

**AUTHORIZE NEW AGREEMENT WITH DELTA DENTAL OF ILLINOIS FOR DENTAL DPPO AND  
DHMO INSURANCE SERVICES**

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

Authorize a new agreement with Delta Dental of Illinois to provide Dental Preferred Provider Organization (DPPO) and Dental Health Maintenance Organization (DHMO) Insurance services to the Talent Office at a cost of approximately \$4,500,000.00 annually, not to exceed \$13,500,000.00 for the three year term. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification Number : 13-250046

Contract Administrator : Seanior, Miss Pamela Dorcas / 773-553-2280

**VENDOR:**

- 1) Vendor # 24482  
DELTA DENTAL OF ILLINOIS  
801 OGDEN AVENUE  
CHICAGO, IL 60532  
Karyn Glogowski  
630 724-4057

**USER INFORMATION :**

Project  
Manager: 11010 - Office of Human Capital  
  
125 S Clark St - 2nd Floor  
  
Chicago, IL 60603  
  
Wolter, Mr. William R.  
  
773-553-3807

**TERM:**

The term of this agreement shall commence on January 1, 2014 and shall end December 31, 2016. This agreement shall have two options to renew for periods of one year each with the cost of this first option not-to-exceed \$4,700,000.00 and the cost of the second option not-to-exceed \$4,900,000.00.

**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 DPPO and DHMO services for employees and their dependents that elect coverage in the CPS dental plan.

**DELIVERABLES:**

Vendor will 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 all eligible employees and their dependents, and ensure that all claims are accurately processed according to the plan of benefits.

**OUTCOMES:**

Vendor's services will result in efficiently managed and successful dental health programs and retention of high quality talent.

**COMPENSATION:**

Vendor shall be paid as follows: at a fixed per employee per month rate as specified in the written agreement; approximately \$4,500,000.00 annually, total cost not to exceed \$13,500,000.00 for the three year term.

**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 Chief Talent Officer to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:**

The M/WBE goals for this agreement are set at 15% total MBE and 5% WBE. However, the Waiver Review Committee recommends that a full waiver of the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, be granted; as the scope of services is not further divisible.

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

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

FY2014 - \$2,250,000.00

FY2015 - \$4,500,000.00

FY2016 - \$4,500,000.00

FY2017 - \$2,250,000.00

Future year funding is contingent upon budget appropriation and approval.

**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 May 25, 2011 (11-0525-PO2), 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:



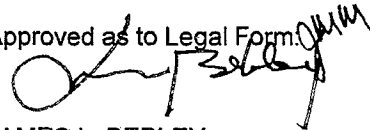
SÉBASTIEN de LONGEAUX  
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT  
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY  
General Counsel