

**APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH ENCOMPASS HEALTH MANAGEMENT SYSTEMS FOR UTILIZATION MANAGEMENT AND CASE MANAGEMENT SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve exercising the first option to renew the agreement with Encompass Health Management Systems to provide utilization management and case management services for the Board's self-insured health care program to the Office of Human Capital at a cost for the option period not to exceed \$2,000,000.00. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 120 days of the date of this Board Report. Information pertinent to this option is stated below.

**VENDOR:**

- 1) Vendor # 24539  
ENCOMPASS HEALTH MANAGEMENT  
SYSTEMS  
6000 WESTOWN PARKWAY,  
WEST DES MOINES, IA 50266-7771  
Keith Vendr Kolk  
515-223-2857

**USER INFORMATION :**

Contact:

11010 - Office of Human Capital  
125 S Clark St - 2nd Floor  
Chicago, IL 60603  
Moyer, Mr. Dale Michael  
773-553-1070

**ORIGINAL AGREEMENT**

The original Agreement (authorized by Board Report 08-0827-PR30) in the amount of \$2,500,000.00 is for a term commencing January 1, 2009 and ending December 31, 2011, with the Board having two options to renew, each for a one year term, with the cost of each option period not to exceed \$2,000,000.00. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4-1.

**OPTION PERIOD**

The term of this agreement is being renewed for one year commencing January 1, 2012 and ending December 31, 2012.

**OPTION PERIODS REMAINING**

There is one option period for one year remaining.

**SCOPE OF SERVICES**

Vendor will continue to provide medical necessity, utilization review, case management, and other related services for the Board's self-insured health care program.

**DELIVERABLES**

Vendor services will continue to provide utilization review, case management, quality of care evaluations, peer to peer consultations, and quarterly reports, including, including but not necessarily limited to evaluation reports.

**OUTCOMES**

Vendor's services will continue to result in comprehensive and affordable medical advisory services, which will result in program savings for the Board's self-insured medical program for Chicago Public Schools and Board's enrollees.

**COMPENSATION**

Vendor shall be paid during this option period as follows: in accordance with the compensation schedule set forth in the written agreement, with total compensation not to exceed \$2,000,000.00.

**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 the Human Capital Officer to execute all ancillary documents required to administer or effectuate this option 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 participation goals for this contract include: 35% total MBE and 5% total WBE. The vendor has identified the following:

**Total MBE=35%**

Seaway National Bank  
645 E. 87th Bank  
Chicago, IL 60619

Highland Community Bank  
1701 E. 87th St.  
Chicago, IL 60620

Meadows Office Supply  
880 Remington Road  
Schaumburg, IL 60173

**Total WBE = 5%**

The Travel Gallery  
6645 N. Oliphant  
Chicago, IL 60631

**LSC REVIEW**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Charge to the Office of Human Capital: \$2,000,000.00  
FY 2012-FY2013

Budget Classification: 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.

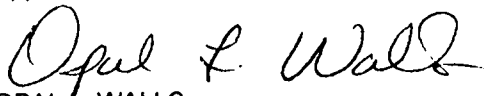
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



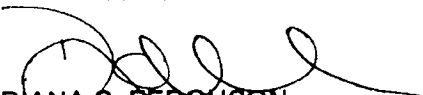
OPAL L. WALLS  
Chief Purchasing Officer

Approved:



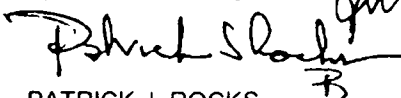
TERRY MAZANY  
Chief Executive Officer

Within Appropriation:



DIANA S. FERGUSON  
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS  
General Counsel