

**APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH JOHNSON RESEARCH GROUP, INC. FOR CONSULTING SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve exercising the first option to renew the 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 \$175,000. Johnson Research Group has been engaged by the Chicago Public Schools for the past three years providing these services. A written agreement exercising this option is currently being negotiated. No payment shall be made to Consultant during the option period 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.

**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, 14<sup>th</sup> floor  
Daryl Okrzesik  
553-2710

**ORIGINAL AGREEMENT:** The original agreement (authorized by Board Report 01-0822-PR15, as amended by Board Report 02-0626-PPR) is for a term commencing August 30, 2001 and ending August 29, 2002, with the Board having 2 options to renew for periods of 1 year each. This agreement was awarded on a non-competitive basis.

**OPTION PERIOD:** The term of this agreement is being extended for one year commencing August 30, 2002 and ending August 29, 2003.

**OPTION PERIODS REMAINING:** There is one option period for one year remaining on this agreement.

**SCOPE OF SERVICES:** Consultant will continue to 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. Consultant 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. Consultant shall also 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. Consultant will also conduct financial feasibility studies in specific TIF districts to verify future projections of available tax increment revenues.

**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 FY03 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 \$175,000.

**REIMBURSABLE EXPENSES:** Consultant shall be reimbursed for report preparation expenses and copying charges, agreed to in advance by the 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 renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize the Chief Fiscal Officer to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:** 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 M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the vendor has demonstrated reasonable good faith efforts.

The vendor has, however, identified and scheduled the following firms and percentages

**Total MBE 29%**

**Total 24% African American:**

**A & B Office**                      **4551 W. Fulton St., Chgo., IL 60624**  
**\$750.00/.4%**                      **Certified through 11/1/02**

**A-Pro Temp**                      **180 N. LaSalle, #1825, Chgo., IL 60601**  
**\$1,000.00/.6%**                      **Certified through 8/1/02**

**Ernest Sawyer**                      **100 N. LaSalle, #500**  
**\$40,000.00/23%**                      **Certified through 8/1/02**

**World's Printing**                      **233 N. Michigan, Concourse Level, Chgo., IL 60601**  
**\$750.00/.4%**                      **Certified through 1/1/03**

**Total 3% Hispanic:**

**GP & R Group**                      **1837 S. Michigan, Chgo., IL 60616**  
**\$4,500.00/3%**                      **Certified through 9/1/02**

**Total 1.9% Asian:**

**R. M. Chin Assoc.**                      **401 N. Michigan Ave., #2900, Chgo., IL 60611**  
**\$2,500.00/1.4%**                      **Reapplied 4/3/02**

**Sir Speedy**                      **311 S. Wacker, Chgo., IL 60606**  
**\$750.00/.4**                      **Certified through 9/1/02**

**Total WBE 8%**

**EJM Engineering**                      **411 S. Wells, #800, Chgo., IL 60607**  
**\$14,000.00/8%**                      **Certified through 12/1/02**

The City of Chicago Department of Procurement Services certifies each identified firm. The identified firms are subject to change upon approval from the Procurement and Contract's Division of Compliance and Vendor Services without further Board approval.

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

**FINANCIAL:** Charge to Department of Finance: \$175,000 Fiscal Year: 03  
Budget Classification: 0230-476-000-1120-5410 Source of Funds: Capital Fund To Be Determined

**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 budget(s).

**Approved for Consideration:**

  
Anita Rocha  
Acting Chief Purchasing Officer

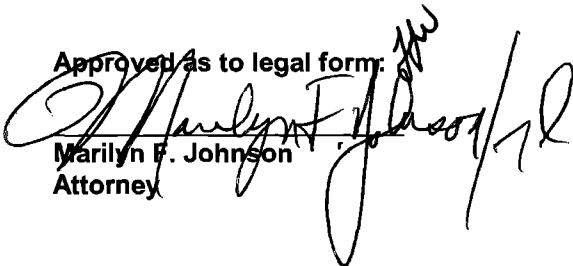
**Approved:**

  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
Kenneth C. Gotsch  
Chief Fiscal Officer

**Approved as to legal form:**

  
Marilyn F. Johnson  
Attorney