

**APPROVE AGREEMENT WITH AON HEWITT
FOR CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve an agreement with Aon Hewitt to provide actuarial services to the Department of Finance at a total cost not to exceed \$300,000.00 over the term of the agreement. Consultant was selected on a competitive basis pursuant to an RFP issued by the City of Chicago (City). Subsequently, the City and Aon Hewitt entered into a Master Consulting Agreement. The Board desires to purchase these services based upon that Master Consulting Agreement pursuant to Board Rule 7-2.4, under which the Board is authorized to purchase non-biddable services from vendors who have contracted with other governmental entities. No services shall be provided by Consultant and no payment shall be made to Consultant prior to 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 Report. Information pertinent to this agreement is stated below.

Specification Number: 42504A (City of Chicago RFP)
18132-27-TSK-00001 (City of Chicago Task Order)
Contract Administrator/Phone: Opal L. Walls / 3-2648

CONSULTANT: Aon Hewitt
200 East Randolph, Suite 900
Chicago, Illinois 60601
Barbara Rosen, Vice President
Vendor #97631

USER: Department of Finance
125 South Clark Street, 14th Floor
Dion Smith, Manager of Financial Policy

TERM: The term of this agreement shall commence on January 26, 2012 and shall end on June 30, 2014.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES: Consultant will: (1) analyze and model the fiscal impact on the Board and the Chicago Teachers Pension Fund of pension reform legislation being considered by the Illinois General Assembly; (2) analyze and model alternative pension reform proposals and assist Board staff in the development of such proposals; and (3) provide support for education and outreach to stakeholders that will accompany (1) and (2) above.

DELIVERABLES: Consultant will: (1) perform actuarial analysis of pension reform legislation and proposed reform legislation; (2) assist Board staff in developing alternative pension reform proposals and scenarios; and (3) assist in meetings with Board staff and stakeholders as well as participate in public meetings as requested.

OUTCOMES: Consultant's actuarial analyses will assist Board staff in exploring options to address long term pension liabilities.

COMPENSATION: Consultant shall be paid as follows: hourly rates between \$115.00 and \$418.50; total not to exceed the sum of \$300,000.00, over the term of the agreement.

REIMBURSABLE EXPENSES: None

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 this agreement.

AFFIRMATIVE ACTION: The M/WBE goals for this agreement include: 25% total MBE and 5% total WBE participation. However, the Office of Business Diversity recommends a partial waiver of the WBE goal required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, be granted due to the scope of services being not further divisible.

The Vendor has identified the following participation

Total MBE – 25%

Pugh, Jones & Johnson, P.C.
180 North LaSalle Street, Suite 3400
Chicago, IL 60601
Attn: Stephen Pugh

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

FINANCIAL: Charge to Finance: \$300,000*

12310 115 54125 252503 000000 2012 \$50,000
12310 115 54125 252503 000000 2013 \$250,000

*Dollar amount subject to change in subsequent in fiscal year(s).

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.

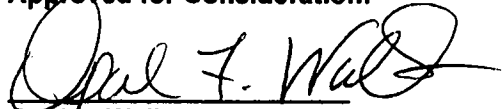
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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 May 25, 2011 (11-0525-PO2), 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:



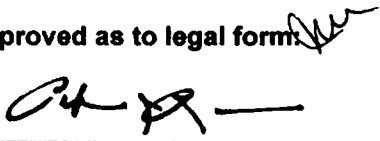
Jean-Claude Brizard
Chief Executive Officer

Within Appropriation:



David G. Watkins
Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel