

AMEND BOARD REPORT 99-0922-PR13
AMEND BOARD REPORT 99-0825-PR65 APPROVED ON AUGUST 25, 1999
APPROVE ENTERING INTO AN AGREEMENT WITH SERVICEMASTER, U.S. EQUITIES ASSET
MANAGEMENT, SODEXHO GLOBETROTTERS JOINT VENTURE, LOUIS JONES-TISHMAN
MIDWEST FOR CONSULTING SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into two-year agreement with ServiceMaster, U. S. Equities Asset Management, Sodexho Globetrotters Joint Venture, Louis Jones-Tishman Midwest (collectively "the vendor group") to provide consulting services to Department of Operations at a cost not to exceed \$159,800,000.00. Fee for services provided by the vendor group shall be paid for the total \$159,800,000 and shall not exceed ~~\$12,968,284~~ \$14,552,277. The fees shall be paid to the vendor group over the term of this agreement in the annual amount described below. These Consultants were selected pursuant to Request for Proposal for Property Management Services contract #99-250362. Written agreements for Consultant's services are currently being negotiated. No services shall be provided by Consultant and 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 60 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Approve the vendor group engaging subcontractors to perform repair work on CPS building during the term this agreement for an aggregate cost not to exceed \$144,895,658; provide, however, the maximum amount paid to the subcontractors during the first year of this agreement shall not exceed \$75,564,274.

This amendment is necessary to correct financial information for Sodexo Marriott-Globetrotter and Louis Jones-Tishman.

This second amendment is necessary to extend the initial term of the contracts for a three-month period. This short extension is necessary to conclude the re-structuring of the property advisor program, including the pre-qualification of all tradesmen required for this program. Upon exercising the first option to renew, amended and restated contracts will be entered into reflecting the new structure of this program. This second amendment is also required to increase the funding for this program for the additional 3- month period and to effect the new name of Sodexho Marriott-Globetrotters. A written renewal for this 3-month extension is available for signature. The authority granted in this second amended Board Report shall automatically rescind as to each vendor in the event a written agreement for such vendor is not executed within 60 days of the date of this Board Report.

CONSULTANTS:

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|----|---|----|---|
| 1. | ServiceMaster
One ServiceMaster Way
Downer Grove, IL 60517-1700
Richard Williams
(800) 333-6678 ext. 2087
Vendor #30689 | 2. | U.S. Equities Asset Management
20 N. Michigan Avenue, Suite 400
Chicago, IL 60602
Katherine Scott
(312) 456-7000
Vendor #44266 |
| 3. | <u>Sodexho Globetrotters Joint Venture</u>
Formally known as Sodexho Marriott-Globetrotters
300 S. Wacker Drive, Suite 200
Chicago, IL 60606
Steve Gaeta
(312) 697-3595
Vendor #23995 | 4. | Louis Jones-Tishman Midwest

333 N. Michigan Ave., Suite 625
Chicago, IL 60601
Louis Jones
(312) 782-8970
Vendor #30713 |

USER: Department of Operations
125 South Clark-16th floor
Chicago, IL 60603
Timothy Martin
(773) 553-2900

TERM: The term of this agreement shall commence on October 1, 1999 and shall end 24 27 months thereafter. This agreement shall include the option to negotiate two one-year renewals.

EARLY TERMINATION RIGHT: Cancellation terms will be negotiated as part of each contract.

SCOPE OF SERVICES:

1. ServiceMaster will continue to provide property management services to school enrolled in the property management program in Regions One and Two.
2. U. S. Equities Asset Management will continue to provide property management services to school enrolled in the property management program in Regions Three and Four.
3. Sodexo Globetrotters Joint Venture will continue to provide property management services to school enrolled in the property management program in Regions Five and Six and Management of Stadium throughout the Chicago Public Schools.
4. Louis Jones-Tishman Midwest will continue to provide technical assistance to self directed school who have opted out of the property management program throughout Chicago Public Schools system.

