

AUTHORIZE THE FIRST AND FINAL RENEWAL AGREEMENT WITH MESIROW INSURANCE SERVICES, INC FOR INSURANCE BROKERAGE SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the first and final renewal agreement with Mesirow Insurance Services, Inc. to provide insurance brokerage services to the Risk Management department at an estimated annual cost set forth in the Compensation Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to Mesirow Insurance Services, Inc. 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 : 17-350048

Contract Administrator : Cantero, Mrs. Nanzi / 773-553-2280

VENDOR:

- 1) Vendor # 84715
MESIROW INSURANCE SERVICES, INC
353 NORTH CLARK ST.
CHICAGO, IL 60654

Linda Price
312 595-7260

USER INFORMATION :

Contact:

12460 - Risk Management

42 West Madison Street

Chicago, IL 60602

Lorden, Ms. Ellen C

773-553-2210

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 18-0124-PR13 in the amount of \$300,000 is for a term commencing March 1, 2018 and ending February 29, 2020, with the Board having one (1) option to renew for two (2) year term. The original agreement was awarded on a competitive basis pursuant to former Board Rule 7-2.

OPTION PERIOD:

The term of this agreement is being renewed for two (2) years commencing March 1, 2020 and ending February 28, 2022.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Mesirow will continue to provide insurance brokerage services, including placement of the following: excess property and casualty (liability), boiler and machinery, special events, fiduciary, student catastrophic, and cyber insurance programs, and additional coverage as requested. Mesirow will continue to analyze Board operations and claims' loss experience, develop insurance specifications, prepare marketing submissions, seek quotes from viable insurance markets, negotiate modifications, as well as bind and place insurance programs. Mesirow will continue to support Risk Management with loss trending and forecasting services, contractual risk transfer assistance, certificate of insurance issuance, loss control consulting upon request, actuarial services upon request, and other insurance broker services as needed.

DELIVERABLES:

Mesirow will continue to:

1. Prepare strategic analysis prior to entering the insurance market annually.
2. Submit underwriting proposals within timeframe to meet Board deadlines.
3. Bind and place insurance coverage upon Board approval.
4. Place insurance program on a fixed-fee basis without commission.
5. Identify entities that may benefit from the placement of each program, as well as any commissions, contingencies, wholesale commissions, reinsurance, etc.
6. Validate invoices and premium adjustments with negotiated insurance wording.
7. Review binders, policies and endorsements to verify compliance with specifications as well as accuracy and provide written statement of accuracy to the Board.
8. Issue endorsements and insurance certificates as required.
9. Provide annual stewardship report.
10. Provide access to Succeed System at no additional cost.
11. Prepare actuarial reports upon request.
12. Establish written claims reporting procedures.
13. Provide annual report for Charter School insurance analysis.
14. Provide loss control services, upon request, for an additional cost.

OUTCOMES:

Vendor's services will result in the most comprehensive, cost-effective insurance program available.

COMPENSATION:

Mesirow Insurance Services, Inc. shall be paid annual brokerage administrative fee that will not exceed \$300,000 for the two (2) year term, which includes a broker fee, consulting, and loss control services, upon request.

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 Treasurer & Deputy Chief Financial Officer 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 Contract (M/WBE Program), the goals for this contract are 30% MBE and 7% WBE. The Office of Business Diversity has granted a partial waiver and the Prime vendor has committed to the participation goals of 30% MBE and 7% WBE of applicable spend. The vendor has scheduled the following firms:

Total MBE: 30%

CS Insurance Strategies, Inc.
150 N. Michigan Ave., #2400
Chicago, IL. 60601
Ownership: Charles Smith

Insurers Review Services, Inc.
225 N. Michigan Ave. #902
Chicago, IL. 60601
Ownership: Alvin J. Robinson

Total WBE: 7%

Risk & Insurance Management d/b/a Eagle One Case Management Solutions, Inc.
760 Village Center Drive, Ste. 250
Burr Ridge, IL 60527
Ownership: Elizabeth Spreck

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 210
Risk Management - Unit 12460
FY20 \$50,000
FY21 \$150,000
FY22 \$100,000

Not to exceed \$300,000 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:




JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Chief Executive Officer

Approved as to Legal Form: 



JOSEPH T. MORIARTY
General Counsel