

**APPROVE EXERCISING THE SECOND OPTION TO EXTEND THE AGREEMENTS
WITH VARIOUS CONSULTANTS FOR OWNER'S REPRESENTATIVE SERVICES
FOR THE CAPITAL IMPROVEMENT PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second option to extend the agreements with Consultants identified below to provide owner's representative services to the Capital Improvement Program at a cost for the option period not to exceed \$16,000,000. Written documents exercising this option are currently being negotiated. No payment shall be made to any Consultant during the option period prior to the execution of such Consultant's written document. The authority granted herein shall automatically rescind as to each Consultant in the event a written document for such Consultant not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

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| <p>1. Tishman Construction Corporation of Illinois
One South Wacker Drive, Suite 2300
Chicago, IL 60606
James E. McLean
(312) 577-2310
Vendor # 21055</p> | <p>2. Partnership for Chicago Schools, a Joint Venture
100 S. Wacker Dr., STE 500
Chicago, IL 60606
Daniel Youngman
(312) 446-6424
Vendor # 50124</p> <p style="margin-left: 20px;">a) McKissack & McKissack Midwest
750 N. Rush, Suite 2303
Chicago, IL 60611
Deryl McKissack
(312) 751-1598
Vendor # 46685</p> <p style="margin-left: 20px;">b) O'Donnell Wicklund Pigozzi and Peterson Architects, Inc.
111 W. Washington Street
Suite 2100
Chicago, IL 60602
Richard H. Dewar
(312) 960-8034
Vendor # 36833</p> <p style="margin-left: 20px;">c) The Rise Group, LLC
120 S. LaSalle, Suite 1750
Chicago, IL 60603
Leif Selkregg
(312) 917-1000
Vendor #46677</p> <p style="margin-left: 20px;">d) URS Corporation
122 S. Michigan Ave, Suite 1920
Chicago, IL 60603
Daniel Youngman
(312) 939-1000
Vendor #20307</p> |
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USER: Department of Operations/Capital Improvement Program
125 South Clark 17th Floor
Chicago, IL 60603
Contact Person: M. Hill Hammock
773-553-2900

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 04-0526-PR2) is for a term commencing July 1, 2004 and ending June 30, 2006, with the Board having two (2) options to renew for twelve (12) months each. The agreement was extended (authorized by Board Report 06-0524-PR2) for a term commencing July 1, 2006 and ending June 2007 and was ratified and amended by Board Report 07-0627-PR7. The original agreement was awarded on a competitive basis pursuant duly advertised Request for Proposals (Specification #04-25003).

OPTION PERIOD: The term of this agreement is being extended for one year commencing July 1, 2007 and ending June 30, 2008 ("Second Option Period").

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: Consultant's shall continue to be selected by the Chief Operating Officer to manage the design and construction of various types of projects within the CIP. Consultants will 1) provide diligent and competent design and construction management services adhering to the Scope of Services; 2) assume Existing Projects at various stages of completion; 3) assume small and specialty projects; 4) assume hourly rate projects as assigned; 5) all personnel in the Core Group are subject to Board review and approval on a quarterly basis; 6) estimating services will be performed by the Board's Program Manager and Consultant agrees that it will not provide estimates and will coordinate estimates for Projects with the Program Manager; and 7) the Consultant will provide sign-off on Projects by the Core Group prior to submission of the transfer of design packages to the Program Manager for approval.

DELIVERABLES: Consultant's shall continue to develop detailed schedules and project scopes, develop project transfer packages and provide written construction progress reports.

OUTCOMES: Consultant's services will continue to result in the effective and efficient management of the design and construction projects for the CIP.

COMPENSATION: Consultants shall be paid as follows:

- 1) During the Second Option Period, Exhibit B of the agreement is amended as follows:
 - (a) Design and Construction Projects at a rate of three (3%) percent of the estimated construction cost and the final approved transfer package or as may be re-negotiated by the Chief Operating Officer from time to time on an annual basis;
 - (b) An additional "Core Group" may be employed by the Consultant, based on actual wages times two and one-half percent (2 ½ %); provided however, that the forgoing shall not exceed the sum of Three Hundred Sixty Thousand and 00/100 Dollars (\$360,000.00) per month (the "Not to Exceed Limit");
 - (c) The Not to Exceed Limit, will be reviewed by the Board on a quarterly basis and adjusted up or down by the Board based on present and anticipated work load;
 - (d) There shall be no reimbursement for parking, cellular phones, and travel expenses; and
 - (e) Consultant shall only be reimbursed for reproduction costs outside the existing capabilities of the Board.
- 2) Assumed Existing Projects at a rate as determined by the Chief Operating Officer;
- 3) Small Projects and Specialty Projects at a rate to be negotiated on a case by case basis as determined by the Chief Operating Officer; and
- 4) Hourly Rate Projects at a rate in accordance with industry standards.

Total compensation to all consultants during the Second Option Period shall not exceed \$16,000,000.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option documents. Authorize the President and Secretary to execute the option documents. Authorize Chief Operating Officer to execute all ancillary documents required to administer or effectuate the option agreements. The Chief Officer of the board is authorized to approve the Core Group and any changes to the Not Exceed Limit.

AFFIRMATIVE ACTION: These contracts are in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The M/WBE participation goals for these contracts include: 35% total MBE, 22% total African-American, 10% total Hispanic, 2% total Asian and 5% total WBE. M/WBE participation on these contracts will be monitored on a monthly basis.

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

FINANCIAL: Charge to Operations: \$16,000,000 Fiscal Year: FY08&09
Budget Classification 12150-TBD-541050-009522-2008
12150-TBD-541050-009522-2009
Source of Funds: Capital Improvement Program

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 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).

Approved for Consideration:



**Heather A. Obora
Chief Purchasing Officer**

Approved:



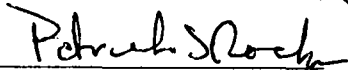
**Arne Duncan
Chief Executive Officer**

Within Appropriation:



**John Maiorca
Chief Financial Officer**

Approved as to legal form:



**Patrick J. Rocks
General Counsel**

