APPROVE ENTERING INTO AN AGREEMENT WITH TRIAS CAPITAL MANAGEMENT, INC. FOR CONSULTING SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Trias Capital Management, Inc. to provide consulting services to the Bureau of Treasury at a cost not to exceed $240,000.00. Trias Capital Management, Inc. ("Trias") was selected on a non-competitive basis due to its unique understanding of public funds management and the Board's policies and cash flows and its ability to tailor its services to meet the Board's specific needs. Trias has provided investment advisory services to the Board since October 1997. A written agreement for Trias' services is currently being negotiated. No payment shall be made to Trias prior to the 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.

CONSULTANT: Trias Capital Management, Inc.
140 S. Dearborn, Suite 1620
Chicago, Illinois 60603
James A. Casselberry, President and CEO
312/223-9400
Vendor #24920

USER: Office of School Financial Services
Bureau of Treasury
125 S. Clark St., 13th Floor
David Bryant
773/553-2806

TERM: The term of this agreement shall commence on May 1, 2002 and shall end April 30, 2003.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate this agreement immediately at any time for any or no reason whatsoever.

SCOPE OF SERVICES: Trias will provide investment tracking and reporting services and investment advisory services related to the Board's operating portfolio, and other funds such as bond funds that the Board manages internally. Trias will also provide the Bureau of Treasury with investment tracking, reporting, and analyzing support and other related services as requested by the Chief Fiscal Officer or his designee.

DELIVERABLES: Trias will provide written reports and written analysis as requested by the Bureau of Treasury to support decision making regarding various financing alternatives.

OUTCOMES: Consultant's services shall result in the implementation of a portfolio management strategy, the generation of daily and monthly reports, and the establishment of other financing and investment initiatives as requested by the Chief Fiscal Officer.

COMPENSATION: For services rendered under the agreement total compensation to the consultant will not exceed $240,000.00 for the twelve-month term, with a specific fee schedule to be as specified in the written 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 Fiscal Officer to negotiate the specific fee schedule and to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: Pursuant to Section 6.2 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the Per Contract and Category Goals method for M/WBE participation will be utilized.

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

FINANCIAL:	Charge to Bureau of Treasury:	$80,000.00		Fiscal Year: FY02
				Source of Funds:
	Budget Classification:	0230-210-000-1135-5410	$80,000.00	Operating Fund
	Charge to Bureau of Treasury:	$160,000.00		Fiscal Year: FY03
				Source of Funds:
	Budget Classification:	0230-210-000-1135-5410	$160,000.00	Operating Fund

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 July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), 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:

Anita Rocha
Acting Chief Purchasing Officer

Approved:

Arne Duncan
Arne Duncan by PAB
Chief Executive Officer

Within Appropriation:

Kenneth C. Gotsch
Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:

Marilyn F. Johnson /rh
Marilyn F. Johnson
General Counsel