

**APPROVE ENTERING INTO AN AGREEMENT WITH CAREMARK PCS HEALTH LLC FOR
CONSULTING, PHARMACY BENEFITS MANAGEMENT AND OTHER SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Caremark PCS Health LLC ("Consultant") to provide consulting, pharmacy benefits management and other services to the Office of Human Capital at a cost not to exceed \$240,000,000.00. Consultant was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for Consultant's services is currently being negotiated. No payment shall be made to Consultant 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.

Specification Number : 09-250066
Contract Administrator : Pamela Seanior / 773-553-2000

VENDOR:

- 1) Vendor # 96371
CAREMARKPCS HEALTH LLC
2211 SANDERS RD.
NORTHBROOK, IL 60062
Jim Hogan
847-559-5792

USER:

Office of Human Capital
125 South Clark Street
Chicago, IL 60603

Contact : Dale Moyer, Officer
Phone: 773-553-2818
Project Manager: Daniel Ashley
Phone: 773-553-2817

TERM:

The term of this agreement shall commence on July 1, 2010, with pricing provisions effective and retroactive as of April 1, 2010 superseding the current contract, and shall end June 30, 2013. This agreement shall have two (2) options to renew for periods of twelve (12) months each at a cost not to exceed \$95,000,000.00 for the first renewal period and \$100,000,000.00 for the second renewal period.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

Consultant will provide access to pharmacy benefit 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, wellness, disease management and other ancillary programs. Services will 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.

* Wellness and disease management program including health screening, consultation and outreach to employees and dependents, outreach to employees and dependents regarding prescriptions or following recommendations of their medical doctors or other healthcare professionals, consultation and information, smoking cessation, obesity management and ancillary programs.

DELIVERABLES:

Consultant will provide access to discounted pharmaceutical networks, provide claims adjudication and administrative services for the self insured prescription drug program of the medical plan, wellness, disease management and ancillary programs.

OUTCOMES:

Consultant's services will result in savings for the self-insured program through negotiated discounts and rebates from pharmacy manufactures, quarterly reports on savings and claims activity at the pharmacy level, and advice to the Board on latest drug trends, wellness and disease management.

COMPENSATION:

Consultant shall be paid as follows: based on enrolled employees and claims incurred, including a rebate sharing arrangement, for a sum not to exceed \$240,000,000.00.

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

AFFIRMATIVE ACTION:

This contract is in full compliance with the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts. The MBE/WBE goals for this agreement are: 35% total MBE and 15% total WBE.

The Vendor has identified the following:

Total MBE - 35%

Angel Flight Marketing 679 N. Milwaukee Chicago, IL 60622 Contact: Gabriel Mitchell
Computer Resource Solutions 1 Pierce Place, Suite 325 W. Itasca, IL 60143 Contact: Michael Gains
The Global Resource Group 155 N. Michigan Ave., Suite 700 Chicago, IL 60601 Contact: Jared Bobo
Planned Packaging of Illinois 8940 W. 192nd Street, Suite #1 Mokena, IL 60445 Contact: Jason Robertson

Risk Management Solutions 208 S. LaSalle St., Suite 1410 Chicago, IL 60604 Contact: Bennie Jones
South Side Silc 306 Dogwood Park Forest, IL 60466 Contact: Alfredo Gordillo
Systems Unlimited 1350 W. Bryn Mawr Itasca, IL 60143 Contact: Russell Omuro

Total WBE - 15%

Arem Container & Supply 6153 W. Mulford St. Niles, IL 60714 Contact: Rosalind Schwartz
Arrow Messenger Services 1322 W. Walton St. Chicago, IL 60622 Contact: Phyllis Apelbaum
Consolidated Printing 5942 N. Northwest Highway Chicago, IL 60631 Contact: Marilyn Jones
DDI Printing 7830 Quincy St. Willowbrook, IL 60521 Contact: Darmi Parikh
Tenacious Cleaning Service 481-A Irmens Drive Addison, IL 60101 Contact: Theresa Smith

In-A-Bind Assembly 35 Chancellor Dr. Roselle, IL 60172 Contact: Michelle Greco
Research Explorers 1111 New Trier Ct. Wilmette, IL 60091 Contact: Lisa McDonald

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to the Office of Human Capital: \$240,000,000.00

Fiscal Year: 2010-2011

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

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 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:


OPAL L. WALLS
Chief Purchasing Officer

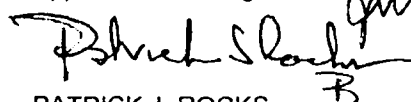
Approved:


RON HUBERMAN
Chief Executive Officer

Within Appropriation:


DIANA S. FERGUSON
Chief Financial Officer

Approved as to Legal Form:


PATRICK J. ROCKS
General Counsel