

May 27, 2015

**AUTHORIZE THE SECOND RENEWAL WITH AON CONSULTING, INC FOR ACTUARIAL SERVICES**

**THE CHIEF ADMINISTRATIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Authorize the second renewal agreement with Aon to provide actuarial services to the Department of Finance at an estimated annual cost as set forth in the Compensation section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to Consultant during the option period prior to 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.

Contract Administrator : Wilkerson, Ms. Iman / 773-553-2280

**VENDOR:**

- 1) Vendor # 97631  
AON CONSULTING, INC  
200 EAST RANDOLPH  
CHICAGO, IL 60601  
Barbara Rosen, Vice President  
312 381-4184

Ownership: Publicly Held

**USER INFORMATION :**

Contact:

12310 - Chief Financial Officer  
42 West Madison Street  
Chicago, IL 60602  
Ostro, Ms. Ginger  
773-553-2700

**ORIGINAL AGREEMENT:**

The original Agreement (authorized by Board Report 12-0125-PR8 as amended by 13-0724-PR12) in the amount of \$475,000 was for a term commencing January 26, 2012 and ending June 30, 2014. The agreement was amended to include three one-year options to renew and to exercise the first renewal (authorized by Board Report 14-0625-PR25) in the amount of \$125,000 for a term commencing July 1, 2014 and ending June 30, 2015. The original agreement with the City of Chicago was awarded on a competitive basis pursuant to an RFP issued by the City (Specification Number 42504A, Task Order 18132-27-TSK-00001).

**OPTION PERIOD:**

The agreement is being renewed for a period commencing July 1, 2015 and ending June 30, 2016.

**OPTION PERIODS REMAINING:**

There is one option for a one year period remaining.

**SCOPE OF SERVICES:**

Consultant will continue to: (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 continue to: (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:**

During this option period Consultant shall be paid as follows: hourly rates between \$115.00 and \$418.50; total not to exceed the sum of \$125,000.

**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 Chief Financial Officer to execute all ancillary documents required to administer or effectuate this option 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:**

Fund 115  
Department of Finance, 12310  
\$125,000, FY16

Future year funding is contingent upon budget appropriation and approval.

**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 May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

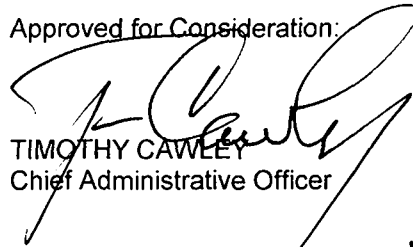
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



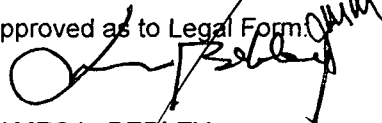
SÉBASTIEN de LONGEAUX  
Chief Procurement Officer

Approved for Consideration:



TIMOTHY CAWLEY  
Chief Administrative Officer

Approved as to Legal Form:



JAMES L. BEBLEY  
General Counsel