

**AUTHORIZE THE SECOND AND THIRD RENEWAL AGREEMENT WITH COGHLAN LAW LLC FOR
SUBROGATION SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the second and third renewal 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. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during this 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 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Contract Administrator : Washington, Ms. Nealean T / 773-553-2273

VENDOR:

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

Barbara J. Coghlan
312 357-9200

Ownership: Barbara Coghlan 90%, Julie
Janota 10%

USER INFORMATION :

Project
Manager: 11010 - Talent Office

42 West Madison Street

Chicago, IL 60602

Jordan, Ms. Christina

773-553-1044

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 16-1207-PR7) is for a term commencing January 1, 2017 and ending December 31, 2017, with the Board having three (3) options to renew for periods of twelve (12) months each. The first renewal agreement (authorized by Board Report 17-1025-PR14) is for a term commencing January 1, 2018 and ending December 31, 2018. 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 a two (2) year period commencing January 1, 2019 and ending December 31, 2020.

OPTION PERIODS REMAINING:

There are no options remaining.

SCOPE OF SERVICES:

Vendor will continue to 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 continue to 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:

During this option period 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. Gross recoveries are estimated at approximately \$700,000 per year.

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

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women-Owned Business Enterprise Participation in Goods and Services contracts (M/WBE Program), this contract is in full compliance with the Business Diversity goals of 30% MBE and 7%WBE as the Prime vendor is 100% WBE.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Pension & Liability Insurance - City Wide

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.

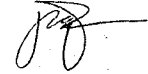
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

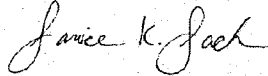
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



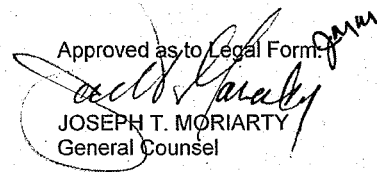
JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Chief Executive Officer

Approved as to Legal Form:



JOSEPH T. MORIARTY
General Counsel