

**AUTHORIZE THE FIRST AND FINAL RENEWAL AGREEMENT WITH VARIOUS VENDORS FOR  
BANKING AND CASH MANAGEMENT SERVICES**

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

Authorize the first and final renewal agreement with various vendors to provide banking and cash management services at an estimated annual cost set forth in the Compensation Section of this report. Vendors were selected on a competitive basis pursuant to Board Rule 7-3. No services shall be provided by and no payment shall be made to any Vendor prior to the execution of their written agreements. The authority granted herein shall automatically rescind in the event each respective written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to these agreements is stated below.

Specification Number : 18-350048

Contract Administrator : Banks, Amy / 773-553-2280

**VENDOR:**

- 1) Vendor # 18606  
PNC BANK, NATIONAL ASSOCIATION  
1 NORTH FRANKLIN  
CHICAGO, IL 60606

Mr. Jonathan Casiano  
312 338-2295

Ownership: Publicly Traded Company

- 2) Vendor # 14474  
AMALGAMATED BANK OF CHICAGO  
30 N. LASALLE STREET  
CHICAGO, IL 60602

Mr. David Paxton  
312 822-3183

Ownership: Amalgamated Investment -  
100%

- 3) Vendor # 58545  
JPMORGAN CHASE BANK, NATIONAL  
ASSOCIATION  
10 SOUTH DEARBORN., STE IL1-1228  
CHICAGO, IL 60603

Joanne Meulendyke  
312 732-6988

Ownership: JPMorgan Chase and Co. -  
100%

**USER INFORMATION :**

Project  
Manager: 12440 - Treasury  
  
42 West Madison Street  
  
Chicago, IL 60602  
  
Stock, Walter M  
  
773-890-8790

**ORIGINAL AGREEMENT:**

The original Agreement (authorized by Board Report 19-0626-PR11) in the amount of \$2,100,000 is for a term commencing July 1, 2019 and ending June 30, 2022, with the Board having one (1) option to renew for a period of two (2) years. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-3.

**OPTION PERIOD:**

The term of this agreement is being renewed for two (2) years commencing July 1, 2022 and ending June 30, 2024.

**OPTION PERIODS REMAINING:**

There are no option periods remaining.

**SCOPE OF SERVICES:**

Vendor will continue to provide commercial banking services for the following service groups:

1. Corporate Banking - CPS' main checking and investment accounts for direct deposits to employees and vendors, including reconciliation of the accounts (JP Morgan Chase Bank, National Association).
2. Consolidated or School Banking - CPS' checking and investment accounts for all CPS schools, including reconciliation of the accounts (JP Morgan Chase Bank, National Association).
3. Electronic Disbursement Interchange (EDI) Services - CPS' electronic payment account for vendor and child support payments (JP Morgan Chase Bank, National Association).
4. Lockbox Processing - CPS' account for miscellaneous revenues, including the bank account and check processing/reconciliation (JP Morgan Chase Bank, National Association).
5. Check Printing Services - CPS' physical check printing for payroll and vendor payments (JP Morgan Chase Bank, National Association).

6. Cash Collections - CPS' cash collections from high schools and elementary schools lunchroom collections, including bank account and counting/reconciliation of cash collected (Amalgamated Bank of Chicago).

7. Purchasing cards - CPS' account for vendor payments on Board's corporate cards (PNC Bank, National Association).

**DELIVERABLES:**

Vendors will continue to provide:

1. General: Vendors will provide adequate customer services to address any issues that arise as well as an easily accessible online portal for statements and reporting.

2. Corporate Banking: JPMorgan Chase Bank, National Association will process the payroll file for paying employees through direct deposit, positive pay (active confirmation of outgoing payments), stop payments and wire transfers, 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, National Association will establish and maintain over 550 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. EDI: JPMorgan Chase Bank National Association will process Electronic Data Interchange (EDI) payment services to all CPS vendors and process child support payments and ACH Returns and provide online reporting and report reconciliation. 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.

5. Lockbox Processing: JPMorgan Chase Bank National Association will collect miscellaneous revenues and credit the collections to the Board's main bank account and provide online reporting and account reconciliation.

6. Check Printing Services: JP Morgan Chase Bank, National Association will provide check printing services for payroll and accounts payable to vendors in a customized check and statement printing format.

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

8. 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:**

Vendors' services will continue to result in:

- The recommended vendor selection with the new agreements is expected to generate over \$3.75mm of savings to CPS over 5-years.

- The overall group of banking vendors will continue to be diversified by the use of 3 vendors. Multiple banking relationships are important ways to manage bank counterparty risk as well as develop different avenues of bank lending capacity.

- Negotiated new contract pricing that is expected to generate over \$2.5mm of savings through lower fees paid over 5-years.

- Negotiated an updated higher cash rebate based on a percentage of the CPS credit card spend.

- Negotiated a new overnight credit limit that will provide for the elimination of the 2 day pre-payroll funding, and at the onset of the new agreement payroll will be funded on the date of payroll. This will provide an additional 52 days of interest earned per year on deposits that could generate over \$1.25 million of interest over 5-years.

**COMPENSATION:**

Vendor shall be paid as follows:

Estimated annual costs of the two (2) year term are set forth below:

\$1,050,000, FY23

\$1,050,000, FY24

**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 Senior Vice President of Finance or 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 Enterprises Participation in Goods and Services contracts, (M/WBE Program), this contract is waived of the M/WBE participation goals of 30% MBE and 7% WBE because the contract is not further divisible.

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Fund 115, Treasury Department, 12440

FY23 \$1,050,000

FY24 \$1,050,000

Not to exceed \$2,100,000 in the aggregate for the two (2) year renewal 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:




CHARLES E. MAYFIELD  
Chief Procurement Officer

Approved:



PEDRO MARTINEZ  
Chief Executive Officer

Approved as to Legal Form: 



JOSEPH T. MORIARTY  
General Counsel