

**APPROVE ENTERING INTO AN AGREEMENT WITH SEAWAY NATIONAL BANK  
FOR BANKING SERVICES**

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

Approve entering into an agreement with Seaway National Bank ("Seaway") for banking services provided to the Office of School Financial Services, Bureau of Treasury at a cost not to exceed \$155,000.00 a year. Vendor was selected on a competitive basis pursuant to a duly advertised Request for Proposal (Specification #04-250002). Vendor has been providing these services to the Board for more than thirteen (13) years. A written agreement for Vendor's services is currently being negotiated. No payment shall be made to Vendor 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. Information pertinent to this agreement is stated below.

**Specification No.: 04-250002**

**Contract Administrator: Nanzi Flores 553-2273**

**VENDOR:** Seaway National Bank  
645 East 87<sup>th</sup> St.  
Chicago, IL 60619  
Richard S. Abrams  
(773) 602-4108  
Vendor Number: 31372

**USER:** Office of School Financial Services, Bureau of Treasury  
125 South Clark, 13<sup>th</sup> Floor  
Chicago, IL 60603  
David Bryant

**TERM:** The term of this agreement shall commence on August 1, 2004 and shall end July 31, 2007. This agreement shall have one option to renew for a period of 24 months. Vendor shall have the right to reject the renewal period of 24 months by notifying the Board in writing no later than January 31, 2007.

**EARLY TERMINATION RIGHTS:** The Board shall have the right to terminate this Agreement upon thirty (30) calendar days written notice to Vendor.

**SCOPE OF SERVICES:** Vendor will provide (i) coin and currency deposit processing including coin and currency counting and sorting, reconciliation and reporting for deposits collected for elementary school lunchrooms and (ii) related banking services as determined by the Chief Financial Officer. Coin and currency refers primarily to coin and currency but may include a small number of checks and money orders.

**DELIVERABLES:** Vendor will provide, bank statements, reconciliation reports, return items, electronic information, electronic access to information, and other written and electronic reports as requested, all as detailed in the written agreement.

**OUTCOMES:** Vendor's services shall result in timely posting, accurate accounting, cost efficient processing, and reconciliation of elementary school lunchroom collections.

**COMPENSATION:** Vendor shall be paid according to the specific rates identified in the written agreement, not to exceed the sum of \$155,000.00 per year during the original term. The specific rates during any renewal period will be determined by mutual agreement of the parties.

**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 engage Vendor to provide related banking services hereunder provided the maximum compensation amount is not increased.

**AFFIRMATIVE ACTION:** The M/WBE goals for this contract include: 35% total MBE, 22 % total African American, 10% total Hispanic and 2% Asian and 55% total WBE

However, the Waiver Review Committee recommends that a partial waiver of the M/WBE Participation goals for this contract as required by the Revised Remedial Plan be granted because the contract scope is not further divisible.

The vendor, however, identified and scheduled the following firms and percentages

**Total MBE 95%**

**Total African American 88.56%**

Seaway National Bank \$155,000. 88.56%  
645 East 87 Street  
Chicago, Illinois 60637

**Total Hispanic 6.44%**

Aztec Supply Corp \$9,982 6.44%  
1929 West 43<sup>rd</sup>. St.  
Chicago, Ill 60609

**Total WBE 5%**

Arrow Messenger Service \$7,750 5%  
1322 West WALTON  
Chicago, Ill. 60622

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

**FINANCIAL:**

Charge to:	Bureau of Treasury \$155,000.00	Fiscal Year: 05
	Budget Classification: 0230-210-000-1135-5410	Source of Funds: Operating Fund
Charge to:	Bureau of Treasury \$155,000.00	Fiscal Year: 06
	Budget Classification: 0230-210-000-1135-5410	Source of Funds: Operating Fund
Charge to:	Bureau of Treasury \$155,000.00	Fiscal Year: 07
	Budget Classification: 0230-210-000-1135-5410	Source of Funds: 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.

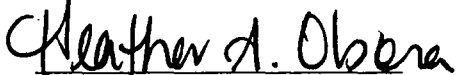
*Conflicts* – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their 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.

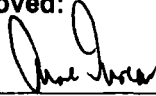
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

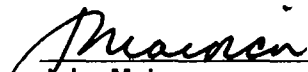
Approved for Consideration:

  
Heather A. Obora  
Chief Purchasing Officer

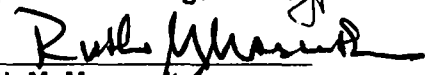
Approved:

  
Arne Duncan  
Chief Executive Officer

Within Appropriation:

  
John Maiorca  
Chief Financial Officer

Approved as to legal form: 

  
Ruth M. Moscovitch  
General Counsel 