

**34014**

**ADOPTED-BOARD OF TRUSTEES  
COMMUNITY COLLEGE DISTRICT NO. 508  
JULY 2, 2020**

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

**THIRD PARTY CLAIMS ADMINISTRATION SERVICES (TPA)  
CANNON COCHRAN MANAGEMENT SERVICES, INC.  
OFFICE OF RISK MANAGEMENT  
DISTRICT WIDE**

**(AMENDMENT TO BOARD REPORT #33685, ADOPTED ON MARCH 7, 2019)**

**THE CHANCELLOR RECOMMENDS:**

that the Board of Trustees authorizes the Chair, upon approval of the General Counsel as to the legal form of such agreements, to amend and execute the final option to renew the agreement with Cannon Cochran Management Services, Inc. (CCMSI) to provide Third Party Claims Administration Services for an additional one year period from July 1, 2020 through June 30, 2021, at a total cost not to exceed \$56,000.

**VENDOR:** Cannon Cochran Management Services, Inc.  
550 W. Van Buren – Suite 1200  
Chicago, Illinois 60607

**USER:** District Wide

**AMENDED TERM:**

The amended term of the agreement began on July 1, 2016 and ended on June 30, 2020, with one (1) remaining option to renew for one (1) year.

**FINAL TERM:**

The renewal term shall begin on July 2, 2020 and end on July 1, 2021.

**SCOPE OF SERVICES:**

Cannon Cochran Management Services, Inc. (CCMSI) serves 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 agreement, the District and CCMSI is required to annually reconcile the claim volume and associated expense to determine the necessary Escrow Deposit

for a subsequent twelve-month period. 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. 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, Students and Visitors.

#### **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 deliver 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 Procurement Services has reviewed the proposed agreement and has determined that Cannon Cochran Management Services, Inc. subcontracting with Insurer's Review Services, Inc. as its MBE provider and Eagle One Case Management Solutions, Inc. as its WBE provider complies with the Board Approved Participation Plan. Participation is on a direct basis for each Partner.

<b><u>Vendor</u></b>	<b><u>MBE or WBE</u></b>	<b><u>%</u></b>	<b><u>Participation</u></b>	<b><u>Certifying Agency</u></b>
Insurer's Review Services, Inc. 542 S. Dearborn Chicago, IL 60605	MBE	25%	Direct	Cook County
Eagle One Case Management Solutions, Inc. 80 Burr Ridge Parkway Burr Ridge, IL 60527	WBE	7%	Direct	City of Chicago

**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**

**Sub-Total:** \$56,000 (Administrative Fee)

**Sub-Total:** \$700,000 (Escrow Deposit)

**Total:** \$756,000

**Charge To:** Office of the General Counsel

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

**Unrestricted Fund**

FY21: \$56,000 (Administrative Fee)

FY21: \$700,000 (Escrow Deposit)

**FY21:** 520000-05001-0022502-80000

530000-05001-0022502-80000

**Respectfully submitted,**

**Juan Salgado**  
**Chancellor**

**July 2, 2020 - Office of Risk Management**