

**APPROVE EXERCISING THE SECOND OPTION TO EXTEND THE AGREEMENT WITH
TISHMAN CONSTRUCTION CORPORATION FOR CONSTRUCTION MANAGEMENT SERVICES FOR
RENOVATION**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second option to extend the agreement with Tishman Construction Corporation of Illinois to provide construction management services for renovation work for the Capital Improvement Program in the Department of Operations at a cost for the option period not to exceed \$3,500,000. No payment shall be made to Tishman Construction Corporation of Illinois during the option prior to the execution of the written option agreement. The authority granted herein shall automatically rescind in the event a written option agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

SPECIFICATION NO: 00-250201

Vendor: Tishman Construction Corporation of Illinois
One South Wacker Drive, Suite 2300
Chicago, Illinois 60606
Contact Person: Ronald E. Materick
312-577-2310
Vendor # 21055

USER: Department of Operations
125 South Clark
Bruce Washington
(773) 553-2900

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 00-0628-PR9), was for a term commencing June 1, 2000 and ending May 31, 2002, with the board having two options to renew for periods of one year each. The original agreement was extended for a term commencing June 1, 2002 and ending May 31, 2003 pursuant to Board Report 02-0626-PR10. The original agreement was awarded pursuant to a duly advertised Request for Proposals (Specification No. 00-250201).

OPTION PERIOD: The term of this agreement shall be extended for a term commencing on June 1, 2003 and ending December 31, 2003.

OPTION PERIODS REMAINING: There are no options remaining.

SCOPE OF SERVICES: Tishman Construction Corporation of Illinois shall continue to render the following pre-construction and construction management services for renovation work in the Capital Improvement Program:

Review contract documents, construction methods, schedules, and budgets during the design and construction phase. Provide coordination, oversight, the administration of the construction process, including cost, schedules, quality of work and timeliness of work for each project in accordance with the Construction Management Services Agreement, which includes but is not limited to: provide written monthly status reports, including completed project photos, contract award, percent complete of ongoing projects, anticipated completion dates, problems, budgets, budget concerns. Prepare an operation plans for projects to ensure that projects are completed on time and within program budget and coordinate construction activities with contractors and schools including construction sequence and site space assignments. Provide written recommendations during the design phases relative to feasibility of construction methods, availability of materials and labor, labor shortages, time requirements for procurement, installation and construction, factors related to construction cost including but not limited to: cost of alternative designs or materials, preliminary budgets, and possible economies. Perform construction cost estimates at 50% and 90% design and as needed for comparison against managing architect, architect of record estimates, and program budget. Coordinate and expedite the ordering and the delivery of materials, shop drawing reviews, and other submittals. Select, retain, and coordinate the professional services of special consultants and testing laboratories for required projects. Develop and establish bidding schedules. Prepare and issue bid documents for multiple prime and/or trade contracts. Coordinate bidding, issue addenda, conduct pre-bid conferences with prospective bidders, make

recommendations for award or rejection, and maintain record of bid information. Schedule and conduct all pre-construction and construction site meetings providing meeting minutes. Monitor the performance of all general contractors, rate performance, update schedules and cost during construction. Review and process pay applications and final payments.

Request interpretations of drawings and specifications, review construction and contract changes, negotiate prices and monitor construction changes in contract and change orders. Review, evaluate, and document claims. Monitor the delivery, storage, protection and security of Board purchases, materials, systems, and equipment relative to projects. Observe with architect of record, the contractor's final testing and start-up of equipment, operational systems, and training of Board personnel. Prepare and document the execution and correction of the preliminary and final punch list items with the architect of record. Maintain daily logs and weekly summary reports on projects. Assist architect of record and contractor in coordination with all city and state agencies and obtaining building permits, certificate of occupancy and fire system approvals. Manage multiple prime and/or trade contractors.

DELIVERABLES: Tishman Construction Corporation of Illinois shall continue to deliver construction manager services to the Office of Operations for renovation work.

OUTCOMES: The construction manager services shall continue to result in the management of all design and construction cost for renovation work for the Office of Operation's Capital Improvement Program.

COMPENSATION: Tishman Construction Corporation of Illinois shall be compensated for services based upon actual payroll rate times an approved multiplier for actual overhead, burden, and profit, not to exceed 2.5. Authorization requests shall be submitted to, and approved by, the Program Manager (PM) and the Office of Operations for all services performed. The maximum compensation payable to Tishman during the option period shall not exceed \$3,500,000.

REIMBURSABLE EXPENSES: Tishman Construction Corporation of Illinois shall be reimbursed for the following expenses: Transportation expenses for personal or company vehicles when used for travel to project sites only and required meetings outside of the CIP Program Management office; reproduction charges; remote telephone usage, and pagers; office expenses including office space, furnishings, computers, copiers, printers, office supplies, and materials for Consultant's personnel located within the CIP Program Management Office. The total compensation amount reflected herein is inclusive of all reimbursable expenses.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document.

AFFIRMATIVE ACTION: Based upon a review and analysis of the vendor's compliance with the M/WBE goals from the initial contract term, this contract is in full compliance with the original M/WBE participation goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The original M/WBE participation goals for the contract include: 35% total MBE; 22% total African-American; 12% Hispanic; 2% Asian; and 5% total WBE.

The vendor has identified and scheduled the following M/WBE firms and percentages.

Total MBE 35%

Total African-American 23%

UBM Inc. 223 W. Jackson Blvd. Suite 1200 Chicago, IL 60606	14%	certified until November 6, 2003
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Louis Jones Enterprises 333 N. Michigan suite 625 Chicago, IL 60601	9%	certified until August 31, 2003
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Total Hispanic 10%

Primera Engineers 25 E. Washington suite 510 Chicago, IL 60602	10%	certified until September 30, 2003
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Total Asian 2% Soodan and Associates 100 N. LaSalle St. suite 1800 Chicago, IL 60602	2%	certified until August 31, 2003
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Total WBE 5% The Bronner Group 120 N. LaSalle St. suite 1300 Chicago, IL 60602	5%	certified until May 31, 2003
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LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Charge to Office of Operation: \$ 3,500,000 Fiscal Year: FY04
Budget Classification: 0944-454-000-9311-5400
Source of Funds: Capital Improvement Program

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 July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

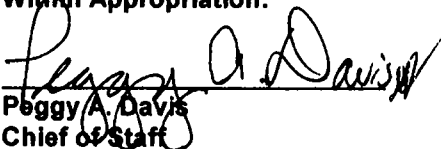
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:


Sean P. Murphy
Chief Purchasing Officer

Within Appropriation:


Peggy A. Davis
Chief of Staff

Approved as to legal form:


Robert R. Hall
Acting General Counsel

Approved:


Arne Duncan
Chief Executive Officer