

AMEND BOARD REPORT 08-1022-EX3
AMEND BOARD REPORT 07-0228-EX3

RATIFY EXERCISING THE FIRST AND SECOND OPTIONS TO RENEW THE AGREEMENTS WITH TRUSTMARK INSURANCE COMPANY AND RFS-IRSI JOINT VENTURE TO SERVICE EXISTING TRUSTMARK UNIVERSAL LIFE INSURANCE POLICYHOLDERS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify exercising the first and second options to renew the agreement with RFS-IRSI J.V. and Trustmark Insurance Company to service 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. A written document exercising this option is currently being negotiated. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

This amendment is necessary to change the ending date of the renewal agreement to December 31, 2009 and to increase the interface maintenance support fee payable to the Board to \$15,576.00. A written amendment to this agreement is required. The authority granted herein shall automatically rescind in the event a written amendment is not executed within 90 days of this amended Board Report.

This July 2009 amendment is necessary to change the ending date of the renewal agreement to December 31, 2011 and to allow for an increased interface maintenance support fee payable to the Board for additional maintenance support as required. A written amendment to this agreement is required. The authority granted herein shall automatically rescind in the event a written amendment is not executed within 90 days of this amended Board Report.

SPECIFICATION NO.: 02-25013

PARTIES:

Trustmark Insurance Company
400 Field Dr.
Lake Forest, IL 60045
Martin Traynor
262-240-5432

RFS-IRSI J.V.
737 North Michigan Avenue – Suite 1300
Chicago, Illinois 60611
(312) 654-8200

Vendor # 80689

USER:

Department of Human Resources
Compensation and Benefits Management
125 S Clark St - 2nd Floor
Chicago, IL 60603
Dale Moyer, Director
773-553-2818

ORIGINAL AGREEMENT:

The original agreement (authorized by Board Report 02-1120-PR12) was for a 12 month term commencing January 1, 2003 and ending December 31, 2003. The original agreement was renewed (authorized by Board Report 03-1022-PR38) for a term commencing January 1, 2004 and ending June 30, 2004. The renewal agreement was extended (authorized by Board Report 04-0324-PR27) for a term

commencing July 1, 2004 and ending December 31, 2006 with two options to renew for 12 months each. The original agreement, as amended, was renewed (authorized by Board Report 07-0228-EX3) for a term commencing January 1, 2007 and ending December 31, 2008. An amendment to the renewal agreement was authorized by Board Report 08-1022-EX3 to further extend the agreement to December 31, 2009. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

OPTION PERIOD:

The term of this agreement is being extended for ~~three~~ five years commencing January 1, 2007 and ending December 31, ~~2009~~ 2011.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

RFS-IRSI J.V. and Trustmark Insurance Company shall continue to provide 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 on-site marketing or solicitation shall be conducted by RFS-IRSI J.V or Trustmark. No new contracts shall be written. The Board shall develop an interface and maintenance support and shall be paid an installation fee of \$28,320.00 and maintenance support in the amount of \$15,576.00.

DELIVERABLES:

RFS-IRSI J.V. and Trustmark Insurance Company will continue to provide timely provision of policy documents to enrollees through and efficient processing of claims, quarterly and annual reports.

OUTCOMES:

The services of RFS-IRSI J.V. and Trustmark Insurance Company will continue to result in continued Universal Life coverage to existing policyholders with the convenience of payroll deductions.

COMPENSATION:

The Board shall be paid during this option period a per contract fee to cover its administrative expenses. Trustmark will remit to the Board on an annual basis \$7.50 per active policyholder. In addition, Trustmark will pay the Board an installation fee of \$28,320.00 for the development of an interface. During this the three-year option period from January 1, 2007 through December 31, 2009, Trustmark will pay a maintenance support fee in the amount of \$15,576.00. If additional maintenance support is required subsequent to December 31, 2009, ~~for the first year after the expiration of this renewal term,~~ the Board will provide Trustmark with maintenance support for an annual fee of \$5,192.00.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written renewal agreement and amendment. Authorize the President and Secretary to execute the renewal agreement and amendment. Authorize the Chief Human Resources Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

Pursuant to section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE), this contract is exempt from review because it's a unique transaction in that there is no direct cost to the Board.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

No Cost to the Board of Education

Budget Classification: 11010-124-54125-231602-904003

Credit \$43,896.00 from Trustmark for the Interface development.

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.

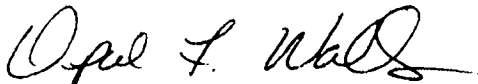
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), 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:



Opal L. Walls
Chief Purchasing Officer

Approved:



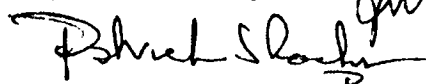
Ron Huberman
Chief Executive Officer

Within Appropriation:



PEDRO MARTINEZ
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel