

APPROVE ENTERING INTO AN AGREEMENT WITH BANK ONE FOR BANKING SERVICES**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into an agreement with Bank One for banking services provided to the Office of School Financial Services, Bureau of Treasury at a cost not to exceed \$770,000.00 a year. Vendor was selected on a competitive basis pursuant to a duly advertised Request for Proposal (Specification #04-250002). Vendor has served as the Board's primary depository bank for the past several years and began disbursement processing for payroll checks in September 1999 and vendor checks in 2000. A written agreement for Vendor's services is currently being negotiated. No payment shall be made to Vendor prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board. Information pertinent to this agreement is stated below.

Specification No.: 04-250002**Contract Administrator: Nanzi Flores 553-2273**

VENDOR : Bank One
One Bank One Plaza
Chicago, IL 60670
Lynne Wooden
(312) 732-6362
Vendor #: 28111

USER: Office of School Financial Services, Bureau of Treasury
125 South Clark, 13th Floor
Chicago, IL 60603
David Bryant

TERM: The term of this agreement shall commence on August 1, 2004 and shall end July 31, 2007. This agreement shall have one option to renew for a period of 24 months. Vendor shall have the right to reject the renewal period of 24 months by notifying the Board in writing by October 31, 2006.

EARLY TERMINATION RIGHTS: The Board shall have the right to terminate this Agreement upon thirty (30) calendar days written notice to Vendor.

SCOPE OF SERVICES: Vendor will provide concentration account services, disbursement services for both employees and vendors, check and statement printing services, lock box, and other specific services at the request of the Chief Financial Officer, all as detailed in the written agreement.

DELIVERABLES: Vendor will provide, bank statements, reconciliation reports, return items, electronic information, electronic access to information, and other written and electronic reports as requested, all as detailed in the written agreement.

OUTCOMES: Vendor's services shall result in streamlining of receipts and disbursements, cost savings in the check payment process, increased interest income due to more efficient cash management, and operational efficiencies in the cash reconciliation process.

COMPENSATION: Vendor shall be paid according to the specific rates identified in the written agreement, not to exceed the sum of \$770,000.00 per year during the original term. The specific rates during any renewal period will be determined by mutual agreement of the parties.

REIMBURSABLE EXPENSES: Vendor shall be reimbursed for certain expenses as detailed in the written agreement including, but not limited to certain postage, delivery, and copying charges. The total compensation amount reflected herein is inclusive of all reimbursable expense.

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 Chief Financial Officer to execute all ancillary documents required to administer or effectuate the written agreement.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include :35% total MBE,22% total African American 10 %total Hispanic 2% total Asian And 5% total WBE.

However, the Waiver Review Committee recommends that a partial waiver of the M/BE Participation goals for this contract as required by the Revised Remedial Plan be granted because the contract scope is not further divisible.

The vendor has, however, identified and scheduled the following firms and percentages

Total MBE 46.3%

Total African American 22.5%

Total Facility Maintenance Inc.\$ 172,934 22%
615 Wheat lane
WoodDale, IL 60191

Total Hispanic 16%

United Building Maintenance \$122,503 16%
165 East St.
Chicago ,IL 60188

Total Asian 8%

Environment System Design \$ 60,032 7.8%
175 W. Jackson Blvd.
Chicago, IL 60604

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

FINANCIAL:	Charge to:	Bureau of Treasury \$770,000.00	Fiscal Year: 05
	Budget Classification:	0230-210-000-1135-5410	Source of Funds: Operating Fund
	Charge to:	Bureau of Treasury \$770,000.00	Fiscal Year: 06
	Budget Classification:	0230-210-000-1135-5410	Source of Funds: Operating Fund
	Charge to:	Bureau of Treasury \$770,000.00	Fiscal Year: 07
	Budget Classification:	0230-210-000-1135-5410	Source of Funds: Operating Fund

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.

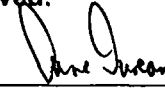
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:


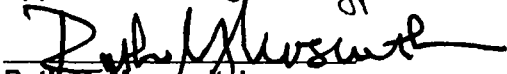

Heather A. Obora
Chief Purchasing Officer

Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form: 

Ruth M. Moscovitch
General Counsel 