

June 26, 2002

Amend Board Report 01-0822-PR15**APPROVE ENTERING INTO AN AGREEMENT WITH JOHNSON RESEARCH GROUP, INC.
FOR CONSULTANT SERVICES****THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into an agreement with Johnson Research Group to provide consulting services on Tax Increment Financing initiatives to support the Capital Improvement Program at a cost not to exceed ~~\$75,000~~ 175,000. The consultant was selected on a non-competitive basis because of the special knowledge and expertise of the consultant. Johnson Research Group has been engaged by the Chicago Public Schools for the past two years providing these services. A written agreement for Consultant's services is 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 document is not executed within 60 days of the date of this Board Report. Information pertinent to this agreement is stated below.

This amended Board Report is necessary to increase the dollar amount of the contract by \$100,000 to compensate the consultant for additional services rendered in anticipation of issuing a bond for the capital improvement program and to revise the maximum compensation for any exercised option periods. These fees may be reimbursed to the General Fund after the bond is issued. A written amendment to the contract is required. No payment for these additional services shall be made to consultant prior to the execution of the written amendment. The authority granted herein shall contractually terminate if the written agreement is not executed within 60 days of the date of this amended Board Report.

Specification No.: 01-250183

CONSULTANT: Johnson Research Group, Inc.
411 S. Wells
Chicago, IL 60607
312-786-4292
Ron Johnson
Vendor #30433

USER: Department of Finance
125 S. Clark, 14th floor
Daryl Okrzesik
553-2710

TERM: The term of this agreement shall commence on the date the agreement is signed and shall end 12 months thereafter. This agreement shall have 2 options to renew for periods of 1 year each, at an hourly rate of \$125 not to exceed the sum of ~~\$400,000~~ 200,000 for each term.

EARLY TERMINATION RIGHT: The Board has the right to terminate the agreement for any reason or no reason whatsoever with 30 days written notice.

SCOPE OF SERVICES: Johnson Research Group will serve as special advisor to the Chief Fiscal Officer to develop a strategy with the City Department of Planning and Development, the Chicago Department of Finance and the City's Chief Financial Officer on tax increment financing initiatives to support the Capital Improvement Program. Mr. Johnson, principle, will focus on preparing detailed financial analyses of available TIF revenues, negotiating potential financial commitments, preparing formal written agreements with the city, and receiving the funds identified for CPS. These agreements will formalize a revenue stream for both short-term and long-range funding of the capital improvement program. Mr. Johnson shall develop complex mechanisms needed to coordinate all aspects of the negotiations. Mr. Johnson will also advise on alternative TIF strategies, present creative approaches for additional funding opportunities, and provide long range planning assistance to the CFO.

Johnson Research Group will provide services to the City in conducting financial feasibility studies in specific TIF districts to verify future projections of available tax increment revenues. These services will provide critical information to the bond team. In addition, the consultant will provide services for projects that were anticipated to begin in FY03, but have been recently authorized to begin in FY02.

DELIVERABLES: Deliverables to be provided by Consultant include monthly project reports, spreadsheets detailing potential revenue opportunities from existing TIF districts, draft redevelopment agreements, and strategic planning documents, as determined by the CFO.

OUTCOMES: Consultant's services will result in revenue streams for both short term and long range programs in the anticipated amount of \$100 million in TIF funds in FY02 for the Capital Improvement Program and an additional \$100 - \$200 million over the next 3-5 years.

COMPENSATION: Consultant shall be paid as follows: Hourly rate of \$125, plus reimbursables, with total compensation not to exceed the sum of ~~\$75,000~~ 175,000.

REIMBURSABLE EXPENSES: Consultant shall be reimbursed for report preparation expenses and copying charges, agreed to in advance by CFO and not to exceed \$500. All reimbursable expenses are included in the total compensation amount.

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

AFFIRMATIVE ACTION: ~~Vendor agrees to comply with and be bound by the provisions of the Revised Remedial Plan for Minority and Women Business Enterprise Economic Participation (MAWBE Plan).~~
The M/WBE goals for this contract include:

35% total MBE, 22% total African American, 10% total Hispanic,
 2% total Asian and 5% total WBE.

However, the Waiver Review Committee recommends that a partial waiver of the participation goals for this contract as required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) be waived because the vendor demonstrated reasonable good faith efforts. The vendor has however, identified and scheduled the following firms and percentages:

Total MBE 23.66%

Total African American 14.06% \$750.00

A & B Office Machines .43 certified until 9/01/02
4551 W. Fulton Street, Chicago, IL 60624

IMC Automation Inc. 2.2% \$4,000.00
333 E. Ontario Suite 3B certified until 7/12/02
Chicago, IL 60611

World's Printing Company .43% \$750.00
233 N. Michigan Ave. Concourse certified until 9/28/02
Chicago, IL 60601

Ernest R. Sawyer Enterprises, Inc. 11% \$20,000.00
100 N. LaSalle Street, Suite 500 certified until 8/1/02
Chicago, IL 60602

Total Hispanic .6%
GP & R Group .6% \$1000.00
1837 S. Michigan Avenue certified until 7/12/02
Chicago, IL 60616

Total Asian 8%
R.M. Chin & Associates \$14,000.00
401 N. Michigan Ave. Ste. 525 certified until 5/01/02
Chicago, IL 60611

Total WBE % 1%
EJM Engineering Company \$2,000.00
411 S. Wells St. Ste. 800 certified until 10/18/2
Chicago, IL 60601

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

FINANCIAL: Charge to Department of Finance: \$75,000 + \$100,000 = \$175,000 Fiscal Year: 02
Budget Classification: 0230-210-000-1120-5410 Source of Funds: General Operating Fund 210
Note: These funds may be reimbursed from bond proceeds.

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 Board of Trustees 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 budgets.

Approved for Consideration:

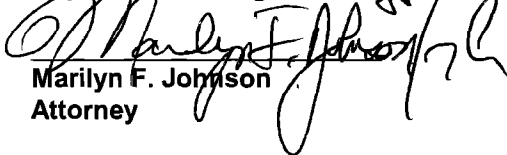

Acting Anita Rocha
Chief Purchasing Officer
Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved:


Arne Duncan
Chief Executive Officer *by FAX*

Approved as to legal form:


Marilyn F. Johnson
Attorney