

**APPROVE EXERCISING THE FINAL OPTION TO RENEW THE AGREEMENT WITH ARAG
INSURANCE COMPANY TO PROVIDE ACCESS TO LEGAL SERVICES NETWORK FOR CHICAGO
PUBLIC SCHOOLS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the final option to renew the agreement with ARAG Insurance Company to provide access to a legal services network for Chicago Public School employees under its Employee Benefits Program at no cost to the Board. A written document exercising this option is currently being negotiated. No payment shall be made to Consultant during the option 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 option is stated below.

Specification Number : 06-250040
Contract Administrator : Pamela Seanior / 773-553-2254

VENDOR:

- 1) Vendor # 10618
ARAG INSURANCE COMPANY
400 LOCUST., STE 480
DES MOINES, IA 50309
Laura Lanagin
515-246-1200

USER:

Office of Human Capital
125 S Clark St - 2nd Floor
Chicago, IL 60603

Contact : Dale Moyer
Phone: 773-553-2818

ORIGINAL AGREEMENT:

The original agreement (authorized by Board Report 06-1115-PR21) at no cost to the Board was for a term commencing January 1, 2007 and ending December 31, 2009, with the Board having two options to renew for periods of one year each. The agreement was renewed for a term commencing January 1, 2010 and ending December 31, 2010 (authorized by Board Report 09-0826-PR25). 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 renewed for one year commencing January 1, 2011 and ending December 31, 2011.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

ARAG shall continue to provide a comprehensive, fully-paid group legal services network, which shall provide a baseline of services to participating Chicago Public School employees including a legal hotline; documentation preparation such as wills and codicils; real estate matters; family matters; including parental coverage; attorney office work; divorces; adoptions; estate administration and estate closings; defense of traffic charges; defense of civil damages; small claims assistance; identity theft case

management; identity theft case prevention kit and identity theft action kit; telephone legal services and online access to information and resources; reduced fee services; and a fee schedule for attorneys outside the network.

DELIVERABLES:

ARAG shall continue to staff various Board work locations with company representatives to meet with employees as needed; make telephone service available for enrollees 24 hours per day, 7 days per week; perform administrative functions necessary to ensure appropriate financial controls; maintain eligibility files in an accurate and timely manner; provide training materials and on-site training sessions for the implementation of the program; develop, produce and distribute employee communication materials and provide management information reports.

OUTCOMES:

ARAG's Legal Service Network will result in an efficient cost effective benefit for Chicago Public School Employees.

COMPENSATION:

This is a 100% employee-pay group services plan, with no cost to the Board of Education.

AUTHORIZATION:

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

AFFIRMATIVE ACTION:

Pursuant to Section 6.2 of the Remedial Program for Minority and Women Business Enterprise Participation in Goods and Services Contracts (M/WBE Plan), this contract is in full compliance; the industry category goals method for M/WBE participation will be utilized and reported on a quarterly basis. The M/WBE participation goals for this contract include: 35% MBE and 5% WBE.

Total MBE 35%

Rivera & Associates
6160 N. Cicero Ave., Suite 305
Chicago, IL 60646

Jean Roche
10735 S. Cicero
Oak Lawn, IL 60453

Frank Ochal
Law Offices of Frank Ochal
5433 N. Ashland Ave.
Chicago, IL 60640

Total WBE 5%

Crystal Bush
Law Office of Crystal R. Bush
400 N. McClurg, Suite 2215
Chicago, IL 60611

Lynette Lewis
3502 W. 95th
Evergreen Park, IL 60805

Kristal Rivers
1507 E. 53rd Street #804
Chicago, IL 60617

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

There is no cost to the Board.

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.

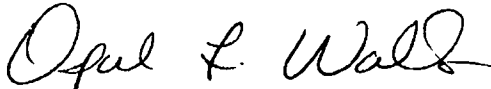
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



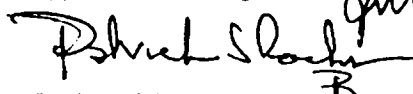
RON HUBERMAN
Chief Executive Officer

Within Appropriation:



DIANA S. FERGUSON
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel