THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair to execute an agreement with Metropolitan Life Insurance Company to provide Group Term Life Insurance to eligible full-time active and retired employees and Short Term Disability Insurance to Local 1708 full-time employees for the period from October 1, 2013 through September 30, 2016, at an annual total cost not to exceed $620,000.

VENDOR: Metropolitan Life Insurance Company (“Met Life”)
10 South LaSalle Street, Suite 3350
Chicago, Illinois 60603

USER: All eligible full-time active employees and retirees (Group Life Plan) and Local 1708 full-time employees (Short Term Disability Plan)

TERM: The term of this agreement will commence on October 1, 2013 and will end on September 30, 2016.

SCOPE OF SERVICES:
Met Life will provide employer-paid group term life insurance and employee-paid optional voluntary term life insurance coverage to all eligible full-time active employees and retirees. Additionally, Met Life will provide employer-paid short-term disability (STD) coverage to Local 1708 full-time employees.

BENEFIT TO CITY COLLEGES OF CHICAGO:
The current and proposed monthly rates will result in an overall 16.5% decrease in eligible full-time active employee rates for Life & Accidental Death and Dismemberment (AD&D) coverage, eligible retiree rates for Life coverage, and Local 1708 full-time employee rates for STD coverage as follows:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Current Rate</th>
<th>Proposed Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time Active Employee Coverage</td>
<td>$.135/$1,000 of life coverage</td>
<td>$.115/$1,000 of life coverage</td>
</tr>
<tr>
<td>Local 1600 Retiree Coverage</td>
<td>$.80/1000 of life coverage</td>
<td>$.68/1000 of life coverage</td>
</tr>
<tr>
<td>Other Retiree Coverage</td>
<td>$.62/$1,000 of life coverage</td>
<td>$.527/$1,000 of life coverage</td>
</tr>
<tr>
<td>Local 1708 Full-time Coverage</td>
<td>$.17/$10 of disability benefit</td>
<td>$.13/$10 of disability benefit</td>
</tr>
</tbody>
</table>

The estimated annual expenditure for Life and AD&D coverage will not exceed $608,000.
The estimated annual expenditure for STD coverage will not exceed $12,000.
VENDOR SELECTION CRITERIA:
Specifications were prepared by District Procurement staff and a Request for Proposal (RFP) #MWJ1309 was publically advertised on May 29, 2013. Twelve (12) vendors were contacted. On June 14, 2013, the following four (4) companies responded to the RFP: 1) Aetna, Inc.; 2) Metropolitan Life Insurance Company; 3) Minnesota Life Insurance Company; and 4) Unum Group.

All proposals were reviewed, evaluated and ranked by an evaluation committee which included representatives from the following areas: Office of Human Resources and Staff Development, Finance, Risk Management and MBE/WBE Contract Compliance.

The evaluation criteria outlined in the RFP included:

1. Qualifications and experience of the firm
2. Proposer’s plan of action for the execution/implementation of the requested services
3. Underwriting Services
4. Interrogatories
5. Cost Proposal
6. MBE/WBE Compliance

Oral presentations were held for the short-listed firms, Metropolitan Life Insurance Company and Minnesota Life Insurance Company. Based on the composite written proposal and oral presentation scores, staff recommends acceptance of the proposal from Metropolitan Life Insurance Company to provide the Group Term Life Insurance and Short Term Disability Plans.

MBE/WBE COMPLIANCE:
The Office of M/WBE Contract Compliance has reviewed the above referenced agreement and due to the nature of the contract and limited subcontracting opportunities recommends a partial waiver of the Board Approved Participation Plan.

Metropolitan Life has committed to utilizing the firm noted below and to pursue additional MBE/WBE partners contingent on CCC’s insurance needs during the contract term.

MBE Vendor:
Leal and Associates Indirect Participation
200 S. Wacker Dr. 10%
Chicago, IL 60606

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.

Contingent Liability – Pursuant to Section 7-14 of the Illinois Public Community Act all agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year.

FINANCIAL:
Total FY13 – FY16: $1,860,000

Respectfully submitted,

Cheryl L. Hyman
Chancellor

August 1, 2013- Office of Human Resources – District Office