

AMEND BOARD REPORT 13-0925-PR15
AUTHORIZE NEW AGREEMENT WITH EYEMED VISION CARE FOR VISION INSURANCE

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with EyeMed Vision Care and its third party administrator, First American Administrators, Inc., and authorize a new insurance policy to be issued by the Fidelity Security Life Insurance Company to provide vision insurance and services to the Talent Office at a cost of approximately \$2,200,000.00 annually, total cost not to exceed \$6,600,000.00 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.

This December 2013 amendment is necessary to identify EyeMed's third-party administrator, First American Administrators, Inc. ("FAA"), which will be a party to the services agreement entered into by and among the Board, EyeMed and FAA. The insurance company, Fidelity Security Life Insurance Company, is also identified since it will be issuing the insurance policy that is the basis of services provided by EyeMed and since it will be receiving all payments from the Board associated with the insurance and services provided. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days.

Specification Number : 13-250045

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

VENDOR:

- 1) Vendor # 23348
 EYEMED VISION CARE
 4000 LUXOTTICA PLACE
 MASON, OH 45040
 Kathleen Jewel King
 513 765-6015

- 2) Vendor # 99449
FIDELITY SECURITY LIFE INSURANCE COMPANY
3130 BROADWAY
KANSAS CITY, MI 64111
Kenneth G. House
816 968-0574
Khouse@Fslins.Com

- 3) Vendor # 99450
FIRST AMERICAN ADMINISTRATORS, INC
4000 LUXOTTICA PLACE
MASON, OH 45040
Brian Haigis
513 765-3025
Brian.Haigis@Eyemed.Com

USER INFORMATION:

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

TERM:

The term of the agreement shall commence on January 1, 2014 and shall end on December 31, 2016. The agreement shall have two (2) options to renew for periods of one (1) year each, with the cost of each option not-to-exceed \$2,200,000.00.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

Vendor will provide vision care insurance and services (including all administrative, utilization review and vision care network access) for CPS enrollees in the basic and enhanced vision plans. EyeMed's network includes optometrists, ophthalmologists, and other licensed vision care professionals who will provide services and materials to CPS enrollees in offices throughout the Chicago area.

DELIVERABLES:

Vendor will provide vision insurance and all necessary communications, brochures, pamphlets and materials to the Board and Board employees, respond to telephone inquiries and direct employees to appropriate use of vision plan 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 comprehensive and affordable vision care through contracted discount provider arrangements for the Board's vision care program for Chicago Public Schools and Board enrollees. The robust vision plan will continue to help attract and retain high quality talent to CPS.

COMPENSATION:

Vendor shall be paid as follows: at a fixed per employee per month rate as specified in the written agreement; approximately \$2,200,000.00 annually, total not to exceed the sum of \$6,600,000.00 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:

This contract is in full compliance with the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contract. The M/WBE participation goals for this agreement are 15% total MBE and 5% WBE.

The vendor has scheduled the following:

Total MBE: 15%
Tropical Optical
3624 W. 26th St.
Chicago, IL 60623
Contact: Dan Arce

Total WBE: 5%
Joseph Cacciatore Company Insurance Agency, Inc.
527 S. Wells, Suite 600
Chicago, IL 60607
Contact: Gloria Turan

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 - \$1,100,000.00
FY2015 - \$2,200,000.00
FY2016 - \$2,200,000.00
FY2017 - \$1,100,000.00

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:



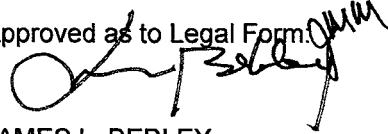
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form. *JMB*



JAMES L. BEBLEY
General Counsel