

September 27, 2017

**AUTHORIZE THE FIRST RENEWAL AGREEMENT WITH CAREMARKPCS HEALTH LLC FOR  
PHARMACY BENEFIT MANAGEMENT (PBM) SERVICES**

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

Authorize the first renewal agreement with CaremarkPCS Health LLC to provide pharmacy benefits management (PBM) and other services to the Talent Office for the Board's medical plan at an estimated annual cost set forth in the Compensation Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to CaremarkPCS Health LLC during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Contract Administrator : Hernandez, Miss Patricia / 773-553-2280

**VENDOR:**

- 1) Vendor # 96371  
CAREMARKPCS HEALTH LLC  
2211 SANDERS RD.  
NORTHBROOK, IL 60062

Jim Hogan  
847 559-5792

**USER INFORMATION :**

Contact:  
11010 - Talent Office  
42 West Madison Street  
Chicago, IL 60602  
Fairhall, Ms. Gail A

**ORIGINAL AGREEMENT:**

The original Agreement (authorized by Board Report 14-0827-PR23) in the amount of \$250,000,000.00 is for a term commencing January 1, 2015 and ending December 31, 2017, with the Board having two (2) options to renew for one (1) year terms. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

**OPTION PERIOD:**

The term of this agreement is being renewed for one (1) year commencing January 1, 2018 and ending December 31, 2018.

**OPTION PERIODS REMAINING:**

There is one (1) option period for one (1) year remaining.

**SCOPE OF SERVICES:**

Vendor will continue to provide pharmacy benefits management and other services for the Board's medical plan(s) for employees, providing cost-effective access to prescription drugs by Board employees and their eligible dependents enrolled in the plan, and other ancillary programs. Services shall include:- Prospective, concurrent and retrospective review to identify, prevent and/or reduce medically or procedurally inappropriate dispensing activity.- Professional consulting services to the Board about employees' prescription drug benefits to ensure compliance with all laws and provide advice regarding design and communication.- Establishment, maintenance and control of network of fully licensed and insured retail pharmacies available to provide prescription drugs.- Designation and provision of mail-order pharmacy as the network mail order pharmacy able to dispense maintenance medications.

**DELIVERABLES:**

Vendor will continue to provide access to discounted pharmaceutical networks, provide claims adjudication and administrative services for the self-insured prescription drug program of the medical plan, and ancillary programs

**OUTCOMES:**

Vendor's services will result in savings for the self-insured program through negotiated discounts and rebates from pharmacy manufacturers, quarterly reports on savings and claims activity at the pharmacy level, and advice to the Board on latest drug trends.

**COMPENSATION:**

Vendor shall be paid during this option period as set forth in the agreement; total not to exceed \$94,000,000. Estimated annual costs for this option period are set forth below:  
\$47,000,000 FY18  
\$47,000,000 FY19

**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 Chief Talent Officer to execute all ancillary documents required to administer or effectuate this option 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: 35% total MBE and 15% total WBE participation.

The Vendor has identified the following:

Total MBE - 35%  
Angel Flight Marketing  
679 N. Milwaukee  
Chicago, IL 60622  
Contact: Gabriel Mitchell

Computer Resource Solutions  
1 Pierce Place, Suite 325W  
Itasca, IL 60143  
Contact: Michael Gains

Planned Packaging of Illinois  
8940 W. 192nd Street, Suite #1  
Mokena, IL 60445  
Contact: Jason Robertson

Risk Management Solutions  
208 S. LaSalle Street, Suite 1410  
Chicago, IL 60604  
Contact: Bennie Jones

Systems Unlimited  
1350 W. Bryn Mawr  
Itasca, IL 60143  
Contact: Russell Omuro

Total WBE - 15%  
Arem Container & Supply  
6153 W. Mulford St.  
Niles, IL 60714  
Contact: Rosalind Schwartz

Arrow Messenger Services  
1322 W. Walton St.  
Chicago, IL 60622  
Contact: Phyllis Apelbaum

Consolidated Printing  
5942 N. Northwest Highway  
Chicago, IL 60631  
Contact: Marilyn Jones

DDI Printing  
7830 Quincy Street  
Willowbrook, IL 60521  
Contact: Darmi Parikh

Research Explorers  
1111 New Trier Court  
Wilmette, IL 60091  
Contact: Lisa McDonald

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Fund 115  
Talent Office, Unit 11010  
\$47,000,000 FY18  
\$47,000,000 FY19  
Not to exceed \$94,000,000 for the one (1) year term. 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:




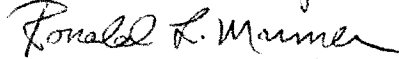
JONATHAN MAPLES  
Chief Procurement Officer

Approved:



FORREST CLAYPOOL  
Chief Executive Officer

Approved as to Legal Form: 



RONALD L. MARMER  
General Counsel