

**APPROVE EXERCISING THE OPTION TO EXTEND THE AGREEMENTS
WITH SERVICEMASTER MANAGEMENT SERVICES, U.S. EQUITIES ASSET MANAGEMENT,
SODEXHO GLOBETROTTERS JOINT VENTURE, AND LOUIS JONES-TISHMAN MIDWEST FOR
PROPERTY MANAGEMENT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the option to extend the agreements with ServiceMaster Management Services, U.S. Equities Asset Management, Sodexho Globetrotters Joint Venture, and Louis Jones Tishman Midwest to provide property management services to the Department of Operations at a cost for the option period not to exceed \$6,170,960.00 in the aggregate. Because the property management program has been re-designed, each Consultant shall enter into an Amended and Restated Agreement which sets forth the new products and terms of the property management program. No payment shall be made to any Consultant during the option period prior to the execution of such consultant's amended and restated agreement. The authority granted herein shall automatically rescind as to each Consultant in the event an amended and restated agreement for such Consultant is not executed within 90 days of the date of this Board Report. Information pertinent to this matter is stated below.

Specifications No.: 99-250362

CONSULTANTS:

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| <p>1. ServiceMaster Management Services
One ServiceMaster Way
Downers Grove, IL 60517-1700
Richard Williams
(800) 333-6678 ext. 2087
Vendor #30689</p> | <p>2. U.S. Equities Asset Management
20 N. Michigan Avenue, Suite 400
Chicago, IL 60602
Katherine Scott
(312) 456-7000
Vendor #44266</p> |
| <p>3. Sodexho Globetrotters Joint Venture
300 S. Wacker Drive, Suite 200
Chicago, IL 60606
Jay Fiala
(312) 697-3595
Vendor #23995</p> | <p>4. Louis Jones-Tishman Midwest
333 N. Michigan Ave., Suite 625
Chicago, IL 60601
Louis Jones
(312) 782-8970
Vendor #30713</p> |

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

ORIGINAL AGREEMENT: The original agreements (authorized by Board Report 99-0922-PR13, as amended by Board Report 99-0825-PR65 and Board Report 99-0926-PR5), are for a term commencing October 1, 1999 and ending 27 months thereafter December 31, 2001, with the Board having two options to renew for successive periods of one year each.

OPTION PERIOD: The term of each agreement is being extended for one year commencing January 1, 2002 and ending December 31, 2002.

OPTION PERIODS REMAINING: There is one- one year option remaining.

PROGRAM REVISIONS: The property management program has been redesigned to provide the property managers with the use of pre-qualified pools of Board approved contractors for work both under and over \$10,000. Only pre-qualified contractors approved by the Board may be used by the Property Managers to perform work at a school or other CPS facility. The property managers shall facilitate the issuance of bid

solicitations, when required, and shall oversee all projects at their respective facilities.

SCOPE OF SERVICES:

1. ServiceMaster Management Services will continue to provide property management services to schools 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 schools enrolled in the property management program in Regions Three and Four.
3. Sodexho Globetrotters Joint Venture will continue to provide property management services to schools enrolled in the property management program in Regions Five and Six and will also provide stadium management.
4. Louis Jones-Tishman Midwest will continue to provide property management services to all self-directed schools.

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 the dollar value of the work.

OUTCOMES: Consultant's services shall ensure that quality work is performed at CPS facilities and that such work is provided at the best possible cost through oversight of maintenance, repairs and construction.

COMPENSATION: Each Consultant shall be paid as follows:

1. ServiceMaster Management Services: Not to exceed \$ 1,705,790 annually
2. U.S. Equities Asset Management: Not to exceed \$ 1,787,213 annually
3. Sodexho Globetrotters Joint Venture: \$1,947,488 annually
4. Louis Jones-Tishman Midwest: Not to exceed \$730,469 annually

REIMBURSABLE EXPENSES: None.

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

AFFIRMATIVE ACTION: Pursuant to Section 6.2 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the Per Contract and Category Goals method for M/WBE participation will be utilized. Thus, contracts for subsequent vendors from the pool created by this contract will be subject to compliance reviews on a contract-by-contract basis. Aggregated compliance of the vendors in the pool will be reported on a quarterly basis.

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

FINANCIAL: Charge to Operations: \$6,170,960.00
 FY02- January 1, 2002- June 30, 2002
 Budget Classification: 0944-552-000-4453-5410- \$3,085,480.00

FY03- July 1, 2002- December 31, 2002
 Budget Classification: 0944-552-000-4453-5410-\$3,085,480.00
 Source of Funds: Operations and 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.

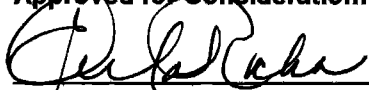
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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

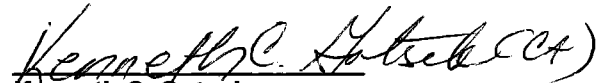
Approved for Consideration:


Anita Rocha
Acting Chief Purchasing Officer

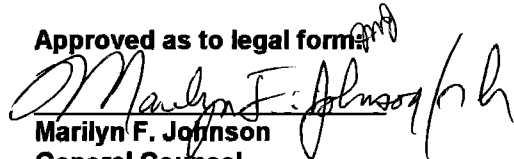
Approved:


Arne Duncan
Chief Executive Officer *by PAD*

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel