

**APPROVE ENTERING INTO AGREEMENTS WITH VARIOUS COMPANIES FOR  
DEFINED CONTRIBUTION RETIREMENT SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into agreements with various companies identified below to provide defined contribution retirement services to Chicago Public School employees, at no cost to the Board. Vendors will provide investment management, administration and recordkeeping for group fixed annuities, variable annuities and institutional mutual funds. Vendors were selected pursuant to a duly advertised Request for Proposal (Specification No. 01-250230). A written agreement for each vendor's services is currently being negotiated. The authority granted herein as to each vendor shall automatically rescind in the event a written agreement for such vendor is not executed within 120 days of the date of this Board Report. Information pertinent to these agreements is stated below.

**SPECIFICATION NO.:** 01-0250230

**VENDORS:**

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| <p><b>1. Hartford Life Insurance Company</b><br/>Eric H. Wietsma, Vice President<br/>200 Hopmeadow Street<br/>Simsbury, CT. 06089<br/>(800) 528-9009<br/><b>Products-Services:</b><br/><b>Fixed/Variable Annuities</b></p>                | <p><b>2. Aetna Life Insurance and Annuity Company</b><br/>Allan Baker, Senior Vice President<br/>151 Farmington Ave.<br/>Hartford, CT 06156<br/>(860) 273-5513<br/><b>Products-Services:</b><br/><b>Fixed/Variable Annuities</b></p>                       |
| <p><b>3. PEB/Horace Mann</b><br/>Michael O'Malley, President<br/>542 S. Dearborn<br/>Chicago, IL 60605<br/>(312) 922-3264<br/><b>Products-Services:</b><br/><b>Fixed/Variable Annuities</b></p>   | <p><b>4. VALIC</b><br/>Mike Gifford, Vice President<br/>Institutional Marketing<br/>2919 Allen Pkwy, L13-10<br/>Houston, TX 77019<br/>(713) 831-8547<br/><b>Products-Services:</b><br/><b>Fixed/Variable Annuities</b></p>                                 |
| <p><b>5. Prudential Retirement Services</b><br/>August A. Urgola, Vice President<br/>Three Gateway Center, 12<sup>th</sup> Floor<br/>Newark, N.J. 07102-4077<br/>(973) 367-1213<br/><b>Products-Services:</b><br/><b>Mutual Funds</b></p> | <p><b>6. CitiStreet Retirement Services Division</b><br/>Michael L. St. Clair, President<br/>Educators Retirement Services<br/>Two Tower Center<br/>East Brunswick, NJ 08816<br/>(732)- 514-2005<br/><b>Products-Services:</b><br/><b>Mutual Funds</b></p> |
| <p><b>7 MetLife Resources</b><br/>Betty Davis, Vice-President Administration<br/>1125 17<sup>th</sup> Street<br/>Denver, CO<br/>(303) 672-3528<br/><b>Products-Services:</b><br/><b>Mutual Funds</b></p>                                  |  |
| <p><b>USER:</b><br/><b>Bureau of Risk and Benefits Management</b><br/>125 South Clark Street-14<sup>th</sup> Floor<br/>Georgette Hampton, Director<br/>(773) 553-2818</p>   |  |

**TERM:** The term of each agreement shall commence April 1, 2002 and end April 1, 2005. Each agreement shall have one option to renew for an additional period of twenty four (24) months. Costs and fee structure guaranteed for the 36 months initial term and the renewal term.

**SCOPE OF SERVICES:** Vendors shall provide comprehensive defined contribution retirement services which includes:

- Management of investment options (either proprietary , non-proprietary or a combination)
- Participant Communication
- Administration/Recordkeeping
- Participant Services
- Participant Education

Vendors shall only provide those products and services within the product line for which they are selected.

**DELIVERABLES:** Vendors shall provide periodic reports related to program activities, including enrollment, vendor performance, investment performance and participant services. Vendors shall develop communication materials, conduct education seminars and provide training materials for Board staff.

**OUTCOMES:** Vendors services shall result in a program that provides quality investment products and services, with cost effective fees that enhances the Board of Education's defined contribution retirement program.

**COMPENSATION:** Vendors shall be paid through voluntary deductions from participating Board employees, with no cost to the Board.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written agreements. Authorize the President and Secretary to execute the agreements. Authorize the Director of Risk and Benefits Management to execute all ancillary documents required to administer or effectuate these agreements.

**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 for a unique transaction. There will be no payment of Chicago Public Schools funds to the vendor for its services.

**LSC REVIEW:** Not applicable.

**FINANCIAL:** Providers shall be paid through voluntary deductions from participating Board employees, with 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 July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), 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:**



**Arlita Rocha**  
**Acting Chief Purchasing Officer**

**Approved:**



**Arne Duncan**  
**Chief Executive Officer**

**Within Appropriation:**



**Kenneth C. Gotsch**  
**Chief Fiscal Officer**

**Approved as to legal form:**



**Marilyn F. Johnson**  
**General Counsel**