

**AUTHORIZE PLACEMENT OF THE BOARD'S ENVIRONMENTAL INSURANCE THROUGH  
MESIROW INSURANCE SERVICES, INC.**

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

Authorize Mesirow Insurance Services, Inc. (Mesirow), the Board's Excess Liability Insurance Broker, to place the Board's Environmental Liability Insurance policies with the insurance carrier listed below. The proceeding coverage shall not exceed a cost to the Board of \$750,000 in premiums. This placement will be arranged through Mesirow, who was selected pursuant to a duly advertised Request for Qualifications (Specification No. 02-250198). The insurance policy constitutes the contract between the Board and its carrier and no further written documentation is required. Information pertinent to this matter is stated below:

**INSURANCE CARRIER:**

American International Specialty Lines Insurance Company (AIG)  
70 West Pine Street  
New York, NY 10270

**BROKER:**

Mesirow Insurance Services, Inc.  
321 North Clark  
Chicago, Illinois 60601  
Contact Person: Norman Malter  
(312) 595-6000  
Vendor#: 84715

**USER:**

School Financial Services  
125 South Clark Street-14<sup>th</sup> Floor  
John Maiorca, Chief Financial Officer  
(773) 553-2700  
Eileen Ryan, Assistant Risk Manager  
(773) 553-2828

**TERM:** The terms of the Environmental policies shall commence on October 31, 2005 and shall end October 31, 2010.

**DESCRIPTION OF POLICY:**

The coverage is provided on a claims made basis subject to the following limits and retention.

Coverage	Description	Limits	Retention	Not To Exceed
Environmental	Five-year Pollution Legal Liability for clean-up of existing or new conditions.	\$10,000,000	\$250,000	\$750,000

**AUTHORIZATION:** Authorize the Chief Financial Officer to execute all ancillary documents required to administer or effectuate the policies.

**PREMIUM:** Premiums will be paid to Mesirow Insurance Services, Inc. who will place the insurance and pay the insurance companies directly. Allowable premium is stated above and may be subject to change in the event of a change in rates, provided premiums do not exceed \$750,000.

**AFFIRMATIVE ACTION:**

Pursuant to Section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Participation this transaction is exempt from review due to the limited M/WBE capacity in the marketplace for direct or indirect participation.

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

**FINANCIAL:** Charge to Bureau of Risk Management: \$750,000 Fiscal Year: 2006  
Budget Classification: 0963-215-000-7066-5490

**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.

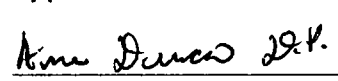
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:**

  
Heather A. Obora  
Chief Purchasing Officer

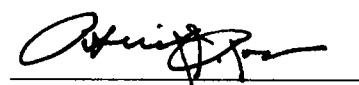
**Approved:**

  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

John Malorca  
Chief Financial Officer  


**Approved as to legal form:** 

  
Patrick J. Rocks  
General Counsel