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ADOPTED – BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
NOVEMBER 1, 2018

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

AGREEMENT FOR GROUP LIFE AND GROUP SHORT TERM DISABILITY INSURANCE PLANS THE PRUDENTIAL INSURANCE COMPANY OF AMERICA OFFICE OF HUMAN RESOURCES AND STAFF DEVELOPMENT DISTRICT WIDE (RENEWAL OPTION)

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair, upon final approval of the General Counsel of the legal form of such agreements, to execute an agreement with the Prudential Insurance Company of America (Prudential) for the Group Term Life and Accidental Death Insurance Plan and the Group Short Term Disability Insurance Plan, previously administered by Metropolitan Life Insurance Company (“MetLife”), or a fifteen-month period commencing January 1, 2019 through December 31, 2019 at a total cost not to exceed \$965,000.

VENDOR: The Prudential Insurance Company of America (“Prudential”)
751 Broad Street
Newark, NJ 07102

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

TERM:

The term of the agreement will commence on October 1, 2016 and shall end on December 31, 2017 with an option to renew for two (2) one-year periods.

FIRST RENEWAL TERM:

The original renewal term of the agreement commenced on January 1, 2018 and will continue through December 31, 2018.

FINAL RENEWAL TERM:

The final renewal term shall begin on January 1, 2019 and will continue through December 31, 2019.

SCOPE OF SERVICES:

Prudential provides employer-paid group term life insurance to all eligible full-time active employees and retirees. Additionally, Prudential provides employer-paid group short-term disability (STD) coverage to Local 1708 full-time employees.

BENEFIT TO CITY COLLEGE OF CHICAGO:

The new vendor monthly rates will enable the City Colleges to provide competitive marketplace benefits to attract and retain employees and satisfy the terms of union collective bargaining agreements. Below are the new vendor rates for eligible full-time active employees Life & AD& D coverage, eligible retiree Life coverage, and Local 1708 full-time employee STD coverage as follows:

Full-time, Active

Employee Coverage: \$.115/\$1,000 of life coverage

Current Rate = \$.1040

Local 1600 Retiree

Coverage: \$1.220/\$1000 of life and accident death & disability coverage

Current Rate = \$1.10

Other

Retiree Coverage: \$0.949/\$1,000 of life coverage

Current Rate = \$.8540

Local 1708 Full-time

STD Coverage: \$.13/\$10 of disability benefit

Current Rate = \$.12/\$10 of disability benefit

VENDOR SELECTION CRITERIA:

The contract being utilized is a part of the joint purchasing agreement that has been advertised and awarded in accordance with the procurement procedures of the City of Chicago through Contract PO# 63909 modification awarded 2-3-16. Pursuant to State law, contracts for goods and services procured from another governmental entity are exempt from the District's competitive bidding requirements.

MBE/WBE COMPLIANCE:

The Office of Contract Compliance has reviewed the proposed agreement resulting from a joint purchase and recommends a waiver of the Board Approved Participation Plan because the lead agency (City of Chicago) did not include a Participation Plan.

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: \$965,000

Charge to: Office of Human Resource and Staff Development

Source of Funds: Educational Fund

FY19: 520000-00003-0025006-80000

Respectfully submitted,

**Juan Salgado
Chancellor**