

APPROVE ENTERING INTO A PARTICIPATION AGREEMENT WITH STINETTE & BROWN DEVELOPMENT, LLC AND APPROVE ENTERING INTO A CONSTRUCTION ESCROW AGREEMENT WITH CHICAGO TITLE & TRUST COMPANY FOR THE GREEN BUILD/GREEN HOUSE PROJECT

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a Participation Agreement with Stinnette & Brown Development, LLC ("Participant") to complete the Green Build project (the "Project"). Participant will not receive any compensation associated with the Project. The Board will provide construction materials with a value not to exceed \$80,000 to be used to build the Green House. Participant was selected on a non-competitive basis because it owns the land on which the Green House will be built and solicited a donation from ComEd to Children First Fund to help fund the Project. Approve entering into a Construction Escrow Agreement with Participant and Chicago Title & Trust Company ("Escrow Agent") to open a non-interest bearing construction escrow account for the purpose of receiving, maintaining and paying out to contractors, funds donated and deposited for the Project. Both a written Participation Agreement and a Construction Escrow Agreement are currently being negotiated. No services shall be provided by Participant and no funds shall be deposited into the construction escrow account prior to the execution of the written agreements. The authority granted herein shall automatically rescind as to each agreement in the event such agreement is not executed within 90 days of the date of this Board Report. Information pertinent to these agreements is stated below.

PARTICIPANT: Stinnette & Brown Development, LLC
1133 E. 83rd Street, Suite 186
Chicago, IL 60619
Attn: J.T. Stinnette, Esq.
773-375-0104
Vendor #: 86024

ESCROW AGENT: Chicago Title & Trust Company
171 N. Clark Street
Chicago, IL 60601
Vendor #: 36357

USER: Education To Careers
125 S. Clark Street, Suite 1200
Chicago, IL 60603
Attn: Yamani Hernandez
773-553-2492

TERM: The term of the Participation Agreement shall commence on October 1, 2008 and shall end August 31, 2009. The Participation Agreement shall have three options to renew for periods of one year each. The construction escrow account shall commence upon execution by all parties and shall end upon completion of project, approval of all construction documents, and disbursement of all escrow funds.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate the Participation Agreement with 30 days written notice.

DESCRIPTION OF PROJECT: Participant will partner with the Chicago Public Schools, Education To Careers Program, to provide an intensive work based learning experience for architecture and construction students through the building of an ecologically sustainable, affordable in-fill house on a standard Chicago lot as the premier culminating hands-on workforce development training and integrated academic project for graduating senior high school students enrolled in career and technical education. Participant will provide land at 7813 South Avalon as the job-site for this student built Green House. The 3-bedroom 2-bath house will be constructed using 75% student labor, under the guidance of card holding trades-union teachers and union tradespersons. The house, which will be LEED certified Silver, features a solar chimney, green roof, structural insulated panels and a rain water catchment system and is estimated to be built for under \$250,000.

Participant has procured ComEd as a primary sponsor of the Project through an \$80,000 contribution. Participant will solicit and cause to be donated any additional monies needed to fund the Project. User will contribute raw material costs in accordance with normal approved Perkins Grant spending guidelines for construction education. Upon sale of the house, any proceeds will be donated to Children First Fund by Participant for another project.

PARTICIPANT'S OBLIGATIONS: Participant will retain Landon Bone Baker as the architect. Participant will enter into an agreement with the architect requiring architect to be responsible for, among other things, permit drawings. Participant will also enter into an agreement with a general contractor who will, among other things, manage the job site, including students and provide safety and quality controls. CPS will review and acknowledge the agreements. Participant will coordinate marketing and sale of the Green House upon completion.

