

**APPROVE THE EXERCISING OF THE FIRST OPTION TO RENEW AGREEMENT
WITH STEVEN NEMEROVSKI FOR CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the exercising of the first option to renew the agreement with Steven Nemerovski to provide consulting services to the Office of School Financial Services at a cost not to exceed \$50,000. A written renewal agreement is currently being negotiated. No payment shall be made to consultant during the renewal period prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within 60 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification No.: 03-250051

CONSULTANT: Steven Nemerovski

One IBM Plaza
Suite 3000
Chicago, IL 60611
312/755-3161
Vendor # 93655

USERS: Office of School Financial Services

125 South Clark Street
Chicago, IL 60603
John Maiorca
773-553-2700

Department of Finance
125 S. Clark Street
Chicago, IL 60603
Daryl Okrzesik
773-553-2710

Office of Intergovernmental Affairs
125 South Clark Street
Chicago, IL 60603
Joelle Isidore
773-553-1500

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 03-0326-PR18) is for a term commencing April 25, 2003 and ending April 24, 2004, with the Board having two options to renew for additional 1-year periods. Consultant was selected on a non-competitive basis due to the consultant's extensive and unique experience in the legislative process.

RENEWAL TERM: The agreement shall be renewed for a term commencing April 25, 2004 and ending April 24, 2005.

SCOPE OF SERVICES: The consultant will continue to serve as a consultant for the Chicago Public Schools on administrative and regulatory issues in state and federal agencies and departments. Consultant will continue to coordinate his efforts on behalf of the Office of School Financial Services, Department of Finance and Office of Intergovernmental Affairs.

DELIVERABLES: In addition to reviewing administrative and regulatory issues currently underway, Consultant will continue to be proactive on future administrative matters affecting the Chicago Public Schools and in developing materials and coordinating information to educate the legislature on Chicago Public Schools' role in social services.

OUTCOMES: Consultant's efforts will result in simplifying Medicaid administrative processes through favorable legislation, and expanded interpretations of the law to allow for more Medicaid funding for more of our students, and health and social services. Consultant's efforts will also result in increased legislative support for CPS' financial requirements.

COMPENSATION: Consultant shall be paid during this option period as follows: On a monthly basis, upon receipt of invoice, not to exceed the sum of \$50,000 per year.

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. Authorize [title] to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION: The vendor for this contract is an independent consultant (100% non minority)

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

FINANCIAL: Charge to Office of School Financial Services: \$50,000.00 Fiscal Year: 2004
Budget Classification: 0200-210-000-7892-5410 Source of Funds: General Fund
Requisition Number: [#]

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.

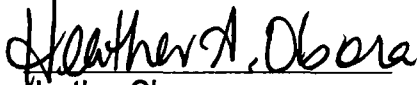
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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

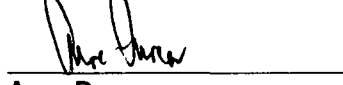
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:


Heather Obora
Chief Purchasing Officer

Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form:


Ruth Moscovitch
General Counsel