

AMEND BOARD REPORT 12-1024-PR14
AUTHORIZE ENTERING INTO AN AGREEMENT WITH SEDGWICK CLAIMS MANAGEMENT SERVICES, INC. FOR ADMINISTRATIVE SERVICES FOR SHORT TERM DISABILITY (STD) PLAN SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Sedgwick Claims Management Services, Inc. to provide Administrative Services for Short Term Disability (STD) Plan services to the Talent Office at a total cost not to exceed \$7,310,100.00. The 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 amended Board Report. Information pertinent to this agreement is stated below.

This June 2014 amendment is necessary to authorize the General Counsel to negotiate any indemnities to be provided to Vendor.

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

VENDOR:

- 1) Vendor # 79006
SEDGWICK CLAIMS MANAGEMENT
SERVICES, INC
1100 RIDGEWAY LOOP RD.
MEMPHIS, TN 38120
Brad Krauss
312 542-0069

USER INFORMATION :

Contact: 11010 - Talent Office
125 S Clark St - 2nd Floor
Chicago, IL 60603
Tiefenthaler, Ms. Kristine C.
773-553-1070

TERM:

The term of this agreement shall commence on November 1, 2012 and shall end October 31, 2015. This agreement shall have (2) one year options to renew for periods of (1) year under the same terms and conditions as the original contract.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

Vendor's services will include, but are not limited to, the following: administering self-insured benefits, in accordance with the Short Term Disability Plan (STD) for an administrative services only arrangement (an

"ASO arrangement") and perform any and all functions necessary to ensure appropriate financial control over plan benefits and claims. Vendor will maintain and process the STD plan eligibility files in an accurate and timely manner, and in a format and timeframe established by the board. Maintain confidentiality of employee and Board records. Submit reports as requested by the Board. Rectify errors and resolve disputes satisfactory to the Board.

DELIVERABLES:

Vendor will provide short term disability coverage, a comprehensive implementation plan, benefit computation plan, employee communication materials, electronic reporting and billing data, Board-specific customer service satisfaction surveys, customer service program, and disability management services.

OUTCOMES:

The STD plan will provide short term disability benefits and administrative services for eligible Board employees. It will replace the current sick day policy which allows employees to carry over unused days. This plan will be implemented to ensure all employees are provided with a fair benefits package while identifying savings that can be invested in other entities of the Board.

COMPENSATION:

Vendor shall be paid as specified in the agreement; total for the term shall not exceed \$7,310,100.00 inclusive of all reimbursable expenses, and the costs associated herewith shall be reported to the Board on a quarterly basis.

REIMBURSABLE EXPENSES:

Vendor shall be reimbursed for approved claim investigation expenses.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions, including any indemnities to be provided to the Vendor, in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Procurement Officer to execute any amendment to the agreement that is approved as to legal form by the General Counsel, provided that the amendment does not cause the maximum compensation amount to be exceeded. 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 Contracts. The MBE/WBE goals for this contract are 10% total MBE and 5% total WBE participation.

The vendor has identified the following:

Total MBE - 10%
Lambent Risk Management Services, Inc
1 North LaSalle Street, Suite 3500
Chicago, Illinois 60602
Contact: Shirley Evans-Wofford

Total WBE - 5%
Danielle Ashley Group
8 South Michigan Avenue, Suite 1600
Chicago, Illinois 60603
Contact: Tracy Alston

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Budget Classification: Expense as allocated to all position through account 57305 (Hospitalization and Dental Insurance) across all operating funds, units, programs, and grants.

Future year funding is contingent upon budget appropriation and approval.

FY2013 - \$2,436,700.00

FY2014 - \$2,436,700.00

FY2015 - \$2,436,700.00

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:



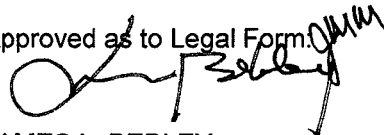
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY
General Counsel