

**AMEND BOARD REPORT 10-0728-PR2**  
**APPROVE ENTERING INTO AN AGREEMENT WITH CITIBANK, N.A. F/K/A CITIBANK (SOUTH DAKOTA), N.A. FOR MULTI PURPOSE PROCUREMENT CARD SERVICES (REVENUE GENERATING)**

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

Approve entering into an agreement with Citibank, N.A. F/K/A Citibank (South Dakota), N.A. to provide Multi-Purpose Procurement Card services to the Department of Procurement and Contracts at no cost to the Board. This contract is revenue generating and is expected to provide approximately ~~\$1,000,000.00~~ \$800,000.00 revenue to the Board during the initial term. Citibank was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for these services is currently being negotiated. No services shall be provided prior to execution of the 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.

This September 2012 amendment is necessary to reflect updated vendor information and scope of services. In January 2012 (Board Report 12-0125-PR3) the Board ratified the assignment of the agreement for Multi-Purpose Procurement Card services from Citibank (South Dakota), N.A. to Citybank, N.A. Vendor information is now updated to reflect this assignment and assumption. Additionally, this amendment is necessary to update the scope of services to reflect the addition of a Virtual Card Account at no extra cost. This amendment is revenue generating and is expected to provide approximately \$800,000.00 in revenue to the Board during the current term. A written amendment to the agreement is required.

Specification Number : 10-250014

Contract Administrator : Flores, Miss Nanzi / 773-553-2280

**VENDOR:**

- Vendor # 98639
- 1) CITIBANK (SOUTH DAKOTA) N.A.  
701 EAST 60TH STREET NORTH SIOUX  
FALLS, SD 57117 Kevin Wrenn  
312-876-3296
  - 2) CITIBANK, N.A.  
425 PARK AVENUE, 7TH FLR. NEW YORK,  
NY 10022 Kevin Wrenn 312 876-3296

**USER INFORMATION :**

Contact: 12430 - Accounts Payable  
125 South Clark Street  
Chicago, IL 60603  
Lo. Miss Christine  
773-553-1300

**TERM:**

The term of this agreement shall commence on the date the agreement is signed and shall end 24 months thereafter. This agreement shall have 3 options to renew for periods of 12 months each.

**EARLY TERMINATION RIGHT:**

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

**SCOPE OF SERVICES:**

Citibank will provide Procurement Card Services to the Board. These services will include Procurement Cards for authorized Board employees, virtual accounts as a payment option for selected Board vendors, and access to the CitiDirect Card Management System for account information, activation and reports.

A description of the additional services which are the subject of this amendment are as follows:(1) The addition of Virtual Card Account at no extra cost. This will assist CPS' goal of increasing the spend volume on the program to bring in more rebate funds. (2) Qualification for rebates for Large Ticket items. CPS will receive 25 bps on qualifying purchases as long as the Board meets its \$30M annual spend volume. If the Board doesn't meet the \$30M threshold, the rebate fees will be proportionally reduced.

**DELIVERABLES:**

Citibank will provide the following:

Complete implementation of the Board's Procurement Card Program;  
Issuance of Procurement Cards to authorized School and Central Office personnel;  
Assistance in determining eligibility of Board vendors for virtual accounts;  
Daily electronic transmission of card transactions to the Board for Oracle submission;  
Electronic (and paper if requested by the Board) account statements;  
Annual account review report; and,  
Revenue sharing based upon sales volume.

**OUTCOMES:**

Citibank's Procurement Card services will result in: i) an efficient procurement and payment process for authorized Board personnel and selected Board vendors, and ii) projected revenue in the amount of ~~\$1,000,000.00~~ \$800,000.00 to the Board from these transactions during the initial term.

**COMPENSATION:**

Citibank will not receive any payment or fees for Procurement Card services provided to the Board.

**REIMBURSABLE EXPENSES:**

None

**AUTHORIZATION:**

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

**AFFIRMATIVE ACTION:**

The MBE/WBE goals for this agreement include: 25% total MBE and 5% total WBE participation. However, Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, the Office of Business Diversity recommends that a waiver of the MBE/WBE goals for this agreement be granted as the services under this agreement come at no cost to the Board.

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Revenues will be credited to expenditures generated from the Procurement Card in various CPS Oracle funds.

Revenues (i.e. purchase rebates) will be credited in the revenue account: "Others" (i.e. Oracle value: 45145).

**CFDA#:** Not Applicable

**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:



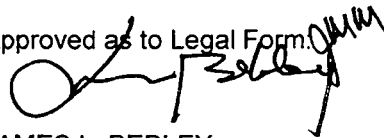
SÉBASTIEN de LONGEAUX  
Chief Procurement Officer

Approved:



JEAN-CLAUDE BRIZARD  
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY  
General Counsel