Participant will also provide the following:

- Raise or provide funds in the amount of \$150,000 to be deposited into the construction escrow account
- Solicit and cause to be donated to Children First Fund any additional monies needed to fund the Project.
- Procure \$20,000 in additional in-kind labor for non-student oriented tasks (such as excavation/foundation) and material donations.
- Maintain liability and other insurance as required by the Board.
- Hire a general contractor
- Hire an architect
- Engage the Escrow Agent and enter into a construction escrow agreement with the Escrow Agent and the Board for deposit and maintenance of funds for the Project, as well as review and approval of construction documents and payment of construction costs
- Monitor and oversee marketing and public relations operations
- Conduct all preliminary site work required to prepare the land for development
- Ensure site security throughout development process

BOARD OBLIGATIONS: The Board will provide the following for the Project:

- 120 Students workers/learners from the following schools:
 - Chicago Vocational Career Academy:** Carpentry + Sheet Metal
 - Dunbar Career Academy:** Plumbing + Painting and Decorating
 - Simeon Career Academy:** Carpentry + Electrical
 - Prosser Career Academy:** HVAC
- Cause Children First Fund to deposit all financial contributions for the Project into the construction escrow account
- 10 hours of OSHA (Occupational Safety Hazard Association) Training
- \$80,000 worth of building materials normally purchased for construction education in accordance with existing purchasing limitations (Perkins Grant Funds)
- Student transportation to site (CTA cards or school bus route to ensure timely and safe arrival. School bus transportation will be in accordance with CPS Student Transportation guidelines for chaperones)
- CPS construction teachers to accompany students to the job site and provide supervision and safety and quality controls as instructed by the general contractor.
- Curriculum
- Professional Development for teachers
- Interscholastic Athletic and Extracurricular Activity Insurance
- Safety Consultant to review the project documents and make site visits to ensure a safe learning environment.

ESCROW AGENT OBLIGATIONS: The escrow agent will:

- Accept and maintain deposits made specifically for the Project.
- Obtain and review all necessary construction documents prior to paying contractor from construction escrow account
- Provide final accounting of all funds received and paid out

OUTCOMES: This Project will result in:

- Mentoring and hands-on experience at a construction site for CPS building trades students
- The completion of an eco-friendly (green) residential building.
- Increased environmental awareness for students
- Proceeds of sale to fund an additional green build project to provide the experience to more students

COMPENSATION: Participant will not be compensated for any services rendered under the Participation Agreement. The Board will provide construction materials with a value not to exceed \$80,000 to be used in the construction of this Project. The Escrow Agent will be compensated at an agreed upon rate to be set forth in the construction escrow agreement to be paid from escrow funds.

REIMBURSABLE EXPENSES: None

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreements. Authorize the President and Secretary to execute the Participation Agreement. Authorize the General Counsel to execute the Construction Escrow Agreement and any other real estate related documents. Authorize Director of Education to Careers to execute all non-real estate related ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 25% total MBE and 5% total WBE. However, the Office of Business Diversity recommends that a waiver of the WBE goal is required by the Remedial Program for Minority and Women Owned Business Participation in Construction Contracts due to the unique nature of the services called for by the agreement. The vendor has identified and scheduled the following firm and percentages:

Total MBE: 100%

Stinnette & Brown Development, LLC – (AA)
1133 E. 83rd St. suite 186
Chicago, IL 60619

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

FINANCIAL: Charge to ETC: \$80,000
Budget Classification: [#]
Requisition Number: [#]

Fiscal Year: FY08/09
Source of Funds: Perkins Grant

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.

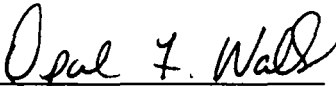
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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.

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.

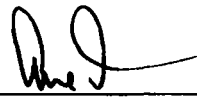
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Opal Walls
Chief Purchasing Officer

Approved:



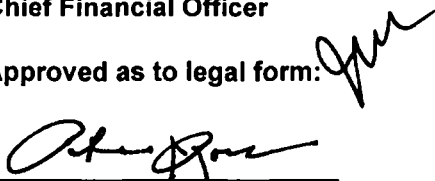
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel