

January 27, 2016

**AUTHORIZE A NEW AGREEMENT WITH WILLIS OF ILLINOIS, INC. FOR HEALTHCARE AND
BENEFITS CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with Willis of Illinois, Inc. to provide healthcare and benefits consulting services to the Talent Office at an estimated annual cost set forth in the Compensation Section of this report. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event their written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification Number : 15-350053

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

VENDOR:

- 1) Vendor # 98715
WILLIS OF ILLINOIS, INC.
233 S. WACKER DRIVE., STE 2000
CHICAGO, IL 60606
Brian Stratton
312 288-7070

Ownership: No Shareholders Own More
Than 10%

USER INFORMATION :

Project
Manager: 11010 - Talent Office

42 West Madison Street

Chicago, IL 60602

Fairhall, Ms. Gail A

773-553-3807

TERM:

The term of this agreement shall commence on March 1, 2016 and shall end February 28, 2019. This agreement shall have three (3) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

Vendor will provide comprehensive health and welfare benefits plan consulting as follows:
- Provide research, benchmarking, data analysis, expense and contributions projections, evaluation, and design recommendations for benefits offerings.

- Advise and consult with the Board throughout the benefits vendor selection process, including assisting in drafting RFP content, evaluating proposals, estimating all applicable proposer costs, and assisting in negotiation of fees and other relevant terms.
- Provide contract renewal and negotiation services of the Board's current benefit plan vendors.
- Advise and assist in reviewing contracts, plan documents, insurance policies, and other documents for applicability, accuracy, and consistency.
- Monitor compliance of benefit plans with applicable laws and regulations and recommend changes and enhancements to comply with all applicable laws and regulations.
- Provide a quarterly plan funding analysis.
- Provide subject matter expertise in drafting total rewards communications materials.
- Participate in monthly Labor Management Cooperation Committee meetings.
- Participate in audits of benefits vendors and internal benefits plan audits.

DELIVERABLES:

Vendor will deliver the services noted in the Scope of Services section and provide monthly reports including a healthcare dashboard report, activity logs, and ad-hoc reporting as requested.

OUTCOMES:

Vendor's services will result in benefits plan savings and professional oversight and monitoring of benefits programs.

COMPENSATION:

Vendor shall be paid according to the rates set forth in the agreement. The total cost to the Board for the three (3) year term shall not exceed \$360,000. The estimated annual costs for the three (3) year term, inclusive of the amount payable by Board, are set forth below:

\$130,000.00, FY16
\$390,000.00, FY17
\$390,000.00, FY18
\$260,000.00, FY19

Included in the totals above are commissions to be paid directly to Vendor by Aetna and Eye Med. Vendor is authorized to receive a maximum aggregate amount of \$270,000.00 annually directly from Aetna (\$120,000.00) and Eye Med (\$150,000.00).

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

AFFIRMATIVE ACTION:

This agreement is in full compliance with the goals required by the Remedial Program for Minority and Women Owned Business Enterprise in Goods and Services Contracts. The MBE/WBE goals for this agreement are 30% total MBE and 7% total WBE participation.

The Vendor has identified the following:

Total MBE - 30%

Beaman Incorporated
401 North Michigan Avenue, Suite 1301
Chicago, Illinois 60611
Ownership: Robin Beaman

Total WBE - 7%

Ovation Global Strategies
30 South Wacker Drive, Suite 2200
Chicago, Illinois 60606
Ownership: Daniella Levitt

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Talent Office, Unit 11010
\$40,000.00, FY16
\$120,000.00, FY17
\$120,000.00, FY18
\$80,000.00, FY19

Funded Directly From Aetna:

\$40,000.00, FY16
\$120,000.00, FY17
\$120,000.00, FY18
\$80,000.00, FY19

Funded Directly From Eye Med:

\$50,000.00, FY16
\$150,000.00, FY17
\$150,000.00, FY18
\$100,000.00, FY19

Not to exceed \$1,170,000.00 for the three (3) 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: *gmm*



RONALD L. MARMER
General Counsel