

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

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the extension of the 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 extension document is currently being negotiated. No payment shall be made to CaremarkPCS Health LLC 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 : 13-250083

Contract Administrator : Cantero, Mrs. Nanzi / 773-553-2237

VENDOR:

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

Jim Hogan
847 559-5792

Ownership: CaremarkPCS Health LLC -
100% membership interest

USER INFORMATION :

Project
Manager: 11010 - Talent Office

42 West Madison Street

Chicago, IL 60602

Kirkling, Miss Karla Rae

773-553-1892

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 14-0827-PR23) in the amount of \$250,000,000.00 was 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 first renewal agreement (authorized by Board Report 17-0927-PR9) is a for a term commencing January 1, 2018 and ending December 31, 2018. The second renewal agreement (authorized by Board Report 18-0926-PR22) is a for a term commencing January 1, 2019 and ending December 31, 2019. The original agreement was awarded on a competitive basis pursuant to former Board Rule 7-2.

EXTENSION PERIOD:

The term of this agreement is being extended for twelve (12) months commencing January 1, 2020 and ending December 31, 2020.

OPTION PERIODS REMAINING:

There are no option periods 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 FY20
\$47,000,000 FY21

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:

Pursuant to the Remedial Program for Minority and Women-Owned Business Enterprise Participation in Goods and Services contracts, (M/WBE Program), the goals for this contract are 30%MBE and 7%WBE. The Office of Business Diversity has granted a partial waiver and the Prime vendor has committed to the participation goals of 35% MBE and 15%WBE of applicable spend. The Prime vendor has scheduled the following firms as referenced in Exhibit A.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115 Talent Office, Unit 11010
\$47,000,000 FY20
\$47,000,000 FY21
Not to exceed \$94,000,000 for the twelve (12) month term. Future year funding is contingent upon 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.

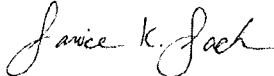
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

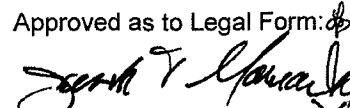


JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Chief Executive Officer

Approved as to Legal Form: 

JOSEPH T. MORIARTY
General Counsel

EXHIBIT A

VENDOR NAME	ADDRESS LINE1	CITY	STATE	ZIP	OWNERSHIP	Ethnicity
ANGEL FLIGHT MARKETING	679 N. MILWAUKEE	CHICAGO	IL	60622	Gabriel Mitchell	MBE
COMPUTER RESOURCE SOLUTIONS	1 PIERCE PLACE, SUITE 325W	ITASCA	IL	60143	Michael Gains	MBE
THE GLOBAL RESOURCE GROUP	155 N. MICHIGAN AVE. SUITE 700	CHICAGO	IL	60601	Jared Bobo	MBE
PLANNED PACKAGING OF ILLINOIS	8940 W. 192ND STREET, SUITE #1	MOKENA	IL	60445	Jason Robertson	MBE
RISK MANAGEMENT SOLUTIONS	208 S. LASALLE STREET, SUITE #1410	CHICAGO	IL	60604	Bennie Jones	MBE
SOUTH SIDE SILC	306 DOGWOOD PLACE	PARK FOREST	IL	60466	Alfredo Gordillo	MBE
AREM CONTAINER & SUPPLY	6153 W. MULFORD ST.	NILES	IL	60714	Rosalind Schwartz	WBE
ARROW MESSENGER SERVICES	1322 W. WALTON ST.	CHICAGO	IL	60622	Phyllis Apelbaum	WBE
CONSOLIDATED PRINTING	5942 N. NORTHWEST HIGHWAY	CHICAGO	IL	60631	Marilyn Jones	WBE
DDI PRINTING	7830 QUINCY STREET	WILLOWBROOK	IL	60521	Darmi Parikh	WBE
IN-A-BIND ASSEMBLY	35 CHANCELLOR DRIVE	ROSELLE	IL	60172	Michelle Greco	WBE
RESEARCH EXPLORERS	1111 NEW TRIER COURT	WILMETTE	IL	60091	Lisa McDonald	WBE