

**APPROVE ENTERING INTO AN AGREEMENT WITH RBS LYNK INCORPORATED,
A WHOLLY OWNED SUBSIDIARY OF THE CITIZENS FINANCIAL GROUP,
FOR PAYROLL DEBIT CARD PROCESSING**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with RBS Lynk Incorporated, a wholly owned subsidiary of the Citizens Financial Group ("RBS Lynk"), to provide debit card processing services to School Financial Services for payroll distribution. The agreement authorization is up to, but not to exceed, \$350,000 for thirty-six months. The cost may be significantly less dependent on the number of employees paid through debit cards. RBS Lynk was selected on a competitive basis pursuant to a duly advertised Request for Proposals (Specification # 05-250037). RBS Lynk has not performed business with the Board previously. A written agreement is currently being negotiated. No services shall be provided by RBS Lynk and no payment shall be made to RBS Lynk 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 Report. Information pertinent to this agreement is stated below.

VENDOR:

RBS Lynk Incorporated
600 Morgan Falls Road
Atlanta, GA 30350
Contact: Torri Atkins, Senior Account Executive, 800-200-5965 ext 1374
Vendor Number: 41466

USER:

Department of Payroll Services
Office of School Financial Services
125 S. Clark, 14th Floor
Chicago, IL 60603
Contact: Raymond Sanders, Deputy Director of Payroll, 773-553-2669
John Maiorca, Chief Financial Officer, 773-553-2700

Office of Procurements and Contracts
125 S. Clark, 10th Floor
Chicago, IL 60603
Contact: Felicia Carwell, Contract Administrator, 773-553-2289

TERM: The term of the agreement shall commence on the date the agreement is signed and shall end three years thereafter. The Board shall have two options to renew the agreement for periods of one year each under the same terms and conditions.

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

SCOPE OF SERVICES:

- Migration of CPS employees and students who currently receive paper checks to a debit card method of payment.
- An employee and student education program will be implemented by RBS using CPS channels, support and pre-approval.

DELIVERABLES:

- Employee and student payments will be processed in a timely and efficient manner with satisfactory customer service.
- CPS employees will receive a payroll debit card in lieu of a paper paycheck with the following benefits:
 - One free ATM transaction will be given for every direct deposit

- o No employee monthly maintenance fees will be charged
- o Ability to use Charter One ATM network at no surcharge per transaction
- o Employees can get free access to 100% of their paycheck at Charter One branch offices
- o Free Point-of-Service access for all CPS employees
- o 24 hour customer service to CPS employees via phone or internet
- CPS employee and student education program will be implemented by RBS using CPS channels, support and pre-approval.

OUTCOMES: RBS Lynk's services will result in an increase in the number of CPS employees on an electronic payment method (i.e., being paid on a debit card versus paper check) to support the goal of paperless payroll with no paper paychecks nor pay advices in the future.

COMPENSATION: RBS Lynk shall be paid as follows: \$.65 per debit card load per employee or student.

REIMBURSABLE EXPENSES: RBS Lynk shall not be reimbursed for expenses.

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

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 35% total MBE & 5% total WBE. However, the Waiver Review Committee recommends that the full waiver request be granted for the M/WBE participation goals for this contract as required by the Revised Remedial Plan because the vendor has demonstrated proof of an internal Supplier Diversity Program.

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

FINANCIAL: Charge to Payroll: Based on \$.65/debit card load/employee/pay period
Fiscal Years: 2006 – not to exceed \$30,000
2007 – not to exceed \$150,000 and subject to appropriation
2008 – not to exceed \$120,000 and subject to appropriation
2009 – not to exceed \$50,000 and subject to appropriation
Budget Classification: 12410-115-54125-252401-00000
Source of Funds: General Operating Fund – 115

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.

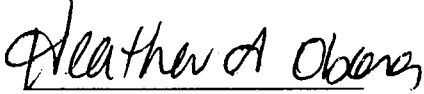
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

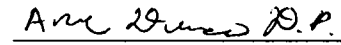
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:



Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form: 



Patrick J. Rocks
General Counsel