

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

REPORTS **THE CHANCELLOR**
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 27891 was previously approved by the Board of Trustees; and

that the Second Amendment under Board Report 28102 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 an Administrative Fee increase (4%) from \$4,985 per month (\$59,820 annual) to \$5,185 per month (\$62,220 annual) and an increase in the Escrow Deposit from \$25,000 per month (\$300,000 annual) to \$40,000 per month (\$480,000 annual) for the period of June 30, 2008 through June 30, 2009; and

that the Escrow Deposit increase is necessary based upon the increase in the number of Student Athlete Claims due to the expansion of Athletics to include two additional Colleges and expansion of General Liability Claims requiring external investigation; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced continuation of a previously approved Third Party Claims Administration agreement and they continue to be in compliance with the Board approved Participation Plan.

RECOMMENDS **THE CHANCELLOR**
that the Board of Trustees authorize the Chairman to execute the Third Contract Amendment to its agreement with CCMSI for an estimated annual cost of \$62,200 with an estimated annual Escrow Deposit in the amount of \$480,000 for the period of June 30, 2008 through June 30, 2009.

FINANCIAL \$542,200 - Educational Fund - 00003-0022502-00084-01000-0000000-522100

Respectfully submitted,

Wayne D. Watson
Chancellor