

**AUTHORIZE THE FIRST AND SECOND RENEWAL AGREEMENTS WITH VARIOUS VENDORS FOR
BANKING AND CASH MANAGEMENT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the first and second renewal agreements with various vendors to provide banking and cash management services at an estimated annual cost set forth in the Compensation Section of this report. Written documents exercising these options are currently being negotiated. No payment shall be made to any Vendor during the option period prior to execution of their written document. The authority granted herein shall automatically rescind as to each Vendor in the event their written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 14-250009

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-5180

VENDOR:

- 1) Vendor # 14474
AMALGAMATED BANK OF CHICAGO
ONE WEST MONROE STREET
CHICAGO, IL 60603

David J Stewart
312 822-3134

Ownership: Amalgamated Investment
Company - 100%
- 2) Vendor # 58545
JPMORGAN CHASE BANK N.A.
10 SOUTH DEARBORN., STE IL1-1228
CHICAGO, IL 60603

Mark Lester
312 732-6932

Ownership: Public Company
- 3) Vendor # 18606
PNC BANK, NATIONAL ASSOCIATION
1 NORTH FRANKLIN
CHICAGO, IL 60606

Jonathan N Casiano
312 338-2295

Ownership: Public Company

USER INFORMATION :

Project
Manager: 12440 - Treasury

42 West Madison Street

Chicago, IL 60602

Bennett, Ms. Jennie H

773-553-2595

ORIGINAL AGREEMENT:

The original Agreements (authorized by Board Report 14-0625-PR27) in the amount of \$2,325,000.00 were for terms ending June 30, 2017, with the Board having two (2) options to renew for one (1) year terms. The Board Report was amended (authorized by Board Report 14-0723-PR15) to increase the compensation to \$3,600,000.00. The Board Report was amended again (authorized by Board Report 15-0929-PR4) to award certain services to JPMorgan Chase Bank N.A. that were previously awarded to other vendors (EDI, lockbox services, check reconciliation, printing/distribution services). The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of each agreement is being renewed for two (2) years by exercising both options simultaneously and is commencing July 1, 2017 and ending June 30, 2019.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendors will continue to provide Commercial Banking Services for the following Service Groups: 1. Corporate Banking: The Board's main checking and investment accounts for direct deposits to employees and vendors, including reconciliation of the accounts, Electronic Disbursement Interchange (EDI) Services, and lockbox collections (JPMorgan Chase Bank N.A.). 2. Consolidated Banking: The Board's checking and investment accounts for all CPS schools, including reconciliation of the accounts (JPMorgan Chase Bank N.A.). 3. Cash Collections: The Board's cash collections from high school and elementary lunchroom collections, including bank account and counting/reconciliation of cash collected (Amalgamated Bank of Chicago). 4. Purchasing Cards: The Board's account for vendor payments on the Board's corporate cards (PNC Bank, National Association).

DELIVERABLES:

1. General: Vendors will continue to provide adequate customer service to address any issues that arise as well as an easily accessible online portal for statements and reporting.
2. Corporate Banking: JPMorgan Chase Bank N.A. will process the payroll file for paying employees through direct deposit, positive pay (active confirmation of outgoing payments), stop payments and wire transfers, EDI payment services to all CPS vendors and process child support payments, lockbox processing, among other services. Vendor will provide an upload of all bank information into the Board's systems to provide reconciliation services. Vendor will provide an earned allowance credit collateralized by approved securities on depository balances. Vendor will have the technological capability to safeguard payment and the Board's financial information.
3. Consolidated Banking: JPMorgan Chase Bank N.A. will establish and maintain over 575 school checking accounts (Internal Accounts), establish school investment accounts, process deposits at vault and branch locations. Vendor will provide and upload all bank information into the Oracle IAMS system

and provide reconciliation services. Vendor will provide an earned allowance credit collateralized by approved securities on depository balances.

4. Cash Collections: Amalgamated Bank of Chicago will provide coin and currency deposit processing for high school and elementary lunchrooms and provide online reporting and report reconciliation. Vendor will take certain security precautions in this cash collection process.

5. Purchasing Cards: PNC Bank, National Association will provide purchasing cards and offer ghost cards as well as assist in the marketing of the program to new vendors.

OUTCOMES:

Vendor's services will continue to result in: 1. The continued provision of the above described services which are essential to the cash operations of the District such as payment of payroll, vendor and child support payments (EDI services), lockbox processing, real time electronic reporting, branch and vault services and customer service. 2. Improved internal controls over the collection of cash to the schools. 3. The District earns a rebate for every dollar spent. The P-Card rebate amount for FY2016 was \$877,289.61.

COMPENSATION:

Vendors shall be paid during this option period according to the terms of their agreement. Estimated annual costs for this option period are set forth below:

\$945,000.00, FY18

\$945,000.00, FY19

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

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts (M/WBE Program), the aggregate method for this pool will be utilized to measure participation. The original goals on this contract were 25% MBE and 5% WBE, however, the Prime MWBE composition of the pool has changed significantly due to the sale of a MBE Bank, therefore this contract has a full waiver.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Treasury Department, Unit 12440

FY18 \$945,000.00

FY19 \$945,000.00

Not to exceed \$1,890,000.00 for the two (2) year term. Future year funding is contingent upon budget appropriation and approval.

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.

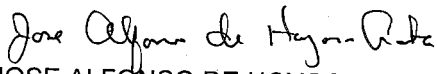
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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


JOSE ALFONSO DE HOYOS-ACOSTA
Chief Administrative Officer

Approved:


FORREST CLAYPOOL
Chief Executive Officer

Approved as to Legal Form: 


RONALD L. MARMER
General Counsel