

**APPROVE EXERCISING THE SECOND OPTION TO EXTEND THE AGREEMENT
WITH RLD RESOURCES, LLC FOR CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second option to extend the agreement with RLD Resources, LLC to provide Natural Gas Program Management consulting services to Department of Operations at a cost for the second option period not to exceed \$198,000.00. A written document exercising this option is currently being negotiated. No payment shall be made to Consultant during the second option period prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this renewal agreement is stated below.

CONSULTANT: RLD Resources, LLC
333 North Michigan Avenue
Suite 2800
Chicago, Illinois 60601
Richard L. Dent
(312) 795-0798
Vendor #25005

USER: Department of Operations
125 South Clark-17th Floor
Chicago, IL 60603
Terrence Malloy, P.E.
(773) 553-3748

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report 04-0526-PR8) is for a term commencing on the date the agreement was signed and ending 36 months thereafter with the Board having (2) two options to renew for 12 months each. The compensation to be paid during the second each option period shall be paid at the annual rate of \$198,000.00. The agreement was renewed (authorized by Board Report 07-0523-PR3) for a term commencing June 1, 2007 and ending May 31, 2008. The original agreement was awarded on a competitive basis pursuant to duly advertised Request for Proposal (Specification No. 03-250256).

OPTION PERIOD: The term of this agreement is being extended for a 12 month period commencing June 1, 2008 and ending May 31, 2009.

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: Consultant shall continue to provide the following services:

- a) Prepare and submit periodic natural gas nominations for participating Chicago Public Schools and manage the procurement of natural gas.
- b) Monitor the actual usage at Chicago Public Schools' facilities.
- c) Provide the Chicago Public Schools with weekly aggregate reports documenting usage during the heating season.
- d) Verify the statistical accuracy of the local distribution company and natural gas supplier invoices and represent the Chicago Public Schools in investigating and reconciling discrepancies as may arise involving gas flow, unit cost, and usage data reported by the local distribution company or natural gas supplier.
- e) Advise Chicago Public Schools staff on the full range of cost saving strategies in the natural gas industry (e.g. market analyses, risk management strategies, etc.).
- f) Maintain a database for tracking usage and cost by facility, potential costs savings, etc. and report results to the Chicago Public Schools.
- g) Competitively solicit bids on a monthly, quarterly, or annual basis and evaluate for price and reliability.

- h) Develop innovative, creative, and multi-disciplinary initiatives which involve CPS students, faculty, administrators, operating personnel and other appropriate parties in efforts that result in more institutionalized monitoring of energy usage.

DELIVERABLES: Consultant will continue to deliver the following:

- a) Monthly data file documenting natural gas usage by meter and by account, which can be imported into our existing (and any future) energy management program.
- b) Properly managed natural gas procurement program, which secures the Board from exposure to supply imbalance penalties and other forms of ancillary costs not directly related to the proper procurement, delivery, and usage of natural gas.
- c) The integrated efforts of school-based personnel (and students), regional personnel, and District-wide management personnel are focused into a set of activities that seek both to enhance the Board's science curriculum as well as to elevate the importance of energy efficiency within the schools, eventually leading to improvements in the efficient use of energy resources.
- d) Bid solicitation documents to the natural gas supply marketplace will be disseminated, received, and tabulated on a schedule that maximizes the financial and operational benefits of the Board.
- e) Reports documenting the essential elements of the bidding process, such as method of solicitation, lists of respondents, criteria used for selection, and other information associated with this task, shall be submitted to the Chief Procurement Officer, the Chief Operating Officer, and/or their designees.

OUTCOMES: Consultant's services will continue to result in the reliable, cost-efficient, and risk managed approach to the procurement of natural gas.

COMPENSATION: Consultant shall be paid as follows: Equal monthly payment not to exceed the sum of \$198,000.00.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize Chief Operating Officer to execute all ancillary documents required to administer or effectuate this renewal.

AFFIRMATIVE ACTION: This contract is in full compliance with the goals required by the Remedial Program for Minority and Women Owned Business Participation in Goods and Services contracts. The M/WBE participation goals for this contract include: 35% total MBE and 5% total WBE.

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

Total MBE – 80%

RLD Resources, LLC – (AA)
333 North Michigan Avenue
Suite 2800
Chicago, Illinois 60601 certified through 04/01/2009

Total WBE – 20%

Shelton Solutions, Inc.
7643 South Indiana Avenue
Chicago, Illinois 60619
Contact: Kelly Shelton certified through 03/01/2009

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

FINANCIAL: Charge to Operations: \$198,000 Fiscal Year: FY08/09
Budget Classification: 11880-230-54125-254002-000000-2008
Source of Funds: Operations & Maintenance

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.

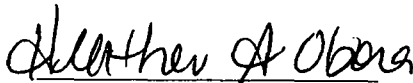
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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 June 23, 2004 (04-0623-PO4), 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
Chief Purchasing Officer

Approved:



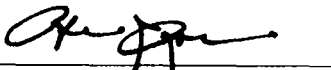
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel