

September 23, 2020

**AUTHORIZE THE SECOND AND FINAL RENEWAL AND AMEND AGREEMENT
WITH CANNON COCHRAN MANAGEMENT SERVICES, INC FOR THIRD PARTY CLAIMS
ADMINISTRATION SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the second and final renewal and amend agreement with Cannon Cochran Management Services, Inc. to provide third party claims administration services to the Talent Office and Risk Management Department at an estimated annual cost set forth in the Compensation Section of this report. A written document exercising this option and amendment is currently being negotiated. No payment shall be made to vendor during the option period prior to execution of the written option document. The authority granted herein shall automatically rescind in the event the written option document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

This September 2020 amendment is necessary to add Cyber/Privacy liability to the agreement.

Specification Number : 15-350033

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

VENDOR:

- 1) Vendor # 69076
CANNON COCHRAN MANAGEMENT
SERVICES, INC.
2 EAST MAIN STREET
DANVILLE, IL 61832
Bryan Thomas
312 455-1612

Ownership: No shareholder has greater than
10%

USER INFORMATION :

Project
Manager: 12460 - Risk Management
42 West Madison Street
Chicago, IL 60602
Lorden, Ms. Ellen C
773-553-2210

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 #15-0826-PR12) in the amount of \$6,400,000.00 is for a term commencing January 1, 2016 and ending December 31, 2018, with the Board having two (2) options to renew for two (2) year terms. The first renewal agreement (authorized by Board Report 18-1024-PR10) was for a two (2) year term commencing January 1, 2019 and ending December 31, 2020. The original agreement was awarded on a competitive basis pursuant to former Board Rule 7-2.

OPTION PERIOD:

The term of each agreement is being renewed for two (2) years commencing January 1, 2021 and ending December 31, 2022.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Cannon Cochran Management Services, Inc. will provide claims management services for:

1. Workers' Compensation, including Employers Liability

2. 3rd party liability:

- Auto Liability - Bodily Injury
- Auto Liability - Property
- Educators Legal
- Employee Benefit
- Employment Practices (including Sexual Harassment)
- General Liability - Bodily Injury
- General Liability - Property
- Sexual Misconduct
- Personal and Advertising Injury
- Cyber/Privacy

3. Auto and Property:

- Equipment Breakdown Coverage
- First Party Property Coverage
- Collision
- Comprehensive

4. Interscholastic Sports Injury Medical Benefits Program (Board Report 10-1215-RS11) - Student Accident Health

Including where applicable, but not limited to, claim investigation, adjustment, notice to carriers, benefit administration, medical management, PPO, bill review, utilization review, litigation management, settlement negotiation, subrogation recovery, information management, management reporting, OSHA compliance services, and daily contact with Board staff. Cannon Cochran Management Services, Inc shall provide certain services, or arrange and administer certain services in addition to vendor administration, which shall be an additional allocated expense charged to the claim file. Such services to be included as allocated expense(s) to the claim file may include, but are not limited to, medical management, PPO, bill review, utilization review, surveillance, field investigations, expert consulting and testimony. Cannon Cochran Management Services, Inc. shall receive all reports of accidents to students and visitors, and process them appropriately under guidelines as agreed to by the Board staff. Cannon Cochran Management Services, Inc shall pay claims, settlements and awards through established escrow accounts. The escrow accounts will be funded at intervals agreed upon by the Board staff.

DELIVERABLES:

Vendor will continue to provide scope of services outlined above.

OUTCOMES:

Vendor's services will continue to result in an affordable, comprehensive liability, property and interscholastic claims administration for the Chicago Public School employees, students, and visitors.

COMPENSATION:

Vendor shall be paid during this option period as follows:

Estimated annual costs for this option period are set forth below:

\$835,000 FY21

\$1,670,000 FY22

\$835,000 FY23

Not to exceed \$3,340,000 for the two (2) year agreement. A further breakdown of the costs by category is listed in the Financial Section.

AUTHORIZATION:

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

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 30% MBE and 7% WBE of applicable spend. The vendor has scheduled the following firms:

Total MBE: 30%

Fact Finders Group, Inc.
4747 Lincoln Mall Dr., Suite 300
Matteson, IL 60443
Ownership: Kenneth M. Webb

Insurers Review

205 N. Michigan Ave., Suite 2212
Chicago, IL 60601
Ownership: Alvin J. Robinson

Total WBE: 7%

EagleOne Case Management Solutions, Inc.
760 Village Center Dr. , Suite 250
Burr Ridge, IL 60527
Ownership: Elizabeth Spreck

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 210, Talent Office, Unit 12470
For Workers' Compensation with Cannon Cochran Management Services
\$510,000, FY21
\$1,020,000, FY22
\$510,000, FY23
Not to exceed \$2,040,000 for the two (2) year agreement.

Fund 210, Risk Management Department, Unit 12460 FIN
For General Liability and Property with Cannon Cochran Management Services:
\$325,000, FY21
\$650,000, FY22
\$325,000, FY23

Not to exceed \$1,300,000 for the two (2) year agreement.

Charge to all Units/Talent Office manages the Agreements.
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.

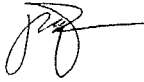
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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:




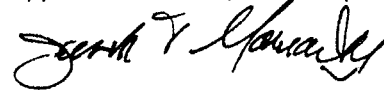
JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Chief Executive Officer

Approved as to Legal Form: 



JOSEPH T. MORIARTY
General Counsel