

**APPROVE ENTERING INTO AN AGREEMENT WITH ELECTRIC CITY, CORP. TO PROVIDE AND
INSTALL ENERGY SAVER SYSTEM AND SOFTWARE CONTROL SYSTEM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Electric City Corp. to provide and install base load, variable demand-side energy management equipment and centralized control software to the Department of Operations at a cost not to exceed \$4,000,000.00. Vendor was selected on non-competitive basis because this product is fully tested, used by other government entities with large numbers of satellites sites, and is the same energy saving system installed at Kelly, Portage Park, and Lavizzo Schools. A written agreement is currently being negotiated. No payment shall be made to Vendor 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 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification No.: 03-250160

VENDOR: Electric City Corp.
1280 Landmeier Road
Elk Grove Village, IL 60007
Mike McHugh
(847) 437-1666
Vendor # 33183

USER: Department of Operations
125 South Clark-16th Floor
Chicago, IL 60603
Christopher Bushell
(773) 553-3227

TERM: The term of this agreement shall commence August 1, 2003 and shall end July 31, 2006. This agreement shall have one option to renew for a period of twelve (12) months.

SCOPE OF SERVICES: Vendor shall furnish and install energy saving units and software control systems at applicable Chicago Public School facilities where and when feasible as approved on an individual basis by the Chief Operating Officer or his/her designee. Mechanically, the equipment is attached to a central panel switch, controllable by computer, and acts as a modulating valve, constricting the flow of electricity to lighting fixtures. In particular, the software provided allows monitoring of electrical lighting usage at a school at any time. The software is licensed by Delta Controls and distributed by Great Lakes Controlled Energy Corporation.

DELIVERABLES: The system will centralize control of the lighting systems with state of the art building automation software and control energy expense.

OUTCOMES: The system will allow the Chicago Public Schools to immediately recognize and correct unexpected usage patterns, provide appropriate levels of lighting for security purposes, reduce energy consumption, and significantly decrease Electricity costs.

COMPENSATION: Electric City Corp. shall be paid on a per project basis upon invoicing; total compensation amount shall not exceed \$4,000,000.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Operating Officer to execute software license agreements and notices to proceed for approved projects. Authorize the Chief Operating Officer to execute all ancillary documents required to administer or effectuate the agreement.

AFFIRMATIVE ACTION: This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The M/WBE goals for the contract are: 26% total MBE, 16% total African American, 7.5% total Hispanic, 2% total Asian and 5% total WBE.

The vendor has identified and scheduled the following firms and percentages:

Total MBE% - 26%

Total African American – 16%

Dorian Electric Company
3502 West 95th Street
Evergreen Park, IL 60805
\$320,000 – 8%

certified until 03/31/06

Foster Electric
125 W. 75th Street
Chicago, IL 60620
\$320,000 – 8%

certified until 07/31/03

Total Hispanic – 8%

Suarez Electric
4439 W. Montrose Ave.
Chicago, IL 60641
\$320,000 – 8%

certified until 05/31/06

Total Asian – 2%

GIM Electric Company
4150 North Milwaukee Ave.
Chicago, IL 60641
\$40,000 – 1%

certified until 07/31/06

Comtel Technologies
5705 N. Lincoln Ave.
Chicago, IL 60659
\$40,000 – 1%

certified until 06/30/07

Total WBE% - 5%

US Power
435 N. Michigan Ave.
Chicago, IL 60011
\$200,000 – 5%

certified until 07/31/07

The City of Chicago Department of Procurement Services certifies each 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 Operations: \$4,000,000.00 Fiscal Year: FY03-04
Budget: 0944-various-000-9311-5400
Source of Funds: Capital Funds

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.

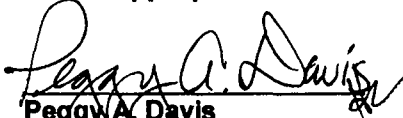
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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
Acting Chief Purchasing Officer


Within Appropriation:


Peggy A. Davis
Chief of Staff

Approved:


Arne Duncan *by PAD*
Chief Executive Officer

Approved as to legal form:


Ruth Moscovitch
General Counsel