

**APPROVE THE RENEWAL OF THE EXISTING AGREEMENT WITH TRIAS CAPITAL MANAGEMENT, INC.  
FOR CONSULTING SERVICES**

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

Approve the renewal of the existing agreement with TRIAS Capital Management, Inc. to provide consulting services to the Bureau of Treasury at a cost not to exceed \$120,000.00 for services rendered during this renewal period and \$70,000.00 for additional services rendered during the prior renewal period; total compensation not to exceed \$190,000.00. A written renewal agreement for TRIAS' services is currently being negotiated. No payment shall be made to TRIAS during the renewal period prior to the execution of the written renewal agreement. The authority granted here shall automatically rescind in the event a written renewal agreement is not executed within 90 days of the date of this Board report. Information pertinent to this renewal agreement is stated below.

**Specification No.: 02-250058**

**VENDOR:** TRIAS Capital Management, Inc.  
140 S. Dearborn, Suite 1620  
Chicago, IL 60603  
James A. Casselberry, President and CEO  
312/223-9400  
Vendor #24920

**USER:** Office of School Financial Services  
Bureau of Treasury  
125 South Clark, 13<sup>th</sup> Floor  
David Bryant  
773/ 553-2806

**ORIGINAL AGREEMENT:** The original Consulting Services Agreement (authorized by Board Report 02-0327-PR23), in the amount of \$240,000 was for a term commencing May 1, 2002 and ending April 30, 2003. The original agreement was renewed (authorized by Board Report 03-0527-PR46), in an amount of \$120,000.00, for a term commencing May 1, 2003 and ending April 30, 2004. The original agreement was awarded on a non-competitive basis due to TRIAS' unique understanding of public funds management, and the Board's policies and cash flows.

**RENEWAL PERIOD:** By mutual agreement of the parties, the term of this agreement is being renewed for a period commencing on May 1, 2004 and ending April 30, 2005.

**SCOPE OF SERVICE DURING THE RENEWAL PERIOD:** During the renewal period, TRIAS will continue to provide investment advisory services related to the Board's operating portfolio and other funds such as bond funds that the Board manages internally and other related services as requested by the Chief Financial Officer or his designee.

**ADDITIONAL SERVICES RENDERED DURING THE PRIOR RENEWAL PERIOD:** During the prior renewal period (May 1, 2003 – April 30, 2004) TRIAS provided the Bureau of Treasury with investment tracking, reporting, and analytical support services. When the prior renewal agreement was executed, it was contemplated that these services would be brought in-house and that a reduced fee would be paid to TRIAS after a Treasury Management System (TMS) performing these function was successfully installed in early fall 2003. However, the successful implementation of the TMS has been delayed until February or March 2004. Therefore, an additional \$70,000.00 is requested herein to pay TRIAS for additional services rendered.

**DELIVERABLES:** TRIAS will continue to provide advice, reports and analysis as requested by the Bureau of Treasury to support decision-making regarding various investing and financing alternatives.

**OUTCOMES:** Consultant's services shall assist in the implementation of a portfolio management strategy and facilitate other financing and investment initiatives as requested by the Chief Financial Officer.

**COMPENSATION:** For services rendered during this renewal period Consultant shall be paid a sum not to exceed \$120,000.00 in accordance with the specific fee schedule in the written renewal agreement. For additional services rendered during the prior renewal period, Consultant shall be paid a sum not to exceed \$70,000.00 per the specific fee schedule in the current renewal agreement.

**REIMBURSABLE EXPENSES:** None.

**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 Financial Officer to negotiate the specific fee schedule and to execute all ancillary documents required to administer or effectuate this renewal 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 and Category Goals method for M/WBE participation will be utilized. Thus, contracts for subsequent vendors from the pool created by this contract will be subject to compliance reviews on a contract-by-contract basis. Aggregated compliance of the vendors in the pool will be reported on a monthly basis.

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

<b>FINANCIAL:</b>	Charge to Bureau of Treasury:		Fiscal Year: FY04
	Budget Classification: 0200-210-000-7892-5410	\$70,000.00	Source of Funds: Operating Funds
	Charge to Bureau of Treasury:		Fiscal Year: FY04
	Budget Classification: 0230-210-000-1135-5410	\$20,000.00	Source of Funds: Operating Funds
	Charge to Bureau of Treasury:		Fiscal Year: FY05
	Budget Classification: 0230-210-000-1135-5410	\$100,000.00	Source of Funds: Operating Funds

**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 member 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.

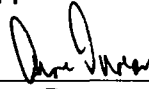
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obara  
Chief Purchasing Officer

Approved:



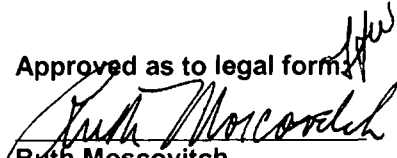
Arne Duncan  
Chief Executive Officer

Within Appropriation:



John Maiorca  
Chief Financial Officer

Approved as to legal form:



Ruth Moscovitch  
General Counsel