

**APPROVE EXERCISING THE OPTION TO RENEW THE AGREEMENTS WITH VARIOUS COMPANIES  
FOR DEFINED CONTRIBUTION RETIREMENT SERVICES**

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

Approve exercising the option to renew the agreements with the various companies identified below to provide defined contribution retirement services to Chicago Public School employees, at no cost to the Board. Vendors will continue to provide investment management, administration and recordkeeping for group fixed annuities, variable annuities and institutional mutual funds. Written documents exercising this option are currently being negotiated. The authority granted herein as to each vendor shall automatically rescind in the event a written document for such vendor is not executed within 120 days of the date of this Board Report. Information pertinent to this option is stated below:

**SPECIFICATION NO.:** 01-0250230

**VENDORS:**

- |  |   |
|--|---|
| <p><b>1. Hartford Life Insurance Company</b><br/>Eric H. Wietsma, Vice President<br/>200 Hopmeadow Street<br/>Simsbury, CT. 06089<br/>(800) 528-9009<br/><b>Products-Services:</b><br/><b>Fixed/Variable Annuities</b></p>                                 | <p><b>2. ING Life Insurance and Annuity Company (f/k/a)<br/>Aetna Life Insurance and Annuity Company</b><br/>Allan Baker, Senior Vice President<br/>151 Farmington Ave.<br/>Hartford, CT 06156<br/>(860) 860-273-0123<br/><b>Products-Services:</b><br/><b>Fixed/Variable Annuities</b></p> |
| <p><b>3. Horace Mann</b><br/>Peter Titone, Vice President<br/>Horace Mann Plaza<br/>Springfield, IL 62715<br/>(217) 788-5102<br/><b>Products-Services:</b><br/><b>Fixed/Variable Annuities</b></p>   | <p><b>4. Variable Annuity Life Insurance Company (VALIC)</b><br/>Mike Gifford, Vice President<br/>Institutional Marketing<br/>2919 Allen Pkwy, L13-10<br/>Houston, TX 77019<br/>(713) 831-8547<br/><b>Products-Services:</b><br/><b>Fixed/Variable Annuities</b></p>                        |
| <p><b>5. CitiStreet Retirement Services Division</b><br/>Michael L. St. Clair, President<br/>Educators Retirement Services<br/>Two Tower Center<br/>East Brunswick, NJ 08816<br/>(732)- 514-2005<br/><b>Products-Services:</b><br/><b>Mutual Funds</b></p> | <p><b>6. MetLife Resources</b><br/>Betty Davis, Vice-President Administration<br/>1125 17<sup>th</sup> Street<br/>Denver, CO<br/>(303) 672-3528<br/><b>Products-Services:</b><br/><b>Mutual Funds</b></p>   |
| <p><b>7. Prudential Retirement Services</b><br/>August A. Urgola, Vice President<br/>Three Gateway Center, 12<sup>th</sup> Floor<br/>Newark, N.J. 07102-4077<br/>(973) 367-1213<br/><b>Product Services:</b><br/><b>Mutual Funds</b></p>                   | <p><b>USER:</b><br/><b>Bureau of Benefits Management</b><br/>125 South Clark Street-14<sup>th</sup> Floor<br/>Georgette Hampton, Director<br/>(773) 553-2818</p>  |

**ORIGINAL AGREEMENTS:** The original agreements (authorized by Board Report 02-0123-PR31) are for a term commencing April 1, 2002 and ending April 1, 2005, with the Board having one option to renew for an additional period of twenty four (24) months. The original agreements were awarded on a competitive basis pursuant to a duly advertised Request For Proposal (Specification# 01-0250230).

**TERM:** The term of each agreement shall be renewed for the period commencing April 1, 2005 and ending April 1, 2007. The term for the agreement with Prudential Retirement Services shall be for a six-month period commencing April 1, 2005 and ending October 1, 2005.

**OPTION PERIODS REMAINING:** There are no option periods remaining.

**SCOPE OF SERVICES:** Vendors shall continue to provide comprehensive defined contribution retirement services which includes:

- Management of investment options (either proprietary, non-proprietary or a combination)
- Participant Communication
- Administration/Recordkeeping
- Participant Services
- Participant Education

Vendors shall only provide those products and services within the product line for which they were originally selected.

**DELIVERABLES:** Vendors shall continue to provide periodic reports related to program activities, including enrollment, vendor performance, investment performance and participant services. Vendors shall continue to develop communication materials, conduct education seminars and provide training materials for Board staff.

**OUTCOMES:** Vendors services shall continue to result in a program that provides quality investment products and services, with cost effective fees that enhances the Board of Education's defined contribution retirement program.

**COMPENSATION:** Vendors shall be paid through voluntary deductions from participating Board employees, with no cost to the Board. Costs and fee structures offered to participating Board employees shall be guaranteed for the 24 month renewal term and, for participants with Prudential Retirement Services, shall be guaranteed for the six-month renewal term.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written option documents. Authorize the President and Secretary to execute the option documents. Authorize the Director of Benefits Management to execute all ancillary documents required to administer or effectuate these option agreements.

**AFFIRMATIVE ACTION:** Pursuant to section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), these contracts are exempt from review because they are for unique transactions.

**LSC REVIEW:** Not applicable.

**FINANCIAL:** Providers shall be paid through voluntary deductions from participating Board employees, with no cost to the Board.

**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.

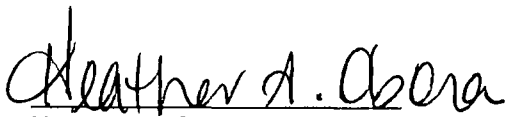
**Indebtedness** – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

**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.

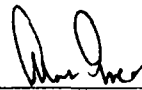
**Contingent Liability** – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**

**Approved:**



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



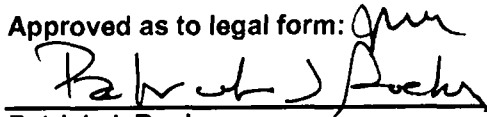
**Arne Duncan**  
**Chief Executive Officer**

**Within Appropriation:**

**John Maiorca**  
**Chief Financial Officer**



**Approved as to legal form:**



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

