

**AUTHORIZE THE SECOND RENEWAL AGREEMENT WITH MESIROW INSURANCE SERVICES, INC
TO PROVIDE INSURANCE BROKERAGE AND CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the second renewal agreement with Mesirow Insurance Services, Inc. to provide insurance brokerage and consulting services to the Department of Finance/Bureau of Risk Management at an estimated annual cost set forth in the Compensation Section of this report. A written renewal agreement exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to execution of their written renewal agreement. The authority granted herein shall automatically rescind in the event their written renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 11-250025

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-3295

VENDOR:

- 1) Vendor # 84715
MESIROW INSURANCE SERVICES, INC
353 NORTH CLARK ST.
CHICAGO, IL 60654
Linda Price
312 595-7260

Ownership: No Shareholder Has More Than
10% Ownership

USER INFORMATION :

Project
Manager: 12460 - Risk Management

42 West Madison Street

Chicago, IL 60602

Smith, Mr. Dion G

773-553-3276

ORIGINAL AGREEMENT:

The original agreement (authorized by Board Report 12-0125-PR12) in the amount of \$400,000.00 was for a term commencing March 1, 2012 and ending February 28, 2014, with the Board having two (2) options to renew for twenty-four (24) months each. The first renewal (authorized by Board Report 14-0122-PR12) in the amount of \$400,000.00 was for a term commencing March 1, 2014 and ending February 28, 2016. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of this agreement is being renewed for two (2) years commencing March 1, 2016 and ending February 28, 2018.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendor will continue to provide insurance brokerage services and optional risk management consulting services. Risk Management will have the option to assign consulting services for Mesirow to provide loss control services and to analyze and make recommendations/solutions for critical exposures to the Board. Risk Management will also have the option to have actuarial services signoff as certified at a cost of \$5,000 per signoff.

DELIVERABLES:

Vendor will continue to:

- Submit final underwriting proposals to Finance/Risk Management within the prescribed timeframe to meet Board deadlines;
- Place insurance coverage upon Board approval;
- Place program on a fixed-fee basis without commission;
- Identify any and all entities that may benefit from the placement of each program, identify any commissions, contingencies, wholesale commissions, reinsurance, etc.;
- Review and validate the accuracy of invoice statements, billings, and any premium adjustments in compliance with negotiated insurance wording;
- Review all policies and certify as accurate, in writing, upon delivery to Board;
- Issue endorsements and insurance certificates as needed or required;
- Submit a written report categorizing the Board's risk exposures;
- Prioritize Board's risk exposures and develop solutions;
- Prepare annual stewardship report;
- Use of Risk Pro computer program;
- Actuarial Services without signoff;
- Written claim procedures; and
- Prepare insurance analysis with other system used by Board.

OUTCOMES:

Vendor's services will result in a comprehensive and cost effective insurance program.

COMPENSATION:

Mesirow shall be paid an annual brokerage administrative fee of \$100,000.00. Half of the fee will be paid upon assignment of services; the second half will be paid upon delivery of accurate insurance policies. Risk management loss control services will have a flat annual rate of \$6,250. Certified actuarial reports will be billed at a flat rate of \$5,000 per signed report. Other consulting projects will be billed at a rate of \$150 per hour thereafter and shall not exceed \$22,000 annually. Insurance programs must be placed on a fixed fee basis without commissions, and will be reported separately to the Board.

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 Chief Financial Officer to execute all ancillary documents required to administer or effectuate this option 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 assigned for this agreement include 25% for MBE participation and 5% for WBE participation.

The Vendor has identified and scheduled the following participation:

Total MBE - 25%
Insurers Review Services
225 North Michigan Avenue, Suite 902
Chicago, Illinois 60601

CS Insurance Strategies, Inc.
542 South Dearborn Street, 8th Floor
Chicago, Illinois 60605

Total WBE - 5%
LPR Services, Inc.
3009 Oaksbury Court
Rolling Meadows, IL 60008

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 210, Risk Management, Unit 12460

\$50,000.00, FY16
\$150,000.00, FY17
\$100,000.00, FY18

Not to exceed \$300,000.00 for the two (2) year 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:



SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



FORREST CLAYPOOL
Chief Executive Officer

Approved as to Legal Form: *mm*



RONALD L. MARMER
General Counsel