, or the Plan.
- Negotiate with third parties and insurers or other responsible persons as part of its efforts to effect settlement of injury claims as authorized by the Plan.
- Collect subrogation-related payments due to Plan. Shall report and remit such payments to the Board's representative pursuant to procedures authorized by the Board.
- Provide services necessary to supervise and support counsel retained to defend Subrogation-related actions brought against the Plan Covered Persons who reside in areas where your company does not practice.

DELIVERABLES: CKC shall provide monthly and annual reports indicating names, dates of services and medical providers for which reimbursement has been received. CKC shall 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.

COMPENSATION: CKC will be paid a contingency fee in the amount of 33.33% of the gross recoveries or savings from the plan from an injury claim, which gross recovery was realized by the Plan after the assignment of the injury claim to CKC.

REIMBURSABLE EXPENSES: CKC shall submit to the Board monthly invoices for payment or reimbursement by the Board of the following out of pocket expenses necessarily incurred by CKC exclusively in the course of performance of the Scope of Services:

- Itemized long-distance telephone charges, police report copying charges, photocopying laser printing, Lexis or other computer research, overnight express delivery and postage expenses.
- Expenses of legal action authorized by the Board's Representative and brought by or on behalf of the Plan, or other actions brought against the Plan, including, charges made by court clerks for filing documents or for duplication of field documents, costs of transcripts of testimony at depositions, trials or other proceedings, and witness fees incurred on behalf of the Plan.
- Travel related to such legal actions
- Other expenses, if any, incurred by CKC in the performance of the Scope of Services shall not be chargeable unless specifically authorized by the Board's Representative.

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

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 35% total MBE, 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 however has identified and scheduled the following firms and percentages:

Total Hispanic	3.25
Altavista Graphics 3435 N. Kimball Chicago, IL 60618	
Total WBE	10.73
Arrow Messenger Services	.23%
1322 W. Walton Chicago, IL 60622	
Hallagan Office Supply	7.5%
6854 W. North Ave Chicago, IL 60606	
Data Media Products	3.0%
1946 Lehigh Ave Glenview, IL 60025	

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

FINANCIAL: Fiscal Year: 2007

Charge to sundry units, all operating funds, sundry programs, hospital insurance (object 5680). 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 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 June 23, 2004 (04-0623-PO4), 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

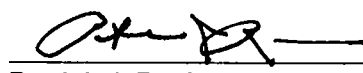
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form: 


Patrick J. Rocks
General Counsel