

30976
ADOPTED- BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
MAY 12, 2011

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS

TRUST AGREEMENT AND SECURITIES SAFEKEEPING SERVICES
HARRIS BANK
OFFICE OF FINANCE
(Amend Board Report 30625 adopted October 7, 2010)

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chairman to extend the agreement with Harris Bank to provide Securities Safekeeping Services and to serve as the Custodial Trust Agent for the Truman College Student Services and Parking Facility Project for the period from July 1, 2011 through September 30, 2011, for a total cost not to exceed \$20,000.

VENDOR: Harris Bank
111 West Monroe Street
Chicago, IL 60603

USER: District Office

TERM:

The term of the agreement will be extended from July 1, 2011 through September 30, 2011.

SCOPE OF SERVICES:

In Board Report 30625, the Board authorized the continued use of Harris Bank for Safekeeping and Custodial Services through June 30, 2011. City Colleges of Chicago (CCC) is in the process of selecting an investment manager and to accommodate the change, the Office of Finance recommends retaining Harris Bank through September 30, 2011, which would provide for a smooth transition and allow time for the selection of a safekeeping and custodial provider.

Safekeeping and Custodial Services

Custodial services include the safekeeping, delivery, securities valuation, investment performance reporting and other services in connection with investments of CCC. Harris Bank ensures any investment instructions received from an authorized CCC officer and/or the investment manager is made in accordance with the guidelines detailed in the Board Rules for Management and Government Investments & Depository Policies.

Custodial Trust Agent

Harris Bank also serves as Custodial Trust Agent for a Trust Agreement between CCC and the Capital Development Board for the construction of the Truman College Student Activity Center and Parking Garage Project. Funds shall be restricted for the sole purpose of the Project; shall be invested at all times; shall make payments in accordance with the terms of this agreement; provide monthly

statements and confirmation of each transaction and maintain sufficient collateral to cover all time and demand deposits above the FDIC insured limit. All investments will be made in accordance with the guidelines in the Board Rules for Management and Government Investments & Depository Policies.

BENEFITS TO CITY COLLEGES OF CHICAGO:

Retaining Harris as safekeeping custodian until an investment manager is in place would cause no disruption in service and allow for a much smoother transition.

VENDOR SELECTION CRITERIA:

Harris was selected as the Custodial Trust Agent for the Truman Project through the Request For Proposal (RFP) process after receiving bids from Amalgamated Bank, Harris Bank, LaSalle Bank, Seaway Bank and US Bank. Prior to becoming the Custodial Trust Agent for the Truman Project, Harris has provided Securities Safekeeping and Custodial Services for CCC's Working Cash Fund Account since 1997 at a cost of under \$10,000 annually.

MBE/WBE COMPLIANCE: The Office of M/WBE Contract Compliance has reviewed the above request and, Harris Bank, performing direct banking services for this project and would not be subcontracting any function related to this project, as a policy keeps confidential its list of suppliers but is committed to a diversity supplier program that for this fiscal year has projected an 83% spend with local area diverse suppliers, is recommending a waiver of direct participation in compliance with the Board Approved Participation Plan.

GENERAL CONDITIONS:

Inspector General – It shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General's authority under Article II, Section 2.6.4(b) of the Board Rules for Management and Government.

Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions of the Board's Ethics Policy adopted January 7, 1993, and as amended by the Board.

FINANCIAL:

Charge to: Office of Finance

Source of Funds: Education Fund

Unrestricted Fund (Education)

FY12: 00003-0010026-00082-00000-0000000-594320: \$20,000.00

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

May 12, 2011 – Office of Finance