

APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH UNITED HEALTH CARE INSURANCE COMPANY 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 United Health Care Insurance Company to provide Preferred Provider Organization (PPO) services for the Board's self-insured health plan to the Office of Human Capital at a cost for the option period not to exceed \$ 2,000,000.00. 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 # 23320
UNITED HEALTH CARE INSURANCE CO.
233 N. MICHIGAN AVENUE
CHICAGO, IL 60601
Scott Behnke
312-424-6581

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-PR31) in the amount of \$6,000,000.00 is for a term commencing January 1, 2009 and ending December 31, 2011, with the Board having two options to renew, each for a one year term, with the cost of each option not to exceed \$2,000,000.00. 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 preferred provider organization services for the Board's self-insured health plan.

DELIVERABLES

Vendor will continue to provide access to PPO network of medical providers, claims administration services, conduct utilization review and management services.

OUTCOMES

Vendor's services will continue to result in comprehensive and affordable health care coverage through contracted discount PPO provider arrangements for the Board's self-insured health plan for Chicago Public Schools and Board enrollees.

COMPENSATION

Vendor shall be paid during this option period as follows: in accordance with the compensation schedule set forth in the written agreement, with total compensation not to exceed \$2,000,000.00 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 required goals of the Remedial program for Minority and Women Owned Business Enterprise Participation (M/WBE Plan. The M/WBE participation goals for this contract include: 10% total MBE and 10% total WBE. The vendor has identified the following:

Total MBE=10%

Merchandise Distributions, Inc.
4253 Kedzie
Chicago, IL 60649

Cora Fran
P.O Box 498-495
Chicago, Il 60649

The Blackstone Group
360 N. Michigan Ave.
Chicago, IL 60601

Hernandez & Garcia
7366 N. Lincoln Ave.
Lincolnwood, IL 60712

Total WBE= 10%

411 Computers, Inc.
6160 S. East Ave.
LaGrange, IL 60525

LSC REVIEW

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to the Office of Human Capital: \$2,000,000.00
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.

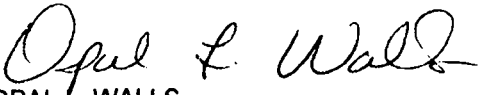
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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