

**AUTHORIZE THE FIRST RENEWAL AGREEMENT WITH UNITED HEALTHCARE SERVICES, INC.
TO PROVIDE HMO (EXCLUSIVE PROVIDER ORGANIZATION) ADMINISTRATIVE SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the first renewal agreement with United HealthCare Services, Inc. to provide administrative services including network access, claims administration, utilization review, medical management oversight, and an HMO (exclusive provider organization) for the Board's self-funded health plan, to the Talent Office at an estimated annual cost of \$1,551,879.00 for the one year term. This does not include payments for hospital, medical, physician, clinical, and other healthcare costs. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number: 11-250020

VENDOR:

- 1) Vendor # 59915
UNITED HEALTHCARE SERVICES INC.
233 NORTH MICHIGAN AVE.
CHICAGO, IL 60601
Cary Goldstein
312 424-4880

USER INFORMATION :

Project
Manager: 11010 - Talent Office

125 S Clark St - 2nd Floor

Chicago, IL 60603

Wolter, Mr. William R.

773-553-3870

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 11-0928-PR14) in the amount of \$4,226,460.00 is for a term commencing January 1, 2012 and ending December 31, 2014, with the Board having two (2) renewal options for one (1) year terms. The not to exceed cost is \$1,551,879.00 for the first option and \$1,629,472.95 for the second option. United HealthCare Services was selected on a competitive basis pursuant to Board Rule 7-2 (Specification No: 11-250020).

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing January 1, 2015 and ending December 31, 2015.

OPTION PERIODS REMAINING:

There is one (1) option period for one (1) year remaining.

SCOPE OF SERVICES:

United HealthCare Services, Inc. will continue to provide administrative services including network access, claims administration, medical management oversight, and an HMO (exclusive provider organization) for the Board's self-insured health plan.

DELIVERABLES:

United HealthCare Services, Inc. will continue to provide network access to a network of medical providers, claims administration, and monthly experience reports.

OUTCOMES:

Health care plan administration provided by United HealthCare Services, Inc. will continue to result in comprehensive, quality, and affordable healthcare coverage for enrolled Chicago Public School employees.

COMPENSATION:

Vendor shall be paid in accordance with the renewal agreement, estimated amount cost as follows: FY15 and FY16 \$1,551,879.00.

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 Chief Talent Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

This agreement 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 requirements for this agreement are 25% total MBE and 5% total WBE participation.

The Vendor has identified and scheduled the following:

Total MBE - 25%

411 Computers, Inc.
6160 South East Avenue, Suite 300
LaGrange, Illinois 60525

Merchandise Distributors, Inc.
4141 North Rockwell, Unit N
Chicago, Illinois 60618

The Blackstone Group
360 North Michigan Avenue, 15th Floor
Chicago, Illinois 60601

Total WBE - 5%

Hernandez & Garcia LLC
7366 North Lincoln Avenue, Suite 201
Lincolnwood, Illinois 60712

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to sundry units, all operating funds, sundry programs, hospital Insurance (Account 57305)
FY 2015: \$775,939.50
FY 2016: \$775,939.50
Not to Exceed: \$1,551,879.00.

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:



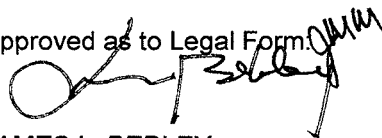
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form.



JAMES L. BEBLEY
General Counsel