

September 28, 2005

**RATIFY AGREEMENT WITH HARRIS TRUST AND SAVINGS BANK
FOR PROCUREMENT CARD PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify entering into an agreement with Harris Trust and Savings Bank to implement a procurement card program for the Department of Procurement and Contracts at no cost to the Board. Bank was selected on a competitive basis pursuant to Board Rule 5-4.1. Bank has provided the Board with a procurement card program since 1998 as part of a pilot program. A written agreement for Bank's services is currently being negotiated. No fees for services shall be paid to the Bank. The authority granted herein shall automatically rescind in the event a written agreement is not executed with 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification # 04-250190

BANK: Harris Trust and Savings Bank
115 South LaSalle Street
Chicago, IL 60603
Craig MacNaughton
312-845-2026
Vendor # 90001

USER: Department of Procurement & Contracts
125 South Clark Street
Chicago, IL 60603
Heather A. Obora
773-553-2750

TERM: The term of this agreement shall commence on August 15, 2005 and shall end 24 months thereafter. This agreement shall have 3 options to renew for periods of 1 year each.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES: Bank will provide the Chicago Public Schools with the ability to process purchase orders for office supplies, textbooks, computer equipment, subscriptions, and postage via the iProcurement application.

DELIVERABLES: Bank's services will include the following:

- Issuance of procurement cards for Schools and Central Office departments participating in the program
- Provision of a vendor program orientating interested vendors about the mechanics of the program and enlisting vendors who decide to participate
- Maintenance of a vendor database, the tracking of those participating vendors total amount of sales to the Board and assuring adherence with M/WBE guidelines of sales to the Board in excess of \$10,000 and any other information pertinent to the vendor/customer relationship
- The provision for technological services that would enable Harris Trust and Savings Bank to examine the credit limit of participating schools and departments before approving transactions
- The exchange daily with the Board of the electronic records of transactions made the previous day by Chicago Public Schools
- Acceptance of information daily from the Board regarding posted funds made to participating schools' and departments
- Procurement card accounts
- Provide a paper and electronic copy of the billing statement

OUTCOMES: Bank's services will result in a streamlined and more efficient payment process for our Suppliers.

COMPENSATION: None

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 Chief Purchasing Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: Pursuant to section 3.7 of the revised remedial plan for Minority and Women Business Enterprise participation, this contract is exempt from review because the nature of this service is a unique transaction.

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

FINANCIAL: Charge to: N/A
Budget Classification: N/A
Requisition Number: N/A

Fiscal Year: 2006
Source of Funds: N/A

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.

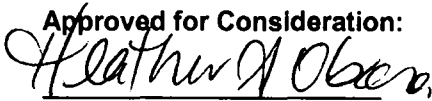
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

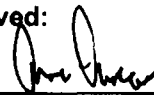
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:




Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form: 


Patrick J. Rocks
General Counsel