

January 24, 2018

**AUTHORIZE THE SECOND EXTENSION OF THE AGREEMENT WITH
SEDGWICK CLAIMS MANAGEMENT SERVICES INC FOR
SHORT-TERM DISABILITY (STD) AND FAMILY LEAVE MEDICAL ACT SERVICES**

THE ACTIING CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the second extension of the agreement with Sedgwick Claims Management Services Inc. to provide short-term disability (STD) and family leave medical act services to the Talent Office at an estimated annual cost set forth in the Compensation Section of this report. A written extension document is currently being negotiated. No payment shall be made to Sedgwick Claims Management Services Inc. during this extension period prior to execution of their 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 extension is stated below.

Specification Number : 12-250036

Contract Administrator : Landeros, Mr. Luke / 773-553-2280

VENDOR:

- 1) Vendor # 79006
SEDGWICK CLAIMS MANAGEMENT
SERVICES, INC
1100 RIDGEWAY LOOP RD.
MEMPHIS, TN 38120
Brian Krauss
312 542-0069
Ownership: Sedwick Holdings Inc. - 100%

USER INFORMATION :

Contact:

11010 - Talent Office
42 West Madison Street
Chicago, IL 60602
Lyons, Mr. Matthew A
773-553-2520

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 12-1024-PR14) in the amount of \$7,310,100 was for a term commencing November 1, 2012 and ending October 31, 2105, with the Board having two (2) options to renew for one (1) year terms. The first renewal agreement (authorized by BR#15-0527-PR5) in the amount of \$2,500,000 was for a term commencing November 1, 2015 and ending October 31, 2016. The second renewal agreement (authorized by BR#16-0928-PR10) in the amount of \$2,500,000 was for a term commencing November 1, 2016 and ending October 31, 2017. The agreement was subsequently extended at no additional cost to the Board for a term commencing November 1, 2017 and ending on January 31, 2018. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

EXTENSION PERIOD:

The term of this agreement is being extended for two (2) months commencing February 1, 2018 and ending March 31, 2018.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendor's services will continue to include, but are not limited to, the following: administering self-insured benefits in accordance with the STD plan and FMLA for 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 continue to maintain and process the STD plan and FMLA eligibility files in an accurate and timely manner, and in a format and timeframe established by the Board. Vendor will continue to maintain confidentiality of employee and Board records and submit reports as requested by the Board. Vendor will continue to rectify errors and resolve any disputes satisfactory to the Board.

DELIVERABLES:

Vendor will continue to provide STD and FMLA 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 and FMLA plan will continue to provide short term disability benefits, FMLA, and administrative services for eligible Board employees. The STD plan will continue to replace the current sick day policy which allows employees to carry over unused days. This plan will continue to 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 during this extension period as follows: Not-to-exceed \$350,000.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written extension document. Authorize the President and Secretary to execute the extension document. Authorize Chief Talent Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women owned Business Enterprise Participation in Goods and Services Contracts, (M/WBE Program), this contract is in full compliance with the requirements of 15% total MBE and 5% WBE.

The vendor has scheduled the following:

Total MBE - 15%

Lambent Risk Management Services, Inc.
1 North LaSalle St., Ste. 3500
Chicago, Illinois 60602
Contact: Shirley Evans-Wofford

Total WBE - 5%

Danielle Ashley Group
8 South Michigan Ave., Ste. 1600
Chicago, Illinois 60603
Contact: Tracy Alston

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115 General Funds
Talent Office Unit 11010
Extension Period - Not to exceed \$350,000

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.

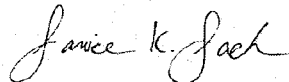
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



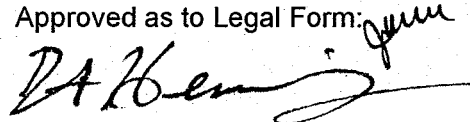
JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Acting Chief Executive Officer

Approved as to Legal Form:



DOUGLAS A. HENNING
Acting General Counsel