

**AUTHORIZE THE FINAL RENEWAL AGREEMENT WITH COGHLAN LAW LLC TO PROVIDE
SUBROGATION CLAIMS MANAGEMENT AND OTHER SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the final 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, plus reimbursable expenses. A written document exercising this option is currently being negotiated. No payment shall be made to Coghlan Law LLC during the option period prior to execution of their written document. The authority granted herein shall automatically rescind in the event their 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 : 11-250012

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

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 100%

USER INFORMATION :

Project
Manager: 11010 - Talent Office

42 West Madison Street

Chicago, IL 60602

Fairhall, Ms. Gail A

773-553-3807

ORIGINAL AGREEMENT:

The original agreement (authorized by Board Report 11-1214-PR12) is for a term commencing January 1, 2012 and ending December 31, 2014, with the Board having two (2) options to renew for one (1) year terms. The first renewal was authorized by Board Report 14-0827-PR15 for a term commencing January 1, 2015 and ending December 31, 2015. Vendor was selected on a competitive basis pursuant to Board Rule 7-2 (Specification Number: 11-250012).

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing January 1, 2016 and ending December 31, 2016.

OPTION PERIODS REMAINING:

There are no option periods remaining.

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. 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% of the gross recoveries or savings, in which the gross recovery or savings was realized by the Board after the assignment of the injury claim to the Vendor, plus reimbursement for expenses as set forth in the written agreement.

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.

AFFIRMATIVE ACTION:

The M/WBE goals for this agreement include: 25% total MBE and 5% total WBE participation. However, the Office of Business Diversity recommends granting a partial waiver of the MBE goal, as required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, due to the contract being not further divisible. Despite the partial waiver, vendor will continue to work with the Office of Business Diversity to identify an MBE owned firm to participate on the contract.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Pension & Liability Insurance - City Wide, Unit 12470

\$225,000, FY16

\$225,000, FY17

Not to exceed \$450,000 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.

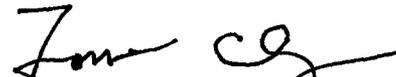
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



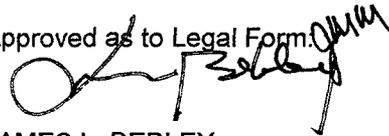
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



FORREST CLAYPOOL
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY
General Counsel