

AUTHORIZE A NEW AGREEMENT WITH COGLAN LAW LLC FOR SUBROGATION SERVICES**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Authorize a new agreement with Coghlan Law LLC to provide Subrogation Claims Management and other services for the Board's self-funded medical insurance plan. Vendor will be paid on a contingency basis plus reimbursable expenses. 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 a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Contract Administrator : Hubbard, Ms. Carisa Ann / 773-553-2280
CPOR Number : 16-1115-CPOR-1803

VENDOR:

- 1) Vendor # 24950
COGLAN LAW LLC
161 NORTH CLARK STREET., SUITE 1325
CHICAGO, IL 60601

Barbara J. Coghlan
312 357-9200

Ownership: Barbara Coghlan 100%

USER INFORMATION :

Contact:
11010 - Talent Office
42 West Madison Street
Chicago, IL 60602
Fairhall, Ms. Gail A
773-553-3807

Project
Manager: 11010 - Talent Office
42 West Madison Street
Chicago, IL 60602
Lyons, Mr. Matthew A
773-553-2520

TERM:

The term of this agreement shall commence on January 1, 2017 and shall end December 31, 2017. This agreement shall have three (3) options to renew for periods of twelve (12) months 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 subrogation services for the Board's self-funded medical plan. This health plan includes inpatient and outpatient medical services. Subrogation is the process by which an insurance plan pursues a third party for payment when a claim is made against the plan and the at-fault third party is liable for the claim. Estimated cost-avoidance to the Board is approximately \$450,000 per year after vendor is paid contingency fee of 33 percent. Services include:

- Evaluating subrogation potential of each medical claim
- Seeking recoveries from liable third parties and their insurance providers
- Negotiating with third parties for the purpose of settling subrogation claims
- Reporting and remitting subrogation payments to the Board

DELIVERABLES:

Vendor will provide subrogation services and recovery to the Board on a daily basis. Subrogation claim files from the insurance carriers are sent daily to the Vendor for review and recovery. Vendor will deliver quarterly reports that include analysis and recovery of claims.

OUTCOMES:

Vendor's services will result in an efficient and cost-effective administration of the Board's self-funded healthcare plan.

COMPENSATION:

Vendor shall be paid a contingency fee in the amount of 33.33 percent of the gross recoveries, in which the gross recovery or savings was realized by the Board after the assignment of the injury claim to the Vendor, plus reimbursable expenses as set forth in the agreement. Gross recoveries are estimated at approximately \$700,000 per year. Reimbursable expenses shall not exceed \$200,000.

REIMBURSABLE EXPENSES:

Vendor shall be paid reimbursable expenses as set forth in the agreement.

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

AFFIRMATIVE ACTION:

The M/WBE goals for this agreement include: 15% total MBE and 5% total WBE participation. Coghlan Law, LLC is a certified WBE firm.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Pension & Liability Insurance - City Wide; Unit 12470 FY17 \$200,000
Not to exceed \$200,000 for the one (1) 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.

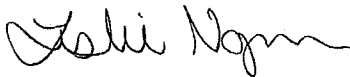
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

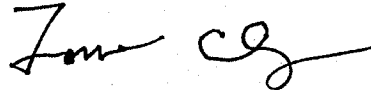
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:




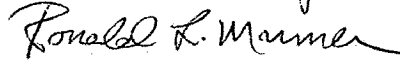
LESLIE NORGRÉN
Chief Procurement Officer

Approved:



FORREST CLAYPOOL
Chief Executive Officer

Approved as to Legal Form: 



RONALD L. MARMER
General Counsel