DELIVERABLES: Each consultant will continue to be required to report every two weeks on the work performed under their direction including the scope of work being performed, the school and location of the work, the contractor(s) used and dollar value of the work.

OUTCOMES: The program ensures that quality work is performed on CPS facilities and that such work is provided at the best possible cost through oversight of maintenance, repairs and construction of Chicago Public Schools (CPS) buildings, stadiums and athletic fields. Further operating economies are to be identified through the development of preventative maintenance and cost saving measures.

COMPENSATION: Each Consultant shall be paid as follows:

1. Service Master: Not to exceed \$1,751,400 annually; not to exceed \$437,850 for three months extension
2. U.S. Equities Asset Management: Not to exceed \$1,835,000 annually not to exceed \$458,750 for three months extension
3. Sodexo Globetrotters Joint Venture: \$1,999,571 annually not to exceed \$499,893 for three months extension
4. Louis Jones-Tishman Midwest: Not to exceed \$750,000 annually not to exceed \$187,500 for three months extension

REIMBURSABLE EXPENSES: None.

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

AFFIRMATIVE ACTION: ~~Actual M/WBE participation pursuant to this agreement cannot be determined at this time. M/WBE participation will be evidenced via standard monitoring procedures.~~

Pursuant to Section 6.2 of the M/WBE plan, the aggregated alternative method of compliance is being utilized as an effective method of achieving M/WBE participation where participation would otherwise not be achievable. Total aggregated M/WBE participation will be monitored and reported on a quarterly basis.

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

FINANCIAL:	Charge to Operations: \$3,418,068	Fiscal Year: FY00
	Budget Classification: 0944-552-000-4453-5410	
	Charge to Operations: \$92,144	Fiscal Year: FY00
	Budget Classification: 0944-552-000-4453-5410	
	Charge to Operations: \$700,000	Fiscal Year: FY00
	Budget Classification: 0944-552-000-4453-5410	
	Charge to Operations: \$2,273,930	Fiscal Year: FY00
	Budget Classification: 0944-552-000-4453-5410	
	Requisition Number: Various previous purchase orders from FY98 and FY99	
	<u>Charge to Operations: \$6,484,142</u>	<u>Fiscal Year: FY01</u>
	<u>Budget Classification: 0944-552-000-4453-5410</u>	
	<u>Charge to Operations: \$1,583,993</u>	<u>Fiscal Year: FY02</u>
	<u>Budget Classification: 0944-552-000-4453-5410</u>	

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.

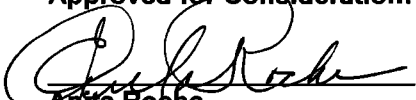
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their 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.

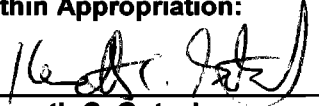
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



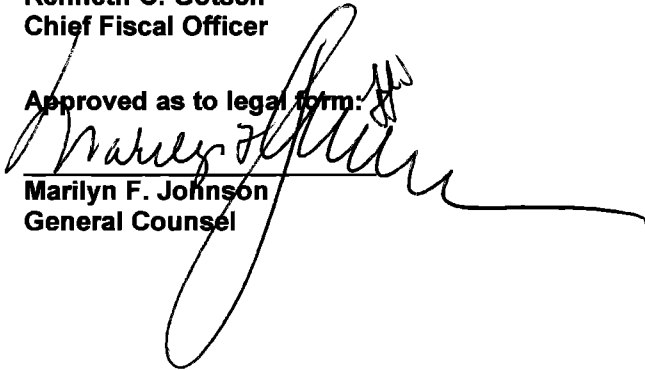
Anita Rocha
Acting Chief Purchasing Officer

Within Appropriation:



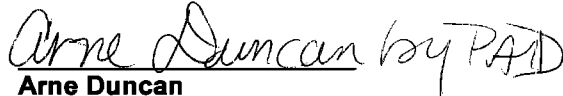
Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel

Approved:



Arne Duncan
Chief Executive Officer