

**AMEND BOARD REPORT 18-1024-PR2**  
**AUTHORIZE A NEW AGREEMENT WITH ARBITERSPORTS, LLC. FOR ONLINE OFFICIAL FEE**  
**PAYMENT SERVICES**

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

Authorize a new agreement with Arbitersports, LLC. to provide online payment services for the purpose of compensating sports officials to the Office of Sports Administration and all participating high schools. Vendor was selected on a non-competitive basis: This item was presented to the Single/Sole Source Committee on September 27, 2018 and approved by the Chief Procurement Officer. Upon approval, as a Single Source, the item was published on the Procurement website, on October 2, 2018 found here: [cps.edu/procurement](http://cps.edu/procurement). The item will remain on the Procurement website until the October 24, 2018 Board Meeting. This process complies with the independent consultant's recommendations for single source procurements and the Board's "Single/Sole Source Committee Charter." A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written 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 June 2019 amendment is necessary to revise the term as indicated in the term section of this Board Report and add additional language to include both JPMorgan Chase Bank, National Association and Bank of Utah as trustees for transactional authorization on said account. The written agreement for Vendor's services is currently being negotiated and will include the amended term. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written 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.

Contract Administrator : Washington, Ms. Nealean T / 773-553-2273

**VENDOR:**

- 1) Vendor # 26516  
Arbitersports, LLC  
235 W Segoe Lily Drive Suite 200  
Sandy, UT 84070  
Spencer Evans  
801 702-8025

Ownership: Serent Capital II, L.P. - 68.1%;  
no other shareholder owns more than 10%

- 2) Vendor # 58545  
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION  
1111 POLARIS PARKWAY  
COLUMBUS, OH 43240

-  
312 732-6988  
Ownership: JPMorgan Chase and Co. - 100%

- 3) Vendor # 42825  
BANK OF UTAH  
2605 WASHINGTON BLVD  
OGDEN, UT 84401

-  
801 409-5406  
Ownership: BOU Bankcorp Inc. - 100%

**USER INFORMATION :**

Project 13737 - Sports Administration and Facilities Management - City  
Manager: Wide  
2651 W. Washington Blvd  
Chicago, IL 60612  
Kemp, Mr. Karl A  
773-553-6725

**TERM:**

The term of this agreement shall commence on ~~November 1, 2018~~ July 1, 2019 and shall end June 30, 2019~~20~~. This agreement shall have ~~two~~ one (~~2~~) (1) options to renew for a periods of one (1) year each.

**EARLY TERMINATION RIGHT:**

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

**SCOPE OF SERVICES:**

ArbiterSports, LLC. will provide access to an automated payment service for the purpose of compensating all sports officials assigned through the Office of Sports Administration for the remainder of fiscal year 2019. Schools will be given access to sub-accounts to administer payments to all verified sports officials for athletic competitions authorized by Office of Sports Administration, and approved locally by the Athletic Director of the respective high school.

The implementation of this agreement will eliminate the need for the current process of transferring funds from the Office of Sports Administration's 115 fund into the internal accounts of each participating school. Where, upon receipt of funds, schools manually created checks from their internal accounts for the confirmed sport officials for their respective events. In addition to the elimination of manual checks, this service will also provide auditing and reporting tools to ensure the appropriate use of board funds for the specified sport and level official fee payment.

**DELIVERABLES:**

Vendor will provide access to online systems for the ~~Board~~ Office of Sports Administration to create a master account for the purpose of initial seasonal deposits.

Vendor will provide access to sub-accounts for all participating high schools for the purpose of administering payment through the online system.

Vendor will provide technical support by way of the following: Annual in-person training, access to webinars and unlimited phone support for all participating CPS high schools and the Office of Sports Administration.

Vendor will provide reporting data as fashioned by the Office of Sports Administration upon final approval of agreement.

Vendor will ~~collect~~ provide to all sports officials all tax related documents (collection of W-9s and disbursement of 1099s).

**OUTCOMES:**

Vendor's services will result in a more efficient and streamlined process for administering payments to sports officials of high school and elementary athletics. Additional benefits to be recognized will be a more controlled management of district funds as it relates to the compensation of sports officials and oversight for any unused funds to be appropriately refunded back to the Office of Sports Administration.

Elimination of the current process of transferring seasonal official fees from the Office of Sports Administration into local internal accounts of each school.

**COMPENSATION:**

Vendor shall be paid a 2.7 % service fee for the payments made to the sports officials for district competitions. Vendor's fee shall be approximately \$27,000. The balance shall be deposited seasonally into an ArbiterPay master account to be used to pay sports officials. ~~The total to be paid to vendor shall not exceed \$1,027,000.~~

**REIMBURSABLE EXPENSES:**

None

**AUTHORIZATION:**

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize Executive Director of Sports Administration to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:**

Pursuant to the Remedial Program for Minority and Women-Owned Business Enterprise Participation in Goods and Services contracts, (M/WBE Program), this contract is exempt as this agreement is for proprietary software.

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Fund 115, Unit 13737, Sports Administration and Facilities Management

\$1,027,000, FY~~19~~20

Not to exceed \$1,027,000 for the fiscal year. Programmatic cost of \$1,000,000.00 should be deposited incrementally into an ArbiterPay master account to be used to pay sports officials. The total cost of the program plus the vendor's fee shall not exceed \$1,027,000.

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.

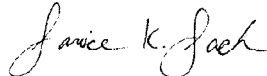
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



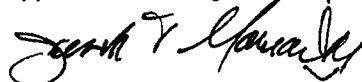
JONATHAN MAPLES  
Chief Procurement Officer

Approved:



JANICE K. JACKSON  
Chief Executive Officer

Approved as to Legal Form:



JOSEPH T. MORIARTY  
General Counsel