

**35102**  
**ADOPTED –BOARD OF TRUSTEES**  
**COMMUNITY COLLEGE DISTRICT NO. 508**  
**MAY 3, 2024**

**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.**  
**THE OFFICE OF RISK MANAGEMENT**  
**(RENEWAL)**

**THE CHANCELLOR RECOMMENDS:**

that the Board of Trustees authorizes the Chair, upon final approval of the General Counsel of the legal form of such agreement, to execute the first 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, 2024 through June 30, 2025, at a total cost not to exceed \$600,000. This amount represents no increase over the current fee structure.

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

**USER:** District Wide

**ORIGINAL TERM:**

The original term of the agreement commenced on July 1, 2021 and expired on June 30, 2024, pursuant to Board Report 34238 adopted June 2, 2016, with two (2) additional one-year renewal options.

**FIRST RENEWAL TERM:**

The first renewal term shall commence on July 1, 2024, and shall terminate on June 30, 2025, with one (1) additional one-year renewal option remaining.

**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 are 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) # SH2102 - Third Party Administrator Services - was publicly advertised on February 11, 2021. Additionally, ten (10) companies known to deliver TPA services directly received the RFP document via e-mail transmission. A pre-Proposal orientation with perspective Vendors was conducted on February 17, 2021. A single firm responded to the RFP on March 9, 2021: 1) Cannon Cochran Management Services, Inc. (CCMSI). All qualifications were reviewed, evaluated and ranked by staff which included the Deputy Chief Talent Officer; the Associate Controller; the District Director – Athletics; the Office of the General Counsel, Associate General Counsel II; the Office of Risk Management and the Office of MBE/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 MBE/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
  - o Addresses all Requests
  - o Detailed responses to inquiries
  - o Organization and expression of statistical Data
  - o General organization, appearance, and thoroughness of overall response
  - o 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. The firm is well known by the District and has delivered Best Practice level of Service to the District over a number of years resulting from numerous Request for Proposal selection processes.

**MBE/WBE COMPLIANCE:**

The Office of Procurement Services has reviewed the proposed compliance plan and determined the Vendor has complied with the Board Approved MBE/WBE Contract Participation Plan:

<u>Vendor</u>	<u>MBE or WBE</u>	<u>%</u>	<u>Participation</u>	<u>Certifying Agency</u>
Fact Finders Group 4747 Lincoln Mall Dr., #300 Matteson, IL 60443	MBE	25	Indirect	Cook County
Risk & Insurance Management Services Inc. dba Eagle One Case Management Solutions, Inc. 760 Village Center Drive, Ste. 250 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 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:** \$60,000 (Administrative Fee)

**Sub-Total:** \$540,000 (Escrow Deposit)

**Total:** \$600,000

**Charge To:** The Office of the General Counsel, Risk Management

**Source of Funds:** Liability, Protection and Settlement Fund (Tort Funds)

**FY25:** 530000-05001-0022502-80000 \$60,000 (Administrative Fee)

**FY25:** 520000-05001-0022502-80000 \$540,000 (Escrow Deposit)

**Respectfully submitted,**

**Juan Salgado**  
**Chancellor**

**May 2, 2024 – The Office of Risk Management**