

31078

ADOPTED – BOARD OF TRUSTEES COMMUNITY

COLLEGE DISTRICT NO. 508

JULY 14, 2011

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT No. 508

COUNTY OF COOK AND STATE OF ILLINOIS

THIRD PARTY CLAIMS ADMINISTRATOR SERVICES

CANNON COCHRAN MANAGEMENT SERVICES, INC.

RENEWAL OPTION

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chairman to exercise the second option to renew the agreement with Cannon Cochran Management Services, Inc. (CCMSI) to provide Third Party Claims Administration (TPA) services for an additional one year period from July 1, 2011 through June 30, 2012 in an amount not to exceed \$52,800 with an estimated Escrow Deposit in the amount of \$900,000.

VENDOR: Cannon Cochran Management Services, Inc.
114 South Racine – Floor 2
Chicago, Illinois 60607

USER: District Wide

ORIGINAL TERM:

The original term of the agreement commenced on July 1, 2007 and ended on June 30, 2010.

OPTION/RENEWAL TERMS:

The first renewal term commenced on July 1, 2010 and shall end on June 30, 2011. The second renewal term will commence on July 1, 2011 and shall end on June 30, 2012.

SCOPE OF SERVICES:

The District continues to require Third Party Administrator Services which includes participation in the District's Workers' Compensation Program, the General Liability Program and the Student Athlete Injury Program along with a range of comprehensive services including claims management and administration, reporting, consultation and ongoing cooperation with the District Risk Management and Legal Staff, settlement management and training services to District staff. The service provided by CCMSI has met the District expectations and is consistent with industry best practices.

BENEFIT TO CITY COLLEGES OF CHICAGO:

Utilizing the TPA services of Cannon Cochran Management Services, Inc. ensures the uniformity of Claims Administration, engages Cost Containment practices designed to reduce District expense and ensures the well-being of District Faculty, Administrators, Staff and Students.

VENDOR SELECTION CRITERIA:

The District issued a Request for Proposal (RFP) during January 2009 soliciting responses from qualified Third Party Claims Administrators to provide a full range of Claims services associated with Workers' Compensation, General Liability and Student Athlete Injury exposures. Solicitations were offered via direct mail to a number of qualified Administrators. The District conducted a pre-

proposal conference in February 2009. Subsequently, two qualifying proposals were received from Cannon Cochran Managements Services, Inc. and Intercare Insurance Services. Staff evaluated all proposals and based upon the scoring and oral presentations, engaged the services of Cannon Risk Management Services, Inc. (CCMSI) by Board action on May 7, 2009 (Board Report 29447).

MBE/WBE COMPLIANCE:

The Office of M/WBE Contract Compliance has reviewed the renewal option and Cannon Cochran Management Services, Inc., subcontracting with Paradigm Risk Management as its MBE provider and Risk Innovations WBE provider remains in compliance with the Board Approved Participation Plan.

MBE Vendor: Paradigm Risk Management
205 West Randolph, Suite 1200
Chicago, Illinois 60606
City Certification

WBE Vendor: Risk Innovations
1202 North 75th Street, #253
Downers Grove, Illinois 60516
City Certification

GENERAL CONDITIONS:

Inspector General – It shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General’s authority under Article II, Section 2.6.4(b) of the Board Rules for Management and Government.

Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions of the Board’s Ethics Policy adopted January 7, 1993, and as amended by the Board.

FINANCIAL:

Total: Administrative Fee: \$52,800
Escrow Deposit: \$900,000

Charge To: Department of Risk Management
Source of Funds: Liability Protection and Settlement Fund

Unrestricted Fund

FY12: 05001-0025010-80000-01000-000000000-530000: \$52,800 (Administrative Fee)
FY12: 00003-522100-01000-0022501-00084-0100: \$900,000 (Escrow Deposit)

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

July 14, 2011 - Office of Risk Management