

**AUTHORIZE AGREEMENT EXTENSIONS WITH FOUR COMPANIES FOR THE DEFINED
CONTRIBUTION RETIREMENT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize agreement extensions with four vendors to provide defined contribution retirement services to Chicago Public Schools employees, at no cost to the Board. This includes the agreement extension with Reliance Trust Company as Custodian. Vendors will continue to provide investment management, administration and recordkeeping for group fixed annuities, variable annuities and institutional mutual funds. Written documents extending the agreements are currently being negotiated. The authority granted herein shall automatically rescind as to each vendor in the event their written extension agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this extension is stated below.

As background, the Board originally had separate agreements with CitiStreet Associates, LLC and Metropolitan Life Insurance Company for these services. CitiStreet Associates, LLC later changed its name to Met Life Associates, LLC and subsequently assigned its contract with the Board to Metropolitan Life Insurance Company. At this time all services have been subsumed into one contract with Metropolitan Life Insurance Company.

Specification Number : 01-250230

Contract Administrator : Seanior, Miss Pamela Dorcas / 773-553-2280

USER INFORMATION :

Contact: 11010 - Talent Office
125 S Clark St - 2nd Floor
Chicago, IL 60603
Wolter, Mr. William R.
773-553-1070

ORIGINAL AGREEMENT:

The original Agreements (authorized by Board Report 02-0123-PR31 as amended by Board Resolution 02-1120-RS06 and Board Report 05-0824-PR11) were for a term commencing April 1, 2002 and ending April 1, 2005, with the Board having one option to renew for an additional period of twenty-four (24) months. The written agreements were renewed for a term commencing April 1, 2005 and ending April 1, 2007 (authorized by Board Report 05-0323-PR14). The Agreements were then amended (authorized by Board Report 07-0228-PR12) to extend the end date to December 31, 2007, and thereafter amended (authorized by Board Report 07-1024-PR21) to extend the end date to December 31, 2008, with the exception of Prudential Retirement Services. The remaining Agreements were then amended (authorized by Board Report 08-0827-PR24) to extend the end date to December 31, 2009. This Board Report was then amended pursuant to Board Report No. 09-0128-PR16 to reflect the name change of CitiStreet Associates, LLC to MetLife Associates, LLC and also correct the erroneous deletion of Reliance Trust Company, as custodian. The agreements were then amended (authorized by Board Report 09-1216-PR26) to extend the end date to December 31, 2010. The Agreements were then amended (authorized by Board Report 10-1117-PR20) to extend the end date to December 31, 2011, except for the agreements with Prudential, Horace Mann, and Hartford. The remaining Agreements were then amended (authorized by Board Report No. 10-1117-PR20) to extend the end date to December 31, 2013. The original Agreements were awarded on a competitive basis pursuant to a duly advertised RFP.

OPTION PERIOD:

The term of each agreement is being extended for one year commencing January 1, 2014 and ending December 31, 2014.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendors shall continue to provide comprehensive defined contribution retirement services which includes management of investment options (either proprietary, non-proprietary or a combination), participant communication, administration/recordkeeping, and participant education.

Vendors shall only provide those products and services within the product line for which they were originally selected.

DELIVERABLES:

Vendors shall continue to provide periodic reports related to program activities, including enrollment, vendor performance, investment performance and participant services. Vendors shall continue to develop communication materials, conduct education seminars and provide training materials for CPS employees.

OUTCOMES:

Vendors services shall continue to result in a program that provides quality investment products and services with cost effective fees that enhances the Board of Education's defined contributions retirement program.

COMPENSATION:

Vendors shall be paid during this extension period through voluntary deductions for participating Board employees, with no cost to the Board.

AUTHORIZATION:

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

AFFIRMATIVE ACTION:

Pursuant to section 5.2 of the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, these Agreements are exempt from MBE/WBE review because they are unique transactions that come at no cost to the Board.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Vendors shall be paid through service fee deductions from the investment accounts of participating CPS Employees, at no cost to the Board.

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 May 25, 2011 (11-0525-PO2), 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:



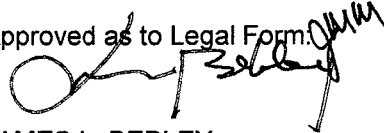
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY
General Counsel

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Vendor # 91417
ING LIFE INSURANCE AND ANNUITY
COMPANY
ONE ORANGE WAY
WINDSOR, CT 06095
Laurie Lombardo, Product Director
860 580-1649

- 2)
Vendor # 23624
VARIABLE ANNUITY LIFE INSURANCE
COMPANY, THE
2929 ALLEN PARKWAY, STE L6-30
HOUSTON, TX 77019
Mike Gifford, VP
713 831-4070

- 3)
Vendor # 34986
METROPOLITAN LIFE INSURANCE CO.
400 ATRIUM DR.
SOMERSET, NJ 08873
Thomas Hogan, Senior VP
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- 4)
Vendor # 94559

RELIANCE TRUST COMPANY

1100 ABERNATHY RD., STE 400

ATLANTA, GA 30328

Marsha L. Petzel

678 274-1787

Custodian