

AMEND BOARD REPORT 07-0627-PR7
RATIFY AND AMEND BOARD REPORT 06-0524-PR2
APPROVE EXERCISING THE 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 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 \$17,500,000. 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.

This ratification and amendment is necessary to correct the (i) the scope of services, (ii) compensation; and (iii) the authorization section of this board report.

This second amendment is necessary to correct a typographical error in the Compensation Section of Board Report 07-0627-PR7 in order to reflect that the Core Group is compensated based on actual wages times a 2.5 multiplier and not two and one-half percent (2 ½ %).

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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>a) McKissack & McKissack Midwest
 750 N. Rush, Suite 2303
 Chicago, IL 60611
 Deryl McKissack
 (312) 751-1598
 Vendor # 46685</p> <p>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>c) The Rise Group, LLC
 120 S. LaSalle, Suite 1750
 Chicago, IL 60603
 Leif Selkregg
 (312) 917-1000
 Vendor #46677</p> <p>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 16th Floor
Chicago, IL 60603
Contact Person: M. Hill Hammock
773-553-2900

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report 04-0526-PR12) in the amount of \$35,000,000 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 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, 2006 and ending June 30, 2007.

OPTION PERIODS REMAINING: There is (1) one option period for twelve (12) months period remaining.

SCOPE OF SERVICES: Consultant's shall continue to be selected by the Chief Operating Officer to manage 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, and 4) assume hourly rate projects as assigned.

From July 1, 2004 to April 30, 2005, the Consultant shall continue to provide the Services as set forth in the original agreement. From May 1, 2005 through June 30, 2007, the Consultant shall continue to render the Services as set forth in the original agreement, with the following changes:

- all personnel in the Core Group are subject to Board review and approval on a quarterly basis;
- 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
- 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 result in the effective and efficient management of the design and construction projects for the CIP.

COMPENSATION: Consultants shall be paid as follows:

- 1) Design and Construction Projects at a rate set at seven (7%) percent of the estimated construction cost and the final approved transfer package for each project or as may be re-negotiated by the Chief Operating Officer from time to time on an annual basis;
- 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 12 month extension period shall not exceed \$17,500,000.

From July 1, 2004 to April 30, 2005, the Consultant shall continue to be compensated as set forth in the original agreement. From May 1, 2005 through June 30, 2007, the Consultant shall be compensated as set forth in the Original Agreement, with the following changes to Exhibit B of the original agreement: (a) in Paragraph 1, "seven percent (7%)" is stricken and "three percent (3%)" is substituted therefore; (b) an additional "Core Group" may be employed by the Consultant, based on actual wages times ~~two and one-half percent (2½%)~~ a 2.5 multiplier; provided however, that the foregoing shall not exceed the sum of Three Hundred Sixty Thousand and 00/100 Dollars (\$360,000.00) per month (the "Not to Exceed Limit"); and (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. Paragraph 3 (b) of the original agreement is amended to specifically provide that there shall be no reimbursement for parking, cellular phones, and travel expenses. In addition, the Consultant shall only be reimbursed for reproduction costs outside the existing capabilities of the Board.

The total compensation payable to all Owner's Representatives for the period July 1, 2006 to June 30, 2007 shall not exceed the sum of Seventeen Million Five Hundred Thousand and 00/100 (\$17,500,000.00).

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 Operating Officer of the Board is authorized to approve the Core Group and any changes to the Not to 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: \$17,500,000 Fiscal Year: FY06&07
Budget Classification: Various Capital Funds
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.

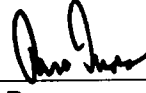
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



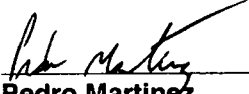
**Heather A. Obora
Chief Purchasing Officer**

Approved:



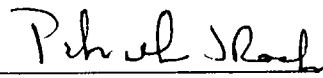
**Arne Duncan
Chief Executive Officer**

Within Appropriation:



**Pedro Martinez
Chief Financial Officer**

Approved as to legal form:


**Patrick J. Rocks
General Counsel**