

**APPROVE ENTERING INTO AN AGREEMENT WITH U.S. BANK NATIONAL ASSOCIATION
FOR BANKING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with U.S. Bank National Association "usbank" ("Vendor") for banking services provide to the Office of School Financial Services, Bureau of Treasury at a cost not to exceed \$300,000.00 a year. Vendor was selected on a competitive basis pursuant to a duly advertised Request for Proposal (Specification #06-250024). A written agreement for Vendor's services is currently being negotiated. No payment shall be made or services received from the 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.

VENDOR: U.S. Bank National Association
800 Nicollet Mall
Minneapolis, MN 55402
Stacy L. Stoll
(312) 325-8788
Vendor Number: 95957

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

TERM: The original term of this agreement shall commence from the date of award and will end June 30, 2010. This agreement shall have one option to renew for a period of one year. However, Vendor shall have the right to reject the renewal period of 12 months by notifying the Board in writing no later than 6 months prior to the end of the original term.

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 centralized banking services to schools, and other related services at the request of the Chief Financial Officer, all as detailed in the written agreement.

DELIVERABLES: Vendor will provide accounts, activity statements, reconciliation reports, electronic account access, electronic access to information, interest on balances, and other related services and reports as requested, all as detailed in the written agreement.

OUTCOMES: Vendor's services shall result in streamlining of banking services for schools, cost and time savings in banking activity, enhanced information flow, and operational efficiencies.

COMPENSATION: Vendor shall be paid according to the specific rates identified in the written agreement, not to exceed the sum of \$ 300,000.00 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. 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 and 5% total WBE.

However, the Waiver Review Committee recommends that a partial waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the vendor has demonstrated reasonable good faith efforts.

The vendor has identified and scheduled the following firms and percentages:

Total MBE – 35%

United Building Maintenance
165 Easy Street
Carol Stream, Illinois 60188 certified through 09/01/2006

USM Logistics
6711 South LeClaire Avenue
Bedford Park, Illinois 60638 certified through 09/30/2006

Total WBE – 1%

Buford Law Office LLC
6 East Monroe, Suite 1301
Chicago, Illinois 60603 certified through 04/01/2007

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

FINANCIAL:

Charge: \$300,000.00 Fiscal Year: 07
To:
Bureau of Treasury Budget Line: 0230-210-000-1135-5410 Source: Operating Funds
Various School Internal Accounts Source: School funds

Charge: \$300,000.00 Fiscal Year: 08
To:
Bureau of Treasury Budget Line: 0230-210-000-1135-5410 Source: Operating Funds
Various School Internal Accounts Source: School funds

Charge: \$300,000.00 Fiscal Year: 09
To:
Bureau of Treasury Budget Line: 0230-210-000-1135-5410 Source: Operating Funds
Various School Internal Accounts Source: School funds

Charge: \$300,000.00 Fiscal Year: 10
To:
Bureau of Treasury Budget Line: 0230-210-000-1135-5410 Source: Operating Funds
Various School Internal Accounts Source: School 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.

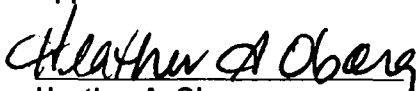
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



Heather A. Obora
Chief Purchasing Officer

Approved:



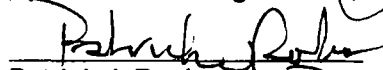
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form: 



Patrick J. Rocks
General Counsel