

28102
ADOPTED - BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
JUNE 20, 2007

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT No. 508
County of Cook and State of Illinois

**AMEND THIRD PARTY ADMINISTRATION SERVICES AGREEMENT
OFFICE OF RISK MANAGEMENT
(Amend Board Report No. 26364 adopted September 9, 2004)**

THE CHANCELLOR

- REPORTS that the District issued a Request for Proposals in July 2004 and engaged the services of Cannon Cochran Management Services, Inc. (CCMSI) by Board action on September 9, 2004 (Board Report 26364) to provide Third Party Claims Administration (TPA); and
- that the initial Contract was for a 20 month period from November, 2004 through June 30, 2006, with an option to renew services annually to an additional three years; and
- that the First Amendment under Board Report No. 27891 adopted March 7, 2007 was previously approved by the Board of Trustees; and
- that the service provided by CCMSI continues to meet the District's expectations and is consistent with industry best practices; and
- that the TPA participates in the management of the District's Workers' Compensation Program, the General Liability Program and the Student Athlete Injury Program and provides a range of comprehensive services including claims management and administration, reporting, consultation and ongoing cooperation with District Risk Management and Legal staff, settlement management and training services to District staff; and
- that under the terms of the Request for Proposals and subsequent Contract, the District and the TPA are required to annually reconcile the claim volume and associated expense to determine the Administrative Fee and the Escrow Deposit for a subsequent twelve month period of time; and
- that such an exercise has been conducted and warrants the continuance of an Administrative Fee in the amount of \$4,985 per month (totaling \$59,820) and the continuance of an Escrow Deposit in the amount of \$25,000 per month (totaling \$300,000) for the period of June 30, 2007 through June 30, 2008; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced agreement amendment for the continuation of Third Party Claims Administration it has been determined that they are currently operating under their previous waiver, it is recommended that they continue under that waiver from compliance with the Board approved Participation Plan.

THE CHANCELLOR

RECOMMENDS that the Board of Trustees authorize the Chairman to execute the Second Contract Amendment to its agreement with Cannon Cochran Management Services, Inc. for an estimated annual cost of \$59,820 with an estimated annual Escrow Deposit in the amount of \$300,000 for the period of June 30, 2007 through June 30, 2008.

FINANCIAL \$359,820 - Educational Fund –
00003-0022501-00084-01000-0000000-522100

Respectfully submitted,

Wayne D. Watson
Chancellor

June 20, 2007- Risk Management – District Office