

AUTHORIZE THE FIRST RENEWAL AGREEMENT WITH AON CONSULTING, INC. FOR ACTUARIAL SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the first renewal agreement with Aon Consulting, Inc. to provide actuarial services to the finance department at an estimated annual cost set forth in the Compensation Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to Aon Consulting, Inc. during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Contract Administrator : Washington, Ms. Nealean T / 773-553-2273
CPOR Number : 17-0609-CPOR-1854

VENDOR:

- 1) Vendor # 97631
AON CONSULTING, INC.
200 EAST RANDOLPH
CHICAGO, IL 60601

Ken Lining
312 381-4184

Ownership: Aon Plc - 100% - Publicly
Traded Firm

USER INFORMATION :

Project
Manager: 10415 - Chief Operating Officer

42 West Madison Street

Chicago, IL 60602

Mock, Mr. Cameron S.

773-553-1571

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 17-0628-PR12) in the amount of \$125,000 is for a term commencing July 1, 2017 and ending June 30, 2018, with the Board having three (3) options to renew for one (1) year terms. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing July 1, 2018 and ending June 30, 2019.

OPTION PERIODS REMAINING:

There are two (2) option periods for one (1) year each remaining.

SCOPE OF SERVICES:

Vendor will continue to provide actuarial services for the Department of Finance. Services include alerting CPS to developments and potential changes to the Chicago Teachers' Pension Fund (CTPF) with meaningful financial impact on the District, providing estimates on the financial impact of legislative and/or administrative pension changes to CTPF upon request, and diagnosing annual changes to CTPF assets and liabilities.

DELIVERABLES:

Vendor will continue to provide emails with developing events, analysis of legislative and/or administrative changes (averages 1-3 months), annual reconciliation of Underfunded Actuarial Accrued Liability (UAAL), and reviews of pension information in CPS bond disclosure documents.

OUTCOMES:

Vendor's services will result in a timely and high quality analysis of legislative, legal, administrative, business, political actions and proposals that could have a financial impact on CPS through changes to the required contributions to the CTPF. The analysis shall include a forecast comparison to baseline, including a comparison of employer contributions, UAAL, and funding percentages under such changes. Annual UAAL reconciliation shall diagnose changes in liabilities and assets year-over-year, including the proportion of variables' impact on the UAAL.

COMPENSATION:

Vendor shall be paid according to the terms of the renewal agreement. Estimates annual costs for the one (1) year option are set forth below:
\$125,000.00, 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 Budget Director 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 M/WBE goals do not apply to this transaction because the scope of work is not further divisible.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Department of Finance, Unit 12610
\$125,000.00, FY19
Future year funding is contingent upon budget approval and appropriation.

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.

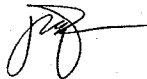
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

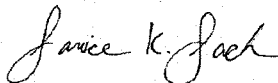
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



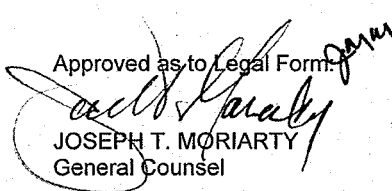
JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Chief Executive Officer

Approved as to Legal Form:



JOSEPH T. MORIARTY
General Counsel