

October 22, 2003

APPROVE THE RENEWAL OF THE EXISTING THREE-WAY AGREEMENT WITH RFS-IRSI AND TRUSTMARK INSURANCE COMPANY TO PROVIDE SCHOOL-SITE SERVICES TO EXISTING TRUSTMARK UNIVERSAL LIFE INSURANCE POLICYHOLDERS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the renewal of the existing three way agreement with RFS-IRSI J. V. and Trustmark Insurance Company to provide school-site services to CPS employees and dependents that are existing Trustmark Universal Life Insurance policyholders. This is a voluntary group universal life insurance program which has no direct cost to the Board. Trustmark Insurance Company was selected on a non-competitive basis because they are merely continuing to service only those Trustmark policies which are currently in effect for the convenience of the current policyholders. RFS-IRSI J.V was selected pursuant to a Request for Proposals issued in 1992 and has been providing these services since 1992. A written renewal agreement for these services is currently being negotiated. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this renewal agreement is stated below.

SPECIFICATION NO.: 02-250213

<p>PARTIES: RFS-IRSI J.V. 737 North Michigan Avenue – Suite 1300 Chicago, Illinois 60611 (312) 654-8200 Contact Person: Jamie Rojkind, Partner Vendor # 24988</p>	<p>Trustmark Insurance Company 400 Field Drive Lake Forest, Illinois 60045 Contact Person: Chris Martin, Vice President (847) 615-1300</p>
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USER: Bureau of Risk and Benefits Management
125 South Clark Street-14th Floor
Georgette Hampton, Director
[773] 553-2818

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 02-1120-PR12) is for a 12 month term, commencing January 1, 2003 and ending December 31, 2003 with the Board having no options to renew.

RENEWAL TERM: The term of this agreement shall be extended for a term commencing January 1, 2004 and ending June 30, 2004. This six month term is needed to complete a Request for Proposal for the Boards Self-Insurance Medical Program to accommodate the re-design of the Program.

SCOPE OF SERVICES: RFS-IRSI J.V. and Trustmark Life Insurance shall continue to provide school-site services to existing policyholders only. Such services include explanation of policy provisions, terms and costs and assistance in processing claims and other related services. Existing policyholders will be allowed to increase premium amounts and add new dependents. No new policies or products can be offered by Trustmark.

DELIVERABLES: Trustmark will provide a fully insured cash value universal life product to current CPS contractholders

OUTCOMES: Trustmark will provide an on-going grandfathered life insurance program, including annuity option for universal life insurance product

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize the Director of Risk and Benefits Management to execute all ancillary documents required to administer or effectuate this agreement.

COMPENSATION: The Board shall be paid a per contract fee to cover its administrative expenses. RFS-IRSI J.V. will remit to the Board on an annual basis \$7.50 per active policyholder.

AFFIRMATIVE ACTION: Pursuant to section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), this contract is exempt from review because it's for a unique transaction. There will be no payment of Chicago Public Schools funds to the vendor for its services.

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

FINANCIAL: No cost to the Board of 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.

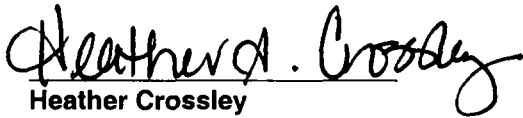
Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

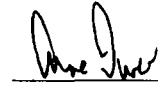
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:

Approved:


Heather Crossley
Chief Purchasing Officer


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form:


Ruth Moscovitch
General Counsel