

08-0827-PR29

APPROVE ENTERING INTO AN AGREEMENT WITH DELTA DENTAL OF ILLINOIS FOR DENTAL PREFERRED PROVIDER ORGANIZATION (DPPO) AND DENTAL HEALTH MAINTENANCE ORGANIZATION (DHMO) SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Delta Dental of Illinois ("Vendor") to provide Dental Preferred Provider Organization (DPPO) and Dental Health Maintenance Organization (DHMO) services to Board and CPS enrollees through the Board's self-funded program at a cost not to exceed \$14,000,000.00. Vendor was selected on a competitive basis pursuant to Board Rule 5-4.1. A written agreement for Vendor's services 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.

VENDOR:

1)
Delta Dental Of Illinois
801 Ogden Avenue
Chicago, Il 60532
John Hughes
630-724-4057
Vendor # 24482

USER:

Office of Human Resources
125 S Clark St - 2nd Floor
Chicago, IL 60603
Dale Moyer
773-553-2818

TERM:

The term of this agreement shall commence on January 1, 2009 and shall end December 31, 2011. This agreement shall have two options to renew for one year each with the cost of each option period not to exceed \$6,000,000.00.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

Vendor will administer and provide Dental Preferred Provider Organization (DPPO) and Dental Health Maintenance organization (DHMO) services for employees and their dependents that elect to participate in the dental insurance program.

DELIVERABLES:

Vendor will provide all necessary communications, brochures, pamphlets and materials to the Board and Board employees, respond to telephone inquires and direct employees to appropriate use of DHMO and DPPO 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:

Vendor's services will result in efficient and successful dental health programs.

COMPENSATION:

Vendor shall be paid as follows: a fixed rate per member as set forth in the written agreement, not to exceed the sum of \$14,000,000.00 for the original term of this agreement.

REIMBURSABLE EXPENSES:

None.

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:

This contract is in full compliance with the required goals of the Remedial Program for Minority and Women Owned Business Enterprise Participation (M/WBE). The M/WBE participation goals for this contract include: 20% total MBE and 15% total WBE. The vendor has identified and scheduled the following :

Total MBE = 20%

Lambent Risk Management
1 North LaSalle - Ste 1130
Chicago, IL 60602

Cypress Consulting, Inc.
1901 Butterfield Road, Ste 340
Downers Grove, IL 60515

Total WBE = 15%

Richards Graphics Communication, Inc.
2700 Van Buren
Bellwood, IL 60104

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to the Department of Human Resources: \$14,000,000.00

Contract Year 1 (FY09-FY10): \$4,250,000.00

Contract Year 2 (FY10-FY11): \$4,750,000.00

Contract Year 3 (FY11-FY12): \$5,000,000.00

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 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.

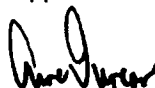
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



HEATHER A. OBORA
Chief Purchasing Officer

Approved:



ARNE DUNCAN
Chief Executive Officer

Within Appropriation:



PEDRO MARTINEZ
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel