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**ADOPTED – BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
JUNE 2, 2016**

4.14

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS**

**THIRD PARTY ADMINISTRATOR SERVICES
CANNON COCHRAN MANAGEMENT SERVICES, INC.
OFFICE OF RISK MANAGEMENT
DISTRICT WIDE**

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair to execute an agreement with Cannon Cochran Management Services, Inc. to provide Third Party Administrator Services for the period from July 1, 2016 through June 30, 2019, at a total cost not to exceed \$168,000.

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

USER: District Wide

TERM:

The term of the agreement shall commence on July 1, 2016 and expire on June 30, 2019.

SCOPE OF SERVICES:

Cannon Cochran Management Services, Inc. (CCMSI) will serve as the Third Party Claims Administrator (TPA) to participate in the management of the District's Workers' Compensation Program, the General Liability Program, the Student Athlete Injury Program and the Student Accident Injury Program and provide 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 for District staff. Under the terms of the proposed agreement, the District and the CCMSI will be required to annually reconcile the claim volume and associated expense to determine the necessary Escrow Deposit for a subsequent twelve month period of time. The Escrow Account is the source of payment of employee workers' compensation benefits, medical treatment for injured workers and for student athletes and certain other students, litigation and settlements associated with the exposures administered by the TPA.

BENEFIT TO CITY COLLEGES OF CHICAGO:

The District expects to manage and contain the program expense associated with the four above-referenced Programs through the effective and efficient management of claim adjudication. In addition, an expected outcome is the proactive aspect of administering genuine claims leading to the reduction of the District's exposure to costly litigation. The delivery of such services is designed to enhance the Office of Risk Management operations.

VENDOR SELECTION CRITERIA:

Specifications were prepared by District Procurement Staff and a Request for Proposal (RFP) # KD1602 - Third Party Administrator Services - was publicly advertised on January 29, 2016. Additionally, eight (8) companies known to delivery TPA services were contacted directly. A pre-Proposal orientation with prospective Vendors was conducted on February 8, 2016. A single firm responded to the RFP on February 19, 2016: 1) Cannon Cochran Management Services, Inc. (CCMSI). All qualifications were reviewed, evaluated and ranked by staff which included the Truman College Human Resource Administrator; the Associate Vice Chancellor – Athletics; the Office of the General Counsel, Associate General Counsel II; the Office of Treasury, Executive Director and the Office of Risk Management. 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)
- Qualifying and compliant 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 recommends the acceptance of the proposal from Cannon Cochran Management Services, Inc.

MBE/WBE COMPLIANCE:

The Office of Contract Compliance has reviewed the proposed agreement and has determined the Vendor is in compliance with the Board Approved Participation Plan:

<u>Vendor</u>	<u>MBE or WBE</u>	<u>%</u>	<u>Participation</u>	<u>Certifying Agency</u>
Insurer's Review Services, Inc. 225 N. Michigan Ave. Chicago, IL 60602	MBE	25	Direct	Cook County
Risk & Insurance Management Services, Inc. Db EagleOne Case Management Services 80 Burr Ridge Parkway Burr Ridge, IL 60527	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 Act all agreements authorized herein shall contain a clause that any expenditure beyond the current the current fiscal year is subject to appropriation in the subsequent fiscal year.

FINANCIAL:

Total: Administration Fee: \$168,000 (\$56,000 annually)

Charge To: Office of Risk Management

Source of Funds: Tort Funds

FY17: 524100-05001-0022501-80000: \$56,000 (Administration Fee)

FY18: 524100-05001-0022501-80000: \$56,000 (Administration Fee)

FY19: 524100-05001-0022501-80000: \$56,000 (Administration Fee)

FY17: 522100-05001-0025010-80000: \$700,000 (Escrow Deposit)

FY18: 522100-05001-0025010-80000: \$700,000 (Escrow Deposit)

FY19: 522100-05001-0025010-80000: \$700,000 (Escrow Deposit)

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

June 2, 2016 - Office of Risk Management