

**APPROVE EXERCISING THE SECOND OPTION TO RENEW THE AGREEMENT  
WITH DELTA DENTAL PLAN OF ILLINOIS, INC. TO PROVIDE PREFERRED PROVIDER  
ORGANIZATION SERVICES**

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

Approve exercising the second option to renew the 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 for the option period not to exceed \$3,000,000.00. A written document exercising this option is currently being negotiated. No payment shall be made to Consultant during the option period prior to the 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.

**Specification No.: 03-250288**

**VENDOR:** Delta Dental Plan of Illinois, Inc.  
801 Ogden Avenue  
Lisle IL 60532  
Contact: John Hughes  
(630) 724-4057  
Vendor No.: 24482

**USER:** Department of Human Resources  
Compensation and Benefits Management  
125 S. Clark Street, 14<sup>th</sup> Floor  
Chicago, IL 60603  
Contact: Dale Moyer, Director  
(773) 553-2818

**ORIGINAL AGREEMENT:** The original Agreement (authorized by Board Report 04-0324-PR22) in the amount of \$15,000,000.00 is for a term commencing July 1, 2004 and ending December 31, 2006, with the Board having two options to renew for one year terms. The agreement was renewed (authorized by Board Report 06-0927-PR15) for a period commencing January 1, 2007 and ending December 31, 2007. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

**OPTION PERIOD:** The term of this agreement is being extended for one year commencing January 1, 2008 and ending December 31, 2008.

**OPTION PERIODS REMAINING:** There are no option periods remaining.

**SCOPE OF SERVICES:** Delta Dental will continue to provide PPO services (including all administrative, utilization review and dental services) for employees and their dependents that 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 will continue to 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's services will result in an efficient and successful dental maintenance organization.

**COMPENSATION:** Delta Dental shall be paid during this option period as follows: a fixed rate per member, per month, not to exceed the sum of \$3,000,000.00.

**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 the Chief Human Resources Officer to execute all ancillary documents required to administer or effectuate this option agreement.

**AFFIRMATIVE ACTION:** This contract is in partial compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise contract participation (M/WBE Plan). The participation goals for this contract are 35% MBE and 5% WBE. The Waiver Committee has agreed to grant a waiver of the MBE goals because the contract scope is not further divisible.

The vendor has identified and following firms and percentages:

**Total MBE – 20%**

Lambert Risk Management Services - <b>AA</b> 175 W. Jackson, Ste 1130 Chicago, IL 60604 Att: Shirley Evans-Wofford	18%
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Cypress Systems Consulting - <b>H</b> 1901 Butterfield Road, Suite 340 Downers Grove, IL 60515	2%
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**Total WBE – 15%**

Richards Graphic Communications, Inc. - <b>W</b> 2700 Van Buren Bellwood, IL 60104	15%
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**LSC REVIEW:** Local School Council approval is not applicable to this report.

**FINANCIAL:** Charge to the Department of Human Resources: \$3,000,000.00 Fiscal Year: 2008-2009  
Budget Classification: Charge to sundry units, all operating funds, sundry programs, hospital insurance (object 57305)

**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 member during the one year period following expiration or other termination of their terms of office.

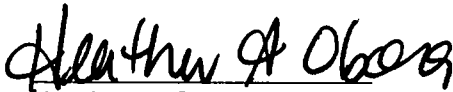
Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

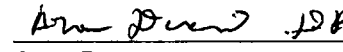
Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:**

**Approved:**

  
Heather A. Obora  
Chief Purchasing Officer

  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
Pedro Martinez  
Chief Financial Officer

**Approved as to legal form:**

  
Patrick J. Rocks  
General Counsel