

RATIFY EXERCISING THE FIRST AND SECOND OPTIONS TO RENEW THE AGREEMENT WITH TRUSTMARK INSURANCE COMPANY AND RFS-IRSI JOINT VENTURE TO SERVICE EXISTING TRUSTMARK UNIVERSAL LIFE INSURANCE POLICYHOLDERS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify exercising the first and second options to renew the agreement with RFS-IRSI J.V. and Trustmark Insurance Company to service CPS employees and dependents that are existing Trustmark Universal Life Insurance policyholders. This is a voluntary group universal life insurance program which has no direct cost to the Board. A written document exercising this option is currently being negotiated. 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.

SPECIFICATION NO.: 02-25013

PARTIES:	Trustmark Insurance Company 400 Field Dr. Lake Forest, IL 60045 (847) 615-1500 Contact: Martin Traynor Vendor No: 80689	RFS-IRSI J.V. 737 North Michigan Avenue – Suite 1300 Chicago, Illinois 60611 (312) 654-8200
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USER: Department of Human Resources
Compensation and Benefits Managements
125 S. Clark Street
Chicago, IL 60603
Contact: Dale Moyer, Director
(773) 553-2818

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 02-1120-PR12) was for a 12 month term commencing January 1, 2003 and ending December 31, 2003. The original agreement was renewed (authorized by Board Report 03-1022-PR38) for a term commencing January 1, 2004 and ending June 30, 2004. The renewal agreement was extended (authorized by Board Report 04-0324-PR27) for a term commencing July 1, 2004 and ending December 31, 2006 with two options to renew for 12 months each. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

OPTION PERIOD: The term of this agreement is being extended for two years commencing January 1, 2007 and ending December 31, 2008.

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: RFS-IRSI J.V. and Trustmark Insurance Company shall continue to provide explanation of policy provisions, terms and costs and assistance in processing claims and other related services. Existing policyholders will be allowed to increase premium amounts and add new dependents. No on-site marketing or solicitation shall be conducted by RFS-IRSI J.V or Trustmark. No new contracts shall be written. The Board shall develop an interface and maintenance support and shall be paid an installation fee of \$28,320.00 and maintenance support in the amount of \$10,384.00.

DELIVERABLES: RFS-IRSI J.V. and Trustmark Insurance Company will continue to provide timely provision of policy documents to enrollees through and efficient processing of claims, quarterly and annual reports.

OUTCOMES: The services of RFS-IRSI J.V. and Trustmark Insurance Company will continue to result in continued Universal Life coverage to existing policyholders with the convenience of payroll deductions.

COMPENSATION: The Board shall be paid during this option period a per contract fee to cover its administrative expenses. Trustmark will remit to the Board on an annual basis \$7.50 per active policyholder. In addition, Trustmark will pay the Board an installation fee of \$28,320.00 for the development of an interface. During this two-year option period Trustmark will pay a maintenance support fee in the amount of \$10,384.00. If additional maintenance support is required for the first year after the expiration of this renewal term, Trustmark will pay the Board an annual fee of \$5,192.00 for maintenance support.

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

AFFIRMATIVE ACTION: Pursuant to section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), this contract is exempt from review because it's a unique transaction.

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

FINANCIAL: No Cost to the Board of Education.

Budget Classification: 0710-280-432-1634-5410 Credit \$38,704.00 from Trustmark for the Interface development.

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.

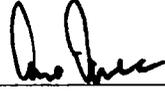
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one- year period following expiration or other termination of their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



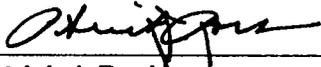
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form: 



Patrick J. Rocks
General Counsel