

**APPROVE ENTERING INTO AN AGREEMENT WITH SIEMENS BUILDING TECHNOLOGIES INC.
FOR ENERGY MANAGEMENT SYSTEM SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Siemens Building Technologies Inc. to provide energy management services to the Department of Operations at a cost not to exceed \$1,380,954. Funding for this initiative shall be provided through the CPS/ComEd Energy Efficiency Fund. Consultant was selected on a competitive basis pursuant to a duly advertised Request for Proposals (Specification #04-250031). A written agreement for Consultant's services is currently being negotiated. No payment shall be made to Consultant prior to the execution of the 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.

Specification No.: 04-250031

CONSULTANT: Siemens Building Technologies, Inc.
1000 Deerfield Parkway
Buffalo Grove, IL 60089
Daniel W. Hislip
(847) 215-1000
Vendor #14664

USER: Department of Operations
125 South Clark-16th Floor
Donald C. Barnes
(773) 553-3252

TERM: The term of this agreement shall commence on December 20, 2004 and shall end June 30, 2006. This agreement shall have two options to renew for periods of 18-months each.

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

SCOPE OF SERVICES: Consultant shall design, host, maintain, and provide designated CPS personnel with access to databases designed to track electricity, water and natural gas usage and cost data on a frequency ranging from real-time data harvesting for high-usage meters to monthly updates for meters registering lesser usage. The databases will be populated through a combination of billing information prepared by utilities and/or other sources and from uncorrected meter data routed from the utility companies, which will then be analyzed for accuracy. The system shall also consist of alarm features which will advise pertinent CPS personnel of usage anomalies which can not only result in excessive energy costs but can also be useful in diagnosing developing problems in operating systems.

DELIVERABLES: Consultant will provide the following products or services:

1. Internet-based, password-protected database accessible by up to 2,000 CPS users.
2. Data harvesting strategy that maximizes the value of real-time energy monitoring.
3. Assignment of meters to specific buildings within existing utility account structure.
4. Auditing of primary utility data using historic profiles and known billing determinants to validate accuracy of billing.
5. Electronic encoding and digital scanning of all utility bills to support the record-retention requirements of CPS' Accounts Payable Department.
6. Profiling of building usage characteristics in a manner consistent with the needs of CPS when open-market electricity procurement is required.

OUTCOMES: Consultant's services will result in:

1. Improved capability to control utility costs by pro-active intervention when abnormal energy usage patterns begin which translates into one percent (1%) cost savings per fiscal year.
2. Improved capability to monitor and validate CPS load-management responses, which generates significant revenue to the Board.
3. Improved capability to identify and successfully challenge utility billing inaccuracies.
4. Improved capability to document historic usage and payment history, thereby avoiding cost to the Board resulting from post-dated utility collection claims.
5. Improved capability to identify CPS accounts which are not included in monthly bills, thereby avoiding costly recovery payments which often cover multiple fiscal years.

COMPENSATION: Consultant shall be paid as follows: upon monthly invoice not to exceed the sum of \$1,380,954 over an 18 month term.

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 the Chief Operating Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 26% total MBE, 16% total African American, 7.5% total Hispanic, 2% total Asian and 5% total WBE.

However, the Waiver Review Committee recommends that a partial waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the contract is not further divisible.

The Vendor has identified and scheduled the following firms and percentages:

Total MBE% - 28%

African American – 18%

Code Engineering
2021 Midwest Road
Oakbrook, Illinois 60523
\$ 36,825.43 – 4% certified through 03/31/06

Utilivate Technologies, LLC
203 North LaSalle Street, Suite 2100
Chicago, Illinois 60601
\$ 36,825.43 – 4% certified through 02/01/05

Paradigm Solutions, Inc.
10 S. Riverside Plaza, Suite 1800
Chicago, Illinois 60606
\$ 77,468.03– 10% certified through 01/31/07

Hispanic – 10%

Quantum Crossing, LLC
455 North Cityfront Plaza Drive, Suite 3100
Chicago, Illinois 60611
\$ 92,063.57 – 10% certified through 10/31/07

Total WBE% - 2%

The Haven Group
825 Rose Lane
Matteson, Illinois 60443
\$ 18,412.71– 2% certified through 11/30/04

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Charge to Operations: \$1,066,591 - FY05
\$314,363 - FY06
Budget Classification: 0944-476-000-4453-5330
Source of Funds: ComEd Efficiency Capital Fund

GENERAL CONDITIONS:

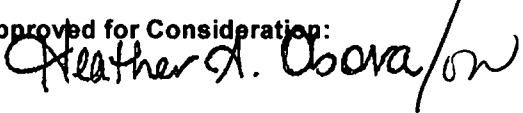
Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel 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.

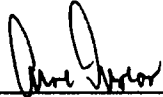
Indebtedness – The Board’s Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board’s Ethics Code adopted September 27, 1995 (95-0927-RU3), 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:




Heather A. Obora *BAH*
Chief Purchasing Officer

Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form: 


Ruth M. Moscovitch
General Counsel