

**APPROVE ENTERING INTO AN INTERGOVERNMENTAL AGREEMENT WITH CHICAGO TRANSIT  
AUTHORITY RELATING TO THE CTA STUDENT SMART CARD PROGRAM**

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

Approve entering into an Intergovernmental Agreement with the Chicago Transit Authority to provide each high school student with a CTA "smart card" permit at a cost not to exceed \$500,000 for FY09. The Smart Card is usable on CTA buses and trains, stores monetary value, and allows a student to ride the CTA at a reduced fare. This permit would be combined with the student identification card now issued to all high school students and include the student's name and photograph. A written agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this agreement is stated below.

**AGENCY:** Chicago Transit Authority  
901 West Division Street  
Aquanette Thompson  
(312) 932-2917  
Vendor # 11976

**USER:** Bureau of Student Transportation Services  
125 S. Clark Street 16<sup>th</sup> Floor  
Chester Tindall  
(773) 553-2881

**PROJECT DESCRIPTION:** This is the normal student I.D. issued at high schools that will now also be usable on CTA buses and trains. It stores monetary value, allowing a student to ride the CTA at a reduced fare. This program will reduce the amount of time and money needed by high schools to print I.D.s, issue temporary I.D.s, and generally manage lost I.D.s.

**TERM:** The term of this agreement shall commence on September 1, 2008 and shall end August 30, 2013. This agreement shall have 2 options to renew for periods of 1 year each.

**RESPONSIBILITIES OF PARTIES:** CTA agrees to provide CPS with CTA Smart Cards for distribution to each full time student enrolled in a participating CPS high school:

- a. Beginning with the fall 2008 school year, on a schedule to be determined between the parties, the CTA shall supply CPS with CTA Smart Cards, each encoded with a unique CTA serial number and either Zero Dollars (\$0) of stored value on the stored-value type card or Thirty Dollars (\$30) of value on the pass type card ("Pass"). The Pass is intended for use by eligible students who receive subsidized transportation from CPS. The total number of cards to be provided shall be dependant on the total number of schools selected to participate in the CTA Smart Card program under this Agreement.
- b. As part of each card distribution, CTA shall provide CPS with a reasonable number of CTA Smart Cards for CPS to use to replace cards that are lost, stolen or damaged.
- c. The Student Smart Cards may bear CTA's logo.
- d. Subject to proper notice by the CPS, as further explained below, for lost, stolen or broken CTA Smart Cards, the CTA shall transfer the balance of the value remaining on the lost, stolen or broken CTA Smart Card to a replacement card within five (5) business days after receiving such notice. CTA shall transfer that balance to a replacement card in CPS's inventory.

**CPS/Board Responsibilities:**

- a. CPS shall pay CTA Five Dollars (\$5.00) for each CTA Smart Card that CTA provides to CPS under this Agreement. CPS shall pay CTA for the cards within thirty (30) business days after CPS receives the cards.

- b. On the face of each CTA Smart Card that CPS issues to an eligible student, the CPS shall print, or cause to be printed, the name, photograph and identification number of the eligible student. This printing cost shall be borne by the CPS.
- c. On the back of each CTA Smart Card that CPS issues to an eligible student, the CPS shall have the option, but not the obligation, to communicate other important student information such as class schedule.
- d. CPS is responsible for distribution of all CTA Smart Cards to eligible students only. If a student who receives a CTA Smart Card from CPS becomes ineligible, CPS shall notify CTA of the serial number of the student's card within five (5) business days. CTA shall deactivate that card within five (5) business days of the effective date of notice.
- e. CPS must keep all CTA Smart Cards in its possession, or in the possession of its contractor(s), secure and safe from theft or loss. If an eligible student's CTA Smart Card is lost, stolen or broken, CPS shall notify CTA of the event no later than five (5) business days after CPS receives notice of the event. Such notice shall be in writing and signed by an authorized representative of CPS. The notice shall state the serial number of the lost, stolen or broken card and the action requested. CPS shall pay CTA Five Dollars (\$5.00) for each such occurrence. CPS shall also notify CTA of the serial number of the replacement CTA Smart Card to which any balance should be transferred.

**CONTRIBUTION:** CPS cost shall not exceed \$500,000 for FY2009.

**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 Operating Officer to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:** Exempt

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

**FINANCIAL:** Charge to Bureau of Student Transportation Services: \$500,000 Fiscal Year: 2009  
Budget Classification: 11940-115-54215-255052-65; 11940-115-54215-255006-376712; and 11940-115-54215-255004-376712  
Source of Funds: Options for Knowledge and Special Education

**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.

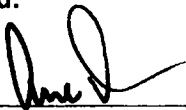
Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:**

  
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**Heather A. Obora**  
**Chief Purchasing Officer**

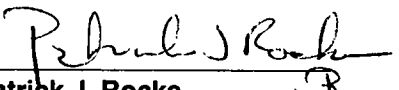
**Approved:**

  
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**Arne Duncan**  
**Chief Executive Officer**

**Within Appropriation:**

  
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**Pedro Martinez**  
**Chief Financial Officer**

**Approved as to legal form:** 

  
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**Patrick J. Rocks**  
**General Counsel**