

**32728**  
**ADOPTED – BOARD OF TRUSTEES**  
**COMMUNITY COLLEGE DISTRICT NO. 508**  
**JULY 9, 2015**

**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.**  
**OFFICE OF RISK MANAGEMENT**  
**(RATIFICATION)**  
**(RENEWAL)**  
**(DISTRICT WIDE)**

**THE CHANCELLOR RECOMMENDS:**

that the Board of Trustees authorizes the Chair to exercise the first 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, 2015 through June 30, 2016, at a total cost not to exceed \$53,568.

**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, 2012 and ended on June 30, 2015 pursuant to Board Report 31475 adopted June 7, 2012.

**RENEWAL TERM:**

The first renewal term of the agreement shall commence on July 1, 2015 and shall end on June 30, 2016.

**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, the Student Athlete Injury Program and the Student Accident Health Plan 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.

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. Such an exercise has been conducted and therefore warrants no amendment to the current Administrative Fee of \$4,464 per month (\$53,568 annual) and the slight reduction in the monthly

Escrow Deposit from \$75,000 per month (\$900,000 annual) to \$70,000 per month (\$840,000) for the period of July 1, 2015 through June 30, 2016. Specifically, the Escrow Deposit shall be remitted on a frequency as to ensure the uninterrupted benefits and payments to medical providers and the Administrative Fee shall be paid on the final day of each month following the delivery of services.

**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:**

Specifications were prepared by District Procurement Staff and a Request for Proposal (RFP) #SH1204 was publicly advertised on April 2, 2012. Fourteen (14) companies were contacted. A single firm responded to the RFP on April 20, 2012: 1) Cannon Cochran Management Services, Inc. (CCMSI).

All qualifications were reviewed, evaluated and ranked by staff which included a Wright College Executive Business Director, Harold Washington College Human Resources Administrator, Wright College Director of Security, the Office of Administrative Services, the Office of Risk Management, Office of Administrative and Procurement Services and the Office of M/WBE Contract Compliance.

The evaluation criteria included:

- Ability of the Respondent to perform the requested services as evidenced by experience in servicing similar risk management portfolios
- Assessment of the Vendor Team assigned to manage and administer the CCC Account
- Amount of Fees associated with performing the service and any related additional expenses that may be incurred
- Claims Management System, Reporting and Claim Review
- Performance standards achieved in adjudicating Workers' Compensation Claims portfolio wide
- Quality of Implementation Plan
- Financial Strength of Respondent
- Respondent's ability and intent to participate in and meet or exceed the District's M/WBE Plan (Supported by documented proposed assigned task for each)
- Certificate of Insurance
- Favorable recommendations received from referenced clients where similar services are being or have been performed
- Overall quality and completeness of response
  - Addresses all Requests
  - Detailed responses to inquiries
  - Organization and expression of statistical Data
  - General organization, appearance and thoroughness of overall response
  - Error free response (i.e. spelling, grammar, structure, graphic identification, footnotes, data sources, pagination, document layout, ease of readership, access to web documents)

Based on the evaluation scoring, specific claim performance experience and fees in relations to the scope of services, the staff recommended the acceptance of the proposal from Cannon Cochran Management Services, Inc.

**MBE/WBE COMPLIANCE:**

The Office of M/WBE Contract Compliance has reviewed the renewal option and has determined the vendor is in compliance with the Board Approved Plan:

<u>Vendor</u>	<u>MBE or WBE</u>	<u>%</u>	<u>Participation</u>	<u>Certifying Agency</u>
Paradigm Risk Management 205 W. Randolph, Ste. 1200 Chicago, Illinois 60606	MBE	25	Direct	City of Chicago
Rehabilitation Consultants of Chicago, Inc. 2448 Meadowbrook Ln. Westchester, IL 60154	WBE	7	Direct	Cook County

**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 2, Section 2.7.4(b) of the Board Bylaws.

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 College 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:** \$53,568 (Administrative Fee)  
\$840,000 (Escrow Deposit)

**Charge To:** Department of Risk Management

**Source of Funds:** Liability Protection and Settlement Fund

**FY16:** 530000-05001-0022502-80000--\$53,568 (Administrative Fee)  
520000-05001-0022502-80000--\$840,000 (Escrow Deposit)

**Respectfully submitted,**

**Cheryl L. Hyman  
Chancellor**

**July 9, 2015 - Office of Risk Management**