

08-0827-PR32

**APPROVE ENTERING INTO AN AGREEMENT WITH VISION SERVICE PLAN OF ILLINOIS TO
PROVIDE VISION CARE PLAN SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Vision Service Plan of Illinois ("VSP") to provide vision care plan services to Chicago Public School and Board enrollees at a cost not to exceed \$9,000,000.00. VSP was selected on a competitive basis pursuant to Board Rule 5-4.1. A written agreement for VSP's services is currently being negotiated. No payment shall be made to VSP prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this agreement is stated below.

VENDOR:

1)
Vision Service Plan Of Illinois
3333 Quality Drive
Rancho Cordova, Ca 95670
G.E. Hiatt
312-466-1601
Vendor # 23342

USER:

Office of Human Resources
125 S Clark St - 2nd Floor
Chicago, IL 60603
Dale Moyer
773-553-2818

TERM:

The term of this agreement shall commence on January 1, 2009 and shall end December 31, 2011. This agreement shall have two options to renew for periods of one year each with the cost of each option period not to exceed \$6,000,000.00.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

VSP will provide vision care services (including all administrative, utilization review and vision care network access) for CPS and Board enrollees that elect to participate in the vision program. VSP's network includes optometrists, ophthalmologists and other licensed vision care professionals who will provide services and materials to CPS and Board enrollees in offices throughout the Chicago area.

DELIVERABLES:

VSP will provide all necessary communications, brochures, pamphlets and materials to Board and CPS enrollees, respond to telephone inquires and direct enrollees to appropriate use of vision benefits and services, provide management reports to ensure that all services are rendered in a prompt and fair manner to all eligible Board and CPS enrollees, and ensure that all claims are accurately processed according to the written agreement.

OUTCOMES:

VSP's services will result in comprehensive and affordable vision care through contracted discount provider arrangements for the Board's vision care program for Chicago Public Schools and Board enrollees.

COMPENSATION:

VSP shall be paid as follows: in accordance with the compensation schedule set forth in the agreement, with total cost for this agreement not to exceed \$9,000,000.00.

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 Human Resources Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

This contract is in full compliance with the required goals of the Remedial Program for Minority and Women Owned Business Enterprise Participation (M/WBE Plan). The M/WBE goals for this contract total 5% M/WBE participation.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to the Department of Human Resources: \$9,000,000.00

Contract Year 1 (FY09-FY10): \$2,750,000.00

Contract Year 2 (FY10-FY11): \$3,000,000.00

Contract Year 3 (FY11-FY12): \$3,250,000.00

Budget Classification: Charge to sundry units, all operating funds, sundry programs, hospital insurance (account 57305)

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 June 23, 2004 (04-0623-PO4), 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:



HEATHER A. OBORA
Chief Purchasing Officer

Within Appropriation:



PEDRO MARTINEZ
Chief Financial Officer

Approved:



ARNE DUNCAN
Chief Executive Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel