

**AUTHORIZE THE FIRST AND SECOND (FINAL) RENEWAL AGREEMENT WITH CANNON
COCHRAN MANAGEMENT SERVICES, INC. FOR THIRD PARTY CLAIMS ADMINISTRATION
SERVICES**

**THE INTERIM SUPERINTENDENT/CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING
DECISION:**

Authorize the first and second (final) renewal agreement with Cannon Cochran Management Services, Inc. to provide Third Party Claims Administration Services to the Talent Department and Risk Management Department at an estimated annual cost set forth in the Financial Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor 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 : 22-204

Contract Administrator : Pearson, Karen / 773-553-2280

VENDOR:

- 1) Vendor # 69076
CANNON COCHRAN MANAGEMENT
SERVICES, INC.
2 EAST MAIN STREET
DANVILLE, IL 61832

Steven Varzino
312 455-1612

USER INFORMATION :

Project 12440 - Treasury
Manager: 42 West Madison Street
Chicago, IL 60602
Stock, Walter M
773-890-8790

Project 11010 - Talent Office
Manager: 42 West Madison Street
Chicago, IL 60602
Kirkling, Karla Rae

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 22-1026-PR18) in the amount of \$100,000,000 is for a term commencing January 1, 2023 and ending December 31, 2025, with the Board having (2) two options to renew for (2) two year terms each. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-3.

OPTION PERIOD:

The term of this agreement is being renewed for (4) four years commencing January 1, 2026 and ending December 31, 2029.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendor will provide claims management services for:

- 1) Workers' Compensation, including Employers Liability
- 2) 3rd Party Liability, including:
 - Auto Liability, Bodily Injury
 - Auto Liability, Property
 - Educators Legal
 - Employee Benefit
 - Employment Practices (including Sexual Harassment)
 - General Liability, Bodily Injury
 - General Liability, Property
 - Sexual Misconduct
 - Personal and Advertising Injury
 - Cyber/Privacy
- 3) Auto and Property
 - Equipment Breakdown Coverage
 - First Party Property Coverage
 - Collision
 - Comprehensive
- 4) Interscholastic Sports Injury Medical Benefits Program established per Board Report #10-1215-RS11
 - Student Accident Health.

Including where applicable, but not limited to, claim investigation, adjustment, notice to carriers, benefit administration, medical management, PPO, bill review, utilization review, litigation management, settlement negotiation, subrogation recovery, information management, management reporting, OSHA compliance services, and daily contact with Board Staff. Vendor shall provide certain services, or arrange and administer certain services in addition to vendor administration, which shall be an additional allocated expense charged to the claim file. Such services to be included as allocated expense(s) to the claim file may include, but are not limited to, medical management, PPO, bill review, utilization review, surveillance, field investigations, expert consulting and testimony. Vendor shall receive all reports of accidents to students and visitors, and process them appropriately under guidelines as agreed to by Board Staff. Vendor shall pay claims, settlements and awards through established escrow accounts. The escrow accounts will be funded at intervals agreed upon by the Board Staff.

DELIVERABLES:

Vendor will provide services outlined above.

OUTCOMES:

Vendor's services will result in affordable, comprehensive liability, property and interscholastic claims administration for Chicago Public School employees, students, and visitors.

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

BUSINESS ENTERPRISE PARTICIPATION:

Pursuant to the Remedial Policy for Minority-Owned Business Enterprise (MBE) and Women-Owned Business Enterprise (WBE) policy participation in Goods and Services contracts with aspirational goals of 30% MBE and 7% WBE. The Office of Business Enterprise Development and Environmental Social Governance has granted a qualified exclusion and the Prime vendor has committed to 37% MBE and 0% WBE of the addressable spend with their strategic plan and subcontractors. The Prime vendor has committed to 37% MBE with their strategic plan and subcontractors with the following firms:

Total MBE: 37%

Fact Finders Group, Inc.
4747 Lincoln Mall Drive, Suite 300
Matteson, IL 60443
Ownership: Kenneth M. Webb

Insurers Review Services, Inc.
205 N. Michigan Ave., Suite 2212
Chicago, IL 60601
Ownership: Alvin J. Robinson

EagleOne Case Management
60 Village Center Drive
Burr Ridge, IL 60527
Ownership: Elizabeth Spreck

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 210, Unit 12470 - Talent Office, Pension & Liability Insurance - City Wide (For Workers' Compensation Services)

Fund 210, Unit 12460 - Finance, Risk Management Department (For General Liability and Property)

TOTALS - BOTH DEPTS

FY26 - \$966,325
FY27 - \$1,943,790
FY28 - \$1,966,516
FY29 - \$1,990,151
FY30 - \$1,001,100

Not to exceed \$7,867,882 total for the (4) four-year term. Future year funding is contingent upon budget appropriation and approval.

TOTALS - WORKERS COMP

FY26 - \$645,313
FY27 - \$1,290,625
FY28 - \$1,290,625
FY29 - \$1,290,625
FY30 - \$645,312

Not to exceed \$5,162,500 total for the (4) four-year term. Future year funding is contingent upon budget appropriation and approval.

TOTALS - RISK

FY26 - \$321,012

FY27 - \$653,165

FY28 - \$675,891

FY29 - \$699,526

FY30 - \$355,788

Not to exceed \$2,705,382 total for the (4) four-year term. Future year funding is contingent upon budget appropriation and approval.

953.27000 Claims Administration and Processing Services

953.00000 Insurance and Insurance Services

Category Codes may be modified by the Chief Procurement Officer as needed to support the Scope of Services.

GENERAL CONDITIONS:

The agreement shall contain general conditions including but not limited to the following: Inspector General provision, in accordance with 105 ILCS 5/34-13.1; Conflicts provision, in accordance with 105 ILCS 5/34-21.3; Indebtedness provision, in accordance with the Board's Indebtedness Policy adopted June 26, 1996 pursuant to Board Report 96-0626-PO3; Ethics provision, in accordance with the Board's Ethics Code as amended; and, Contingent Liability provision.

Approved for Consideration:



PATRICIA HERNANDEZ
Chief Procurement Officer

Approved:



MACQUILINE KING, Ed.D
Interim Superintendent/Chief Executive Officer

Approved: 



ELIZABETH K. BARTON
Acting General Counsel