

**APPROVE EXTENDING THE AGREEMENT WITH R.V. KUHNS ASSOCIATES, INC. FOR CONSULTING SERVICES****THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve extending the agreement with R.V. Kuhns & Associates, Inc., to provide 403(b) Retirement Savings Plan services to the Department of Human Capital Compensation and Benefits Management at a cost for the extension period not to exceed \$60,000.00. A written document exercising this extension is currently being negotiated. No payment shall be made to Consultant during the extension period prior to the execution of the written document. 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 extension is stated below.

**CONSULTANT:**

- 1) Vendor # 81262  
R.V. KUHNS & ASSOCIATES, INC  
111 SW NAITO PARKWAY  
PORTLAND, OR 97204-3512  
Robert Palmeri  
503-221-4200

**USER:**

Office of Human Capital  
125 South Clark Street  
Chicago, IL 60603

Contact : Dale Moyer, Officer Comp. And Benefits  
Management  
Phone: 773-553-2818

**ORIGINAL AGREEMENT:**

The original Agreement (authorized by Board Report 06-0927-PR19) in the amount of \$120,000.00 is for a term commencing October 1, 2006 and ending September 30, 2007, with the Board having two options to renew for one year periods. The agreement was renewed (authorized by Board Report 07-0822-PR19) in the amount of \$120,000.00 for a term commencing October 1, 2007 and ending September 30, 2008. It was renewed for a second term commencing October 1, 2008 and ending September 30, 2009 (authorized by Board Report 08-0827-PR34); this Board Report was further amended, extending the second renewal term to September 30, 2010 (authorized by Board Report 09-0923-PR16). The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

**EXTENSION PERIOD:**

The term of this agreement is being extended for one year commencing October 1, 2010 and ending September 30, 2011.

**SCOPE OF SERVICES:**

R.V. Kuhns will continue to provide the following services:

Establish a long-term strategic asset allocation model to assist in meeting its desired environment goals.

Assist in the design and development of investment policies and manager guidelines to achieve investment objectives.

Educate CPS representative(s) on mutual fund, fixed and variable annuity products.

Provide quarterly reports outlining the performance for each vendor in the Board of Education's existing 403(b) plan.

Meet with CPS designated representatives quarterly to help explain and interpret performance results.

Assist CPS designated representatives in working with vendor relationships and responding to inquiries.

Provide a newsletter three times a year for the employee participants.

Prepare a two page article addressing performance on each investment option and performance on benchmarks (style specific index return and peer group median return).

Assist CPS representative(s) with the RFP process; write and edit documents, prepare summary materials on finalists for oral presentations, evaluate oral presentations, and participate in and support pre-submittal meeting(s).

Provide recommendations on investment related issues, including but not limited to, providing recommendations as to the selection of investments funds.

**DELIVERABLES:**

R.V. Kuhns will continue to provide financial analysis of the retirement savings plans, prepare and update program documents in accordance with the IRS regulations, audit participant data annually for compliance with IRS regulations and review vendor contracts and program-related documents for compliance with program provisions and IRS regulations, provide recommendations on how to enhance the 403(b) plan and make recommendations on investment related issues, including but not limited to recommendations as to the selection of investment funds.

**OUTCOMES:**

R.V. Kuhns' services shall result in continual retirement savings for participating Chicago Public School employees.

**COMPENSATION:**

Consultant shall be paid during this extension period as follows: as monthly invoices are submitted and verified in accordance with the prices set forth in the written extension agreement; total not to exceed \$60,000.00. Payment during the one year extension period will not exceed a pro-rata amount calculated as follows: a rate of \$5,000 per month during the period October 2010 to September 2011.

**AUTHORIZATION:**

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

**AFFIRMATIVE ACTION:**

The M/WBE goals for this contract are: 35% total MBE and 5% total WBE participation. However, the Waiver Review Committee recommends that a full waiver of the M/WBE participation goals for this contract as required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts be granted because the vendor has demonstrated reasonable good faith efforts in achieving participation and the scope of the contract is not further divisible.

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Charge to the Department of Human Capital: \$60,000.00

Fiscal year 2010-2011

Source of Funds: General

Encumbered P.O. # 1886345

Budget Classification:

11010-115-54125-231602-000000-2011

\$60,000.00

**CFDA# :** Not Applicable

**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.

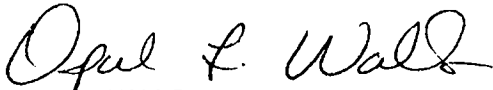
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



DIANA S. FERGUSON  
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS  
General Counsel