

AMEND BOARD REPORT 08-0625-FN1
AUTHORIZATION OF AN AGREEMENT FOR CONSULTANT'S SERVICES (FY2009/FY2010)
WITH A. C. ADVISORY, INC.

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve an agreement with A. C. Advisory, Inc. ("Consultant") to provide consulting services to the Office of School Financial Services at a cost not to exceed ~~\$400,000.00~~ \$800,000.00. A written Agreement for Consultant's Services (FY2009/FY2010) (the "Agreement") is currently being negotiated. No additional payment under the amended terms may be made to Consultant during the period prior to the execution of the written amended Agreement. The authority granted herein shall automatically rescind in the event a written amended Agreement is not executed within 90 days of the date of this Board Report. Information pertinent to the amended Agreement is stated below.

This Board Report is being amended to extend the term of the agreement by 12 months, and increase the contract dollar amount by \$400,000.00 for a total expenditure not to exceed \$800,000.00. Currently, the Board and the Consultant have entered into an Agreement terminating in June 2009, which Agreement is being extended by a term of one year and allowing for an amount of \$400,000 for FY2010.

CONSULTANT: A.C. Advisory, Inc.
 161 North Clark Street, Suite 4975
 Chicago, IL 60601
 Attention: Adela Cepeda
 312-346-0154
 Vendor #28872

USER: Office of School Financial Services
 125 South Clark Street, 13th Floor
 Chicago, IL 60603
 Attention: David Bryant
 (773) 553-2790

TERM: The Agreement will be for a period commencing on July 1, 2008, and terminating not later than June 30, 2009 2010. 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 including, but not limited to: general advice on debt management issues and ratings agency presentations; coordination of issuance of periodic debt issues and investment of proceeds; selection, structuring and negotiations related to financial derivative products; and other specific services at the request of the Chief Financial Officer.

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 ~~\$400,000.00~~ \$800,000.00, 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.

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 received a partial waiver for the MBE participation goals.

Total WBE 95%

A.C. Advisory, Inc., Suite 4975
161 North Clark Street
Chicago, IL 60601

95% WBE

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

FINANCIAL: Charge to Bureau of Treasury: \$400,000.00

Fiscal Year: FY09

\$400,000.00

Fiscal Year: FY10

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

Source of Funds: Other bond funds
Not to exceed \$400,000.00±
\$400,000.00 = \$800,000.00

(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:**



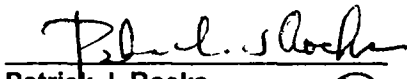
Pedro Martinez
Chief Financial Officer

Approved:



Ron Huberman
Chief Executive Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel