

October 25, 2023

AMEND BOARD REPORT 22-1026-PR16
AUTHORIZE THE SECOND AND FINAL RENEWAL AGREEMENT WITH DELTA DENTAL OF ILLINOIS FOR DPPO AND DHMO INSURANCE SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the second and final renewal agreement with Delta Dental of Illinois to provide Dental Preferred Provider Organization (DPPO) and Dental Health Maintenance Organization (DHMO) insurance services to Chicago Public Schools at an estimated annual cost set forth in the Compensation Section of this report. A written document exercising this option is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

This Extension is necessary to increase the Not To Exceed amount from \$12,000,000 to \$26,500,000 and to extend the term through December 31, 2024.

Contract Administrator : Pearson, Karen / 773-553-2280

VENDOR:

- 1) Vendor # 24482
DELTA DENTAL OF ILLINOIS
111 SHUMAN BLVD
NAPERVILLE, IL 60563
Sheila Wilcox
630 718-4754

Ownership: Not for profit

USER INFORMATION :

Project 11010 - Talent Office
Manager: 42 West Madison Street
Chicago, IL 60602

Kirkling, Karla Rae

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 18-0926-PR24) in the amount of \$15,300,000 is for a term commencing January 1, 2019 and ending December 31, 2021, with the Board having two (2) options to renew for periods of one (1) year term each. The Agreement was renewed (authorized by Board Report 21-1027-PR9) in the amount of \$1,200,000 for a term commencing January 1, 2022 and ending December 31, 2022, with the Board having one (1) remaining option to renew for a period of one (1) year. The original Agreement was awarded on a competitive basis pursuant to former Board Rule 7-2.

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing January 1, 2023 and ending December 31, 2023. The term of this agreement is being extended for one (1) year commencing January 1, 2024 and ending December 31, 2024

OPTION PERIODS REMAINING:

There are no options remaining.

SCOPE OF SERVICES:

Vendor will continue to administer and provide DPPO and DHMO services for employees and their dependents that elect coverage in the CPS dental plan.

DELIVERABLES:

Vendor will continue to provide all necessary communications, brochures, pamphlets and materials to the Board and Board employees, respond to telephone inquiries and direct employees to appropriate use of DHMO and DPPO benefits and services, provide management reports to ensure that all services are rendered in a prompt and fair manner to all eligible employees and their dependents, and ensure that all claims are accurately processed according to the plan of benefits.

OUTCOMES:

Vendor's services will result in efficiently managed and successful dental health programs and retention of high quality talent.

COMPENSATION:

Vendor shall be paid during this option period at a fixed per employee per month rate as specified in the written agreement.

\$6,000,000, FY23

~~\$6,000,000, FY24~~

\$13,250,000, FY24

\$7,250,000, FY25

Not to exceed \$12,000,000 for the renewal term \$26,500,000 for the extension term.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize the Chief Talent Officer of the Talent Office to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women-Owned Business Enterprises Participation in Goods and Services Contracts (M/WBE Program), the goals for this contract are 30% MBE and 7% WBE. The Office of Business Diversity has granted a partial waiver and the Prime vendor has committed to the participation goals of 30% MBE and 7% WBE of indirect applicable spend.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Expense as allocated to all positions through account 57305, Hospitalization and Dental Insurance, across all operating funds, units, programs, and grants.

\$6,000,000, FY23

~~\$6,000,000, FY24~~

\$13,250,000, FY24

\$7,250,000, FY25

Not to exceed \$12,000,000 for the renewal term and \$26,500,000 for the extension term. Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

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 May 25, 2011 (11-0525-PO2), 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:



PATRICIA HERNANDEZ
Acting Chief Procurement Officer

Approved:



PEDRO MARTINEZ
Chief Executive Officer

Approved as to Legal Form: 



RUCHI VERMA
General Counsel