

**AUTHORIZATION OF AN AGREEMENT FOR CONSULTANT'S SERVICES (FY2008)
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 \$225,000.00. A written Agreement for Consultant's Services (FY2008) (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 #95958

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 1, 2007, and terminating not later than June 30, 2008. 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 financial advisory services as contained in the Agreement. Services include, but are not limited to: general advice on debt management issues, issuance of bond, investment of proceeds, and other specified finance related services at the specific authorization of the Chief Financial Officer. The role played in bond issuance may be either "Primary" or "Secondary" as described in the Agreement.

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 \$225,000.00, 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: This contract is in partial compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE). The participation goals for this contract are 35% MBE and 5% WBE. The vendor has received a partial waiver for the 5% WBE participation goals.

Total MBE 95%

Gardner, Underwood & Bacon, LLC
8 South Michigan Avenue, 30th Floor
Chicago, IL 60603

95% AA

Certified until December 13, 2008

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

FINANCIAL:

Charge to Bureau of Treasury: \$225,000.00

Fiscal Year: FY08

Budget Classification: 0230-401-000-1135-5410

Source of Funds: Other bond funds
Not to exceed \$225,000

(If bond sales or other financing transactions result from the work of this Consultant, then the Board may use proceeds from bond sales or other financing transactions to reimburse the funding source identified above 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:**



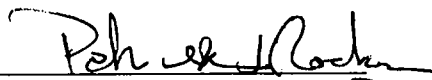
John Maiorca
Chief Financial Officer

Approved:



Arne Duncan
Chief Executive Officer

Approved as to legal form: 



Patrick J. Rocks
General Counsel 