

APPROVE ENTERING INTO A THREE-WAY AGREEMENT WITH RFS-IRSI AND TRUSTMARK INSURANCE COMPANY TO PROVIDE SCHOOL-SITE SERVICES TO EXISTING TRUSTMARK UNIVERSAL LIFE INSURANCE POLICYHOLDERS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a three way agreement with RFS-IRSI J. V. and Trustmark Insurance Company to provide school-site services to 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. Trustmark Insurance Company was selected on a non-competitive basis, because they are merely continuing to service only those Trustmark policies which are currently in effect for the convenience of the current policyholders. RFS-IRSI J.V was selected pursuant to a Request for Proposals issued in 1992 and has been providing these services since 1992. A written agreement for these services is currently being negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this agreement is stated below.

SPECIFICATION NO.: 02-250213

PARTIES: RFS-IRSI J.V.
737 North Michigan Avenue – Suite 1300
Chicago, Illinois 60611
(312) 654-8200
Contact Person: Jamie Rojkind, Partner
Vendor # 24988

Trustmark Insurance Company
400 Field Drive
Lake Forest, Illinois 60045
Contact Person: Chris Martin, Vice President
(847) 615-1300

USER: Bureau of Risk and Benefits Management
125 South Clark Street-14th Floor
Georgette Hampton, Director
[773] 553-2818

TERM: The term of this agreement shall commence on January 1, 2003 and shall end December 31, 2003.

RENEWAL OPTIONS: There are no options to renew.

SCOPE OF SERVICES: RFS-IRSI J.V. and Trustmark Life Insurance shall provide school-site services to existing policyholders only. Such services include 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 new policies or products can be offered by Trustmark.

DELIVERABLES: RFS and Trustmark shall provide timely provision of policy documents to enrollees, thorough and efficient processing of claims, and quarterly and annual reports to the Board.

OUTCOMES: RFS-IRSI J.V. and Trustmark Life Insurance services shall result in a successful continuation of an existing employee benefit.

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 Director of Risk and Benefits Management to execute all ancillary documents required to administer or effectuate this agreement.

COMPENSATION: The Board shall be paid a per contract fee to cover its administrative expenses. RFS-IRSI J.V. will remit to the Board on an annual basis \$7.50 per active policyholder.

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

FINANCIAL: No cost to the Board of Education.

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:


Anita Rocha
Acting Chief Purchasing Officer

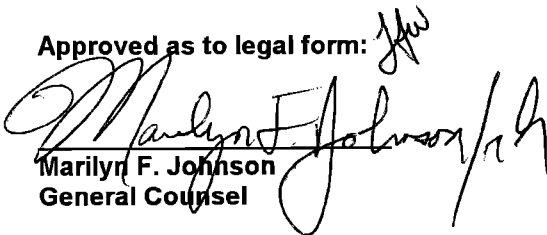
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel