

**APPROVE THE RENEWAL OF THE EXISTING AGREEMENT WITH ARAG GROUP
TO PROVIDE ACCESS TO LEGAL SERVICES NETWORK FOR CHICAGO PUBLIC SCHOOL EMPLOYEES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the renewal of the existing agreement with ARAG Group to provide access to a legal services network for Chicago Public School employees under its Employee Benefits Program, at no cost to the Board. A written renewal agreement for these services is currently being negotiated. No payment shall be made to ARAG prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this renewal is stated below.

SPECIFICATION NO: 00-250554

VENDOR: ARAG Group
400 Locust Street Suite 480
Des Moines, IA 50309
David E. Bent, Account Manager
(800) 888-4184 ext. #269
Vendor No: 10618

USER: Department of Human Resources
Bureau of Benefits Management
125 South Clark Street, 14th Floor
Chicago Illinois 60603
Georgette Hampton, Director
(773) 553-2818

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report 00-1025-PR18) at no cost to the Board, is for a term commencing January 1, 2001 and ending December 31, 2003, with the Board having one option to renew the agreement for an additional 1-year term. The Agreement was renewed for an additional 12 month period (authorized by Board Report 03-0924-PR21) for a term commencing January 1, 2004 and ending December 31, 2004. The agreement was further renewed by mutual agreement of the parties for an additional 12 month period (Authorized by Board Report 04-0922-PR30) for a term commencing January 1, 2005 and ending December 31, 2005. The original agreement was awarded pursuant to a duly advertised Request for Proposals (Specification No. 00-0250554).

RENEWAL PERIOD: By mutual agreement of the parties, this agreement is being renewed for a term commencing January 1, 2006 and ending December 31, 2006.

SCOPE OF SERVICES: ARAG Group shall continue to provide a comprehensive, fully-paid group legal services network, which provides a baseline of services to participating Chicago Public School employees for a legal hotline; documentation preparation; wills and codicils; real estate matters; family matters; attorney office work; divorces; adoptions; estate administration and estate closings; defense of traffic charges; and a fee schedule for attorneys outside the network; and telephonic legal assistance and online access to information and resources.

DELIVERABLES: ARAG Group shall continue to staff various Board work locations with company representatives to meet with employees as needed; make telephone service available for enrollees 24 hours per day, 7 days per week; perform administrative functions necessary to ensure appropriate financial controls; maintain eligibility files in an accurate and timely manner; provide training materials and on-site training sessions for the implementation of the program; develop, produce and distribute employee communication materials and provide management information reports.

OUTCOMES: ARAG's Legal Service Network will continue to result in an efficient, cost effective benefit for Chicago Public School employees.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize the Chief Human Resources Officer to execute all ancillary documents required to administer or effectuate this agreement.

COMPENSATION: This is a 100% employee-pay group legal services plan, with no cost to the Board of Education.

AFFIRMATIVE ACTION: Pursuant to section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) this contract is exempt from review because this contract is a unique transaction.

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

FINANCIAL: There is 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.

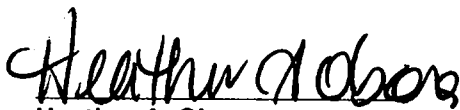
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

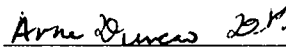
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



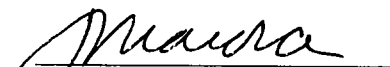
Heather A. Obora
Chief Purchasing Officer

Approved:



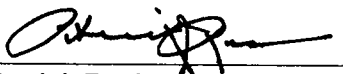
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form: 



Patrick Rocks
General Counsel