

**APPROVE EXERCISING THE OPTION TO RENEW THE AGREEMENT
WITH SEAWAY NATIONAL BANK FOR BANKING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the option to renew the agreement with Seaway National Bank for banking services at a cost not to exceed \$155,000.00 a year. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 120 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification No.: 04-250002

VENDOR :	Seaway National Bank 645 East 87 th St. Chicago, IL 60619 Richard S. Abrams (773) 602-4108 Vendor Number: 31372	USER:	Office of School Financial Services, Bureau of Treasury 125 South Clark, 13 th Floor Chicago, IL 60603 David Bryant
-----------------	-------------------------------------------------------------------------------------------------------------------------------------------	--------------	-----------------------------------------------------------------------------------------------------------------------------------------

ORIGINAL AGREEMENT: The original Bank Services Agreement (authorized by Board Report 04-0526-PR30) in the amount of \$155,000.00 per year, is for a term commencing August 1, 2004 and ending July 31, 2007, with the Board having the option to renew the agreement for one additional 24-month period. The original agreement was awarded on a competitive basis.

OPTION PERIOD: The term of this agreement is being renewed for twenty-four months commencing August 1, 2007 and ending July 31, 2009.

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: Seaway National Bank will provide (i) coin and currency deposit processing including coin and currency counting and sorting, reconciliation and reporting for deposits collected for elementary school lunchrooms and (ii) related banking services as determined by the Chief Financial Officer. Coin and currency refers primarily to coin and currency but may include a small number of checks and money orders.

DELIVERABLES: Seaway National Bank will provide bank statements, reconciliation reports, return items, electronic information, electronic access to information, and other written and electronic reports as requested, all as detailed in the written agreement.

OUTCOMES: Seaway National Bank's services shall result in timely posting, accurate accounting, cost efficient processing, and reconciliation of elementary school lunchroom collections.

COMPENSATION: Seaway National Bank shall be paid at the specific rates identified in the agreement during the option period, not to exceed the sum of \$155,000.00 per year.

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

AFFIRMATIVE ACTION: This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The M/WBE participation goals for this contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE.

The vendor has identified and scheduled the following firms and percentages:

Total MBE % = 95%

Seaway National Bank 645 E. 87 th St. Chicago, IL 60619	88.56%	AA	Certified until July 1, 2007
Aztec Supply Co. 5024 W. 67 th St. Chicago, IL 60638	6.44%	HH	Certified until February 1, 2008

Total WBE % = 5%

Arrow Messenger 1322 W. Walton Chicago, IL 60622	5%	WBE	Certified until September 1, 2007
--------------------------------------------------------	----	-----	-----------------------------------

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

FINANCIAL:	Charge to Bureau of Treasury: \$155,000.00	Fiscal Year: FY08
	Budget Classification: 0230-210-000-1135-5410	Source of Funds: Operating Funds
	Charge to Bureau of Treasury: \$155,000.00	Fiscal Year: FY09
	Budget Classification: 0230-210-000-1135-5410	Source of Funds: Operating Funds

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.

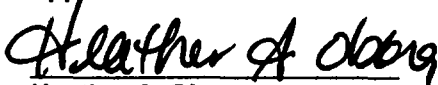
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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



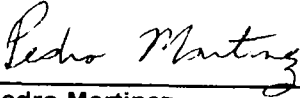
Heather A. Obora
Chief Purchasing Officer

Approved:



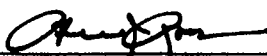
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to legal form



Patrick J. Rocks
General Counsel