

APPROVE THE PRE-QUALIFICATION STATUS OF AND APPROVE ENTERING INTO MASTER AGREEMENTS WITH VARIOUS CONTRACTORS TO PROVIDE TEMPERATURE CONTROL SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the pre-qualification status of and approve entering into master agreements with various contractors to provide temperature control services to the Department of Operations in an aggregate amount not to exceed \$2,000,000 annually. Contractors were selected on a competitive basis pursuant to a duly advertised Request for Qualification (Specification No.03-250232). A written master agreement for each contractor is currently being negotiated. No services shall be provided by any contractor and no payment shall be made to any of them prior to the execution of their written master agreement. The pre-qualification status approved herein for each contractor shall automatically rescind as to each contractor in the event such contractor fails to execute the Board's master agreement within 90 days of the date of this Board Report. Information pertinent to these master agreements is stated below.

SPECIFICATION NO.: 03-250232

CONTRACTORS: See attached list

USER: Department of Operations
125 South Clark-16th Floor
Chicago, IL 60603
Sean P Murphy
(773) 553-2900

TERM: The term of this pre-qualification period and each master agreement shall commence on May 1, 2004 and shall end March 31, 2006, with the Board having the option to extend the agreements for one (1) additional 12 month period.

SCOPE OF SERVICES: Contractors will provide the following services:

- Design, engineering, installation, programming, checkout training, and provision of all materials.
- Heating, Ventilation and Air Conditioning (HVAC) Controls consisting of a main LonTalk network with network controllers residing on the network controlling various pieces of HVAC equipment. LonTalk Messages from the HVAC control network shall be routed to a web server onto the main school academic Ethernet/IP Network. Information will be viewed and manipulated via web pages and a standard web browser from any client with privileges on the CPS WAN.
- Programming of all controllers, HVAC control routers and switches, graphical users interface, and development of all web page based graphical screens, schedules, logs, alarms, LonWorks Network management, and connection between the Lon and school LAN.
- Provide all application controllers, input and output devices, network controllers, HVAC control network routers and switches, servers, etc.
- Provide installation of all application controllers and network wiring, input and output devices and wiring, power wiring to panels, and wiring from Lon to school's LAN.

DELIVERABLES: Contractors will provide temperature control services in accordance with specifications for each project.

OUTCOMES: Contractor's services shall result in projects being completed on time, within budget, and erected in accordance with the project documents.

COMPENSATION: The compensation payable to all contractors, in the aggregate, shall not exceed \$2,000,000 annually.

USE OF THE POOL: The Board shall solicit sealed bids for each project from the pre-qualified pool. The pre-qualified pool will be requested to furnish a lump-sum quotation in response to an invitation to bid for a defined scope of work. Each project shall be awarded to the lowest responsive responsible bidder. A notice of award for each project shall be issued by the Chief Purchasing Officer and such award shall be ratified by the Board at the Board meeting immediately following such award.

GENERAL CONDITIONS REGARDING PRE-QUALIFIED VENDOR PROGRAMS:

All pre-qualified vendors shall be required to enter into the Board's standard master agreement, which master agreement shall specifically identify the services to be provided by each vendor and shall include other basic contractual terms and conditions as deemed appropriate by the General Counsel.

The Chief Purchasing Officer shall develop, within six (6) months of the establishment of the pre-qualified program, a qualitative evaluation process which will rate each vendor's performance under the program and allow for a vendor's compensation limit to be increased or decreased, as the case may be, or provide grounds for revoking a vendor's pre-qualification status.

The Chief Purchasing Officer shall monitor all purchase orders, or such other documents as required, for User Groups to utilize the pre-qualified vendors to ensure that the program remains within its budgetary limitations.

User Groups may only utilize a pre-qualified vendor for those services for which such vendor has been pre-qualified. The Chief Purchasing Officer shall prepare a directory or other such type of listing to be distributed to all User Groups which specifies the types of services for which each vendor has been pre-qualified.

Pursuant to Board Rule 5-10.2, the Chief Purchasing Officer shall submit a quarterly Board Report which reports expenditures made during the previous quarter to pre-qualified vendors including an accounting and reconciliation of such expenditures to individual vendors against the total expenditure authorized for the applicable pre-qualified pool of vendors.

The Chief Purchasing Officer shall impose financial limits on the use of pre-qualified vendors, including limits on the amount each User Group may purchase from a vendor under the pre-qualified program and the total amount of compensation paid to any one vendor during the term of the pre-qualification program. Financial limitations shall be imposed based upon the following categories of services: (i) for those services which are substantial in nature, re-occurring or of a type from past experience which will involve a high threshold of expenditures, the Chief Purchasing Officer may impose financial limitations as deemed necessary; and (ii) for those services which are routine in nature and will not involve a high threshold of expenditures, the Chief Purchasing Officer shall impose financial limits per User Group and per vendor. Any request to exceed any imposed financial limitations shall require additional Board approval.

The Chief Purchasing Officer shall develop guidelines regarding the imposition of financial limitations on newly pre-qualified vendors or previous vendors of the Board who are now being pre-qualified to perform new or different services, with a corresponding periodic evaluation of such vendor's performance to allow for an increase in such vendor's financial limitation due to satisfactory performance ratings.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written master agreements. Authorize the President and Secretary to execute the master agreements. Authorize the Chief Purchasing Officer to issue the Notices of Award connected with this program.

AFFIRMATIVE ACTION: Pursuant to Section 6.2 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the Per Contract and Category Goals method for M/WBE participation will be utilized. Thus, contracts for subsequent vendors from the pool created by

for M/WBE participation will be utilized. Thus, contracts for subsequent vendors from the pool created by this contract will be subject to compliance reviews on a contract-by-contract basis. Aggregated compliance of the vendors in the pool will be reported on a monthly basis.

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

FINANCIAL: Charge to Operations: \$4,000,000 Fiscal Year: FY04&05
Budget Classification: various capital funds
Fund Source:

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.

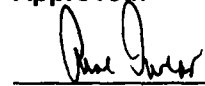
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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 A. 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

- 1) Althoff Industries, Inc.**
8001 S. Route 31
Crystal Lake, IL 60014
Contact: Stacia Hahn
(815) 455-7000
Vendor # 14324
- 2) Anchor Mechanical, Inc.**
910 W. Van Buren, Ste. 348
Chicago, IL 60607
Contact: Michael Rosner
(312) 492-6994
Vendor # 29689
- 3) Control Engineering Corp.**
2000 York Rd, Ste 102
Oakbrook, IL 60523
Contact:
(630) 954-1300
Vendor # 23101
- 4) Control Solutions, Inc.**
811 Odgen Ave.
Lisle, IL 60
Contact:
(630) 852-1700
Vendor # 35461
- 5) Johnson Controls, Inc.**
3007 Malmo Drive
Arlington Heights, IL 60005
Contact: Michael Crowe
(847) 364-1500
Vendor # 11409
- 6) Siemens Building Technologies, Inc.**
1000 Deerfield Parkway
Buffalo Grove, IL 60089
Contact: Daniel W. Hislip
(847) 215-1000
Vendor # 12579
- 7) Teng Construction LLC**
205 N. Michigan
Chicago, IL 60601
Contact: John Huston
(312) 616-6063
Vendor # 23103
- 8) Trane Company, a division of American Standard**
7100 Madison
Willowbrook, IL 60527
Contact: Dave Spence
(630) 734-3200
Vendor # 15401