

APPROVE EXERCISING THE SECOND OPTION TO RENEW THE 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 exercising the second option to renew the agreement with Delta Dental of Illinois ("Vendor") to provide Delta Dental Preferred Provider Organization (DPPO) administrative services and Dental Health Maintenance Organization (DHMO) services to Board and CPS enrollees through the Board's self-funded program at a cost for the option period not to exceed \$5,500,000.00. 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 # 24482
DELTA DENTAL OF ILLINOIS
801 OGDEN AVENUE
CHICAGO, IL 60532
Sheila D. Wilcox
630-718-4759

USER INFORMATION :

Contact:

11010 - Office of Human Capital

125 S Clark St - 2nd Floor

Chicago, IL 60603

Tiefenthaler, Ms. Kristine C.

773-553-1070

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 08-0827-PR29) in the amount of \$14,000,000.00 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 term not to exceed \$6,000,000.00. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4-1. The first option to renew (authorized by Board Report 11-0525-PR22) in the amount of \$6,000,000.00 was exercised for a term commencing January 1, 2012 and ending December 31, 2012.

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing January 1, 2013 and ending December 31, 2013.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendor will continue to 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 continue to provide all necessary communications, brochures, pamphlets and materials to the Board and Board employees, respond to telephone inquiries 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 eligible employees and their dependents, and ensure that all claims are accurately processed according to the contract.

OUTCOMES:

Vendor's services will continue to result in efficient and successful dental health programs during the option period.

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 \$5,500,000.00 this renewal 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). 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 60615

Total WBE=15%

Richard Graphic Communication, Inc.
2700 Van Buren
Bellwood, IL 60104

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to Chicago Public Schools in FY2013 - \$5,500,000

Budget Classification: Expense as allocated to all positions through account 57305 (Hospitalization and dental insurance) across all operating funds, units, programs, and grants.

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:



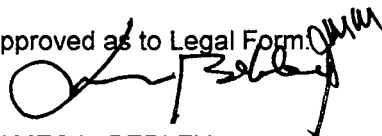
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY
General Counsel