

**APPROVE ENTERING INTO AGREEMENT(S) WITH SUPPLIERS FOR ELECTRICITY
SUPPLY AND SERVICES**

THE CHIEF OPERATING OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into agreement(s) with one or more Illinois Alternative Retail Electricity Suppliers to provide electricity supply services to all of the Board's facilities. Suppliers will be selected on a competitive basis pursuant to a Request for Proposal issued pursuant to Board Rule 5-4.1. Written agreement(s) with the supplier(s) will be negotiated. No payment shall be made to any supplier prior to execution of a written agreement. The authority granted herein shall automatically rescind as to each supplier in the event a written agreement for such selected supplier is not executed within 120 days of the date of this Board Report. Information pertinent to the agreement(s) and this authorization is stated below.

THE RFP: The Board will issue a Request for Proposals ("RFP") for Electricity Supply and Services to the Board inviting the submission of proposals from Illinois Alternative Retail Electricity Suppliers certified by the Illinois Commerce Commission to provide electricity supply services ("Proposers" or "Suppliers") to all of the Board's facilities.

CURRENT AGREEMENT: The Board's current electricity supply arrangement with Commonwealth Edison Company ("ComEd") is scheduled to expire on the last regular billing date for every facility owned by the Board to and including December 31, 2006.

PROPOSALS: Each Proposer will be invited to submit proposals for various periods, including one (1), two (2), three (3), four (4), and five (5) contract years, up to a maximum of five (5) contract years.

TERM: The initial term of the Agreement(s) will commence on January 1, 2007 and shall be for a designated term up to five years and may include options to renew or extend the Agreement(s). The term of the Agreement(s) and the number and period of any options will be determined by the Chief Financial Officer and the Chief Operating Officer dependent upon pricing and market conditions.

SCOPE OF SERVICES: The selected Proposer(s) will supply the Board's full requirements for electricity including, but not limited to, power, lighting, heating, ventilation, air conditioning, and miscellaneous purposes, to all of the Board's facilities.

COMPENSATION: Suppliers shall be compensated at the rates set forth in the Agreement(s).

AUTHORIZATION: Subject to the written approval of the Chief Financial Officer, authorize the Chief Operating Officer to execute Agreement(s) with Proposer(s) selected by the Evaluation Committee as described in the RFP. Authorize the General Counsel to include insurance and indemnification provisions and other relevant terms and conditions in the Agreement(s). Authorize the General Counsel to execute all ancillary documents required to administer or effectuate the Agreement(s).

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council review is not applicable to this matter.

FINANCIAL: Charge to Operations: \$45,306,992.59 FY 06/07
Budget Classification: 11880-230-53105-254004-000000

GENERAL CONDITIONS:

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

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(s).

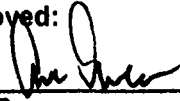
Contingent Liability - The Agreement(s) shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



David J. Vitale
Chief Operating Officer

Approved:



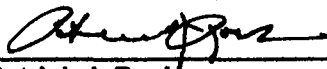
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel