

APPROVE ENTERING INTO AN AGREEMENT WITH ARAG INSURANCE COMPANY TO PROVIDE ACCESS TO LEGAL SERVICES NETWORK FOR CHICAGO PUBLIC SCHOOL EMPLOYEES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with ARAG Insurance Company to provide access to a legal services network for Chicago Public School employees under its Employee Benefits Program at no cost to the Board. Consultant was selected on a competitive basis pursuant to Board Rule 5-4.1. A written agreement for Consultant's services is currently being negotiated. No services shall be provided by Consultant and no payment shall be made to Consultant prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

SPECIFICATION NO: 06-250040

CONSULTANT: ARAG Insurance Company
400 Locust Street, Suite 480
Des Moines, IA 50309
Contact: Laura Lanagin, Account Manager
(515) 246-1200
Vendor No.: 10618

USER: Department of Human Resources
Compensation and Benefits Management
125 South Clark 14th Floor
Chicago Illinois 60603
Contact: Dale M. Moyer, Director
(773) 553-2818

TERM: The term of this agreement shall commence on January 1, 2007 and shall end December 31, 2009. This agreement shall have (2) two options to renew for a periods of 12 months each.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES: ARAG shall provide a comprehensive, fully-paid group legal services network, which shall provide a baseline of services to participating Chicago Public School employees including a legal hotline; documentation preparation such as wills and codicils; real estate matters; family matters; attorney office work; divorces; adoptions; estate administration and estate closings; defense of traffic charges; identity theft case management; identity theft case prevention kit and identity theft action kit; telephone legal services and online access to information and resources; reduced fee services; and a fee schedule for attorneys outside the network.

DELIVERABLES: ARAG shall staff various Board work locations with company representatives to meet with employees as needed; make telephone service available for enrollees 24 hours per day, 7 days per week; perform administrative functions necessary to ensure appropriate financial controls; maintain eligibility files in an accurate and timely manner; provide training materials and on-site training sessions for the implementation of the program; develop, produce and distribute employee communication materials and provide management information reports.

OUTCOMES: ARAG's Legal Service Network will result in an efficient, cost effective benefit for Chicago Public School employees.

COMPENSATION: This is a 100% employee-pay group legal services plan, with no cost to the Board of Education.

REIMBURSABLE EXPENSES: None.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Human Resources Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: Pursuant to Section 6.2 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the per contract category goals method for M/WBE participation will be utilized. Aggregated compliance of the vendors in the pool will be reported on a monthly basis. The M/WBE participation goals for this contract include: 35% total MBE and 5% total WBE.

Total MBE 35%

Rivera & Associates
6160 N. Cicero Ave., Suite 305
Chicago, IL 60646

Jean Roche
10735 S. Cicero
Oak Lawn, IL 60453

Frank Ochal
Law Offices of Frank Ochal
5433 N. Ashland Ave.
Chicago, IL 60640

Total WBE 5%

Crystal Bush
Law Office of Crystal R. Bush
400 N. McClung, Suite 2215
Chicago, IL 60611

Lynette Lewis
3502 W. 95th
Evergreen Park, IL 60805

Kristal Rivers
1507 E. 53rd Street #804
Chicago, IL 60617

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: There is no cost to the Board.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

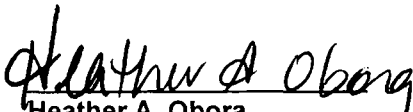
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:


Heather A. Obora
Chief Purchasing Officer

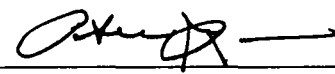
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form: 


Patrick J. Rocks
General Counsel