

**AUTHORIZE A NEW AGREEMENT WITH CANNON COCHRAN MANAGEMENT SERVICES, INC.
FOR THIRD PARTY CLAIMS ADMINISTRATION SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new 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. Vendor was selected on a competitive basis pursuant to Board Rule 7-3. 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 the execution of its 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 Board Report. Information pertinent to this agreement is stated below.

Specification Number : 22-204

Contract Administrator : Banks, Amy / 773-553-2280

VENDOR:

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

Ownership: No one owns more than 10%

USER INFORMATION :

Project
Manager: 11010 - Talent Office

42 West Madison Street

Chicago, IL 60602

Kirkling, Karla Rae

Project
Manager: 12440 - Treasury

42 West Madison Street

Chicago, IL 60602

Stock, Walter M

773-890-8790

TERM:

The term of this agreement shall commence January 1, 2023 and shall end December 31, 2025. This agreement shall have two (2) options to renew for a period of two (2) years each.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

Vendor will provide claims management services for:

1.) Workers' Compensation, including Employers Liability

2.) 3rd Party Liability, including:

- 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 established per 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. Vendor 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. Vendor shall receive all reports of accidents to students and visitors, and process them appropriately under guidelines as agreed to by Board Staff. Vendor 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 provide services outlined above.

OUTCOMES:

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

COMPENSATION:

Vendor shall be paid as follows:

Estimated annual costs for the agreement term are set forth below:

\$1,730,000, FY23
\$1,760,000, FY24
\$1,810,000, FY25

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Talent Officer to execute all ancillary documents required to administer or effectuate this 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 37% MBE of applicable spend. The vendor has scheduled the following firms:

Total MBE 37%

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

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

EagleOne Case Management
760 Village Center Drive
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

\$1,120,000, FY23
\$1,150,000, FY24
\$1,180,000, FY25

Not to exceed \$3,450,000 for the agreement term. Future year funding is contingent upon budget appropriation and approval.

Fund 210, Risk Management Department, Unit 12460 FIN
For General Liability and Property with Cannon Cochran Management Services

\$610,000, FY23
\$610,000, FY24
\$630,000, FY25

Not to exceed \$1,850,000 for the agreement 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:



PATRICIA HERNANDEZ
Acting Chief Procurement Officer

Approved:



PEDRO MARTINEZ
Chief Executive Officer

Approved as to Legal Form: 



JOSEPH T. MORIARTY
General Counsel