

APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH HEALTH CARE SERVICE CORPORATION D/B/A BLUE CROSS BLUE SHIELD OF ILLINOIS TO PROVIDE PREFERRED PROVIDER ORGANIZATION (PPO) SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to renew the agreement with Health Care Service Corporation d/b/a Blue Cross Blue Shield of Illinois to provide Preferred Provider Organization (PPO) services to the Office of Human Capital at a cost for the option period not to exceed \$10,000,000.00. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor 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 120 days of the date of this Board Report. Information pertinent to this option is stated below.

VENDOR:

- 1) Vendor # 36410
HEALTH CARE SERVICE CORPORATION
D/B/A BLUE CROSS BLUE SHIELD OF
ILLINOIS
300 E. RANDOLPH
CHICAGO, IL 60601
Miles Dean
312-653-4581

USER INFORMATION :

Contact:

11010 - Office of Human Capital
125 S Clark St - 2nd Floor
Chicago, IL 60603
Moyer, Mr. Dale Michael
773-553-1070

ORIGINAL AGREEMENT

The original Agreement (authorized by Board Report 08-0827-PR28) in the amount of \$45,000,000.00 is for a term commencing January 1, 2009 and ending December 31, 2011, with the Board having two options to renew, each for one year term, with the cost of each option period not to exceed \$20,000,000.00. 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 renewed for one year commencing January 1, 2012 and ending December 31, 2012.

OPTION PERIODS REMAINING

There is one option period for one year remaining.

SCOPE OF SERVICES

Vendor will continue to provide a PPO network access including but not necessary limited to administrative services and claim for the Board's self-insured health plan.

DELIVERABLES

Vendor will continue to provide access to a PPO network of medical providers and monthly experience reports.

OUTCOMES

Vendor services will continue to result comprehensive and affordable healthcare coverage through contracted discounts and prepaid provider arrangements for the Board's self-insured health program for Chicago Public Schools and the Board enrollees.

COMPENSATION

Vendor shall be paid a network access/administration fee as set out in the written agreement not to exceed a total of \$10,000,000.00 for this option term.

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 Capital Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION

This contract is in full compliance with the goals required by the Remedial Plan for Minority and Women Business Contract Participation (M/WBE Plan). The M/WBE participation goals for the contract include; 35% total MBE and 5% total WBE. The vendor has identified and scheduled the following firms and percentage:

Total MBE=35%

A&R Janitorial
5234 W. 25th St.
Cicero, IL 60137

Innovative Systems Concepts Group
799 Roosevelt Rd.
Mt. Prospect, IL 60056

Total WBE= 5%

Perez & Associates
13930 S. Kildare Ave.
Crestwood, IL 60445

LSC REVIEW

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to the Office of Human Capital \$10,000,000.00
FY 2012 - FY2013

Budget Classification: Charge to sundry units, all operating funds, sundry programs, hospital insurance (account 57305)

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 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:


OPAL L. WALLS
Chief Purchasing Officer

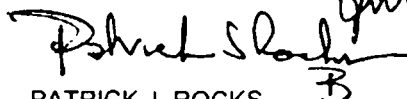
Approved:


JEAN-CLAUDE BRIZARD
Chief Executive Officer

Within Appropriation:


MELANIE A. SHAKER
Interim Chief Financial Officer

Approved as to Legal Form:


PATRICK J. ROCKS
General Counsel