

**AUTHORIZATION OF AN AGREEMENT FOR CONSULTANT'S SERVICES (2005)
WITH GARDNER, UNDERWOOD & BACON LLC**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve an agreement with Gardner, Underwood & Bacon LLC ("Consultant") to provide consulting services to the Office of School Financial Services at a cost not to exceed \$290,000.00. A written Agreement for Consultant's Services (2005) (the "Agreement") is currently being negotiated. No payment may be made to Consultant during the 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 90 days of the date of this Board Report. Information pertinent to the Agreement is stated below.

CONSULTANT:

Gardner, Underwood & Bacon LLC
8 South Michigan Avenue
30th Floor
Chicago, Illinois 60603
Deniece Jordan-Walker
(312) 781-1939
Vendor #38410

USER:

Office of School Financial Services
125 S. Clark Street, 13th Floor
Chicago, IL 60603
David Bryant
(773) 553-2790

TERM: The Agreement will be for a period commencing on July 30, 2005, and terminating not later than June 30, 2006. The Agreement is awarded on a non-competitive basis because of the Consultant's prior service, experience and contribution to the implementation of the Board's capital financing program.

SCOPE OF SERVICES: Consultant shall provide the following services: general advice on debt management issues including rating agency presentations, coordination of issuance of periodic bond issues and investment of proceeds, and other specific services at the request of the Chief Financial Officer. The role played in bond issuance will be either "Primary" which involves assuming primary responsibility for the bond issuance, or "Secondary" which involves assuming oversight responsibility for bond pricing and primary responsibility for the investment of proceeds pursuant to assignment by the Chief Financial Officer. Upon specific authorization by the Chief Financial Officer, Consultant may also provide consulting services to the Office of School Financial Services on a broad range of financing issues.

DELIVERABLES: Consultant will provide reports and written analyses as requested by the Office of School Financial Services to support decision-making regarding various financing alternatives.

OUTCOMES: Consultant's services assist in the issuance or restructuring of debt or the establishment of one or more financing mechanisms that permits the Board to implement the Board's Capital Program in an efficient and cost-effective manner.

COMPENSATION: The Agreement will provide for payment by the Board for services by the Consultant in an amount not to exceed \$290,000.00, during the term of the Agreement, with a specific fee schedule to be included in the Agreement. Payment of such amount will be made in such installments and amounts as provided in the Agreement.

REIMBURSABLE EXPENSES: Consultant shall be reimbursed only upon prior written authorization from the Chief Financial Officer only for the following expenses: travel and other related expenses deemed extraordinary. The total compensation amount reflected herein is inclusive of all reimbursable expenses.

AUTHORIZATION: The General Counsel is authorized to include other relevant terms and conditions in the Agreement. The President and Secretary of the Board are authorized to execute the Agreement. The Chief Financial Officer is authorized to negotiate the specific fee schedule and to execute all ancillary documents required to administer or effectuate the Agreement.

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.

Total MBE 66.8%

Total African American 33.4%

Total Hispanic 33.4%

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

FINANCIAL:

Charge to Bureau of Treasury: \$290,000.00	Fiscal Year: FY06
Budget Classification: 0230-210-000-1135-5410	Source of Funds: Operating Not to exceed \$25,000
Budget Classification: Assigned at bond issuance	Source of Funds: Other bond funds Not to exceed \$265,000

(If bond sales or other financing transactions result from the work of this Consultant, then the budget classification for each bond sale or financing vehicle will be a unique classification and will be established in conjunction with that particular bond sale or other financing transaction. If some other funding mechanisms are initially utilized to pay Consultant, then the Board may use proceeds from bond sales or other financing transactions to reimburse the other funding mechanisms in conjunction with the completion of a bond sale or other financing transaction.)

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, a 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 June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the Agreement.

Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the Agreement.

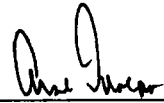
Contingent Liability – The Agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Within Appropriation:
Approved for Consideration:**



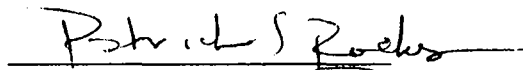
John Maiorca
Chief Financial Officer

Approved:



Arne Duncan
Chief Executive Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel