

**APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH
JOHNSON RESEARCH GROUP FOR CONSULTING SERVICES RELATED TO THE MODERN
SCHOOLS ACROSS CHICAGO PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to renew the agreement with Johnson Research Group to provide consulting services to Department of Facilities at a cost for the option period not to exceed \$250,000. A written document exercising this option is currently being negotiated. No payment shall be made to Consultant during the option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

VENDOR:

1)
Johnson Research Group, Inc.
343 S. Dearborn Street
Chicago, IL 60604
Ron Johnson
312-235-0130

Vendor # 30433

USER:

Facility Operations & Maintenance
125 South Clark Street 16th Floor
Chicago, IL 60603
Susan Marek
773-553-2717

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 07-0725-PR17) is for a term commencing September 5, 2007 and ending September 4, 2009, with the Board having 3 options to renew for 1 year each. Costs for each option year shall not exceed \$250,000. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

OPTION PERIOD:

The term of this agreement is being extended for 1 year commencing September 5, 2009 and ending September 4, 2010.

OPTION PERIODS REMAINING:

There are two option periods to renew for a period of 1 year each remaining, at a cost for each renewal term not to exceed the sum of \$250,000 per year.

SCOPE OF SERVICES:

Consultant shall continue to serve as special advisor to the Chief Administrative Officer to develop a strategy with the Chicago Department of Community Development and the Chicago Department of Finance on tax increment financing initiatives to support the Modern Schools Across Chicago Program and other Capital Improvement Program initiatives. Consultant will focus on preparing detailed financial analyses of available TIF revenues for each TIF district, assessing TIF funding strategies, negotiating financial commitments with the City, reviewing appropriate school sites for TIF eligibility, consulting on written agreements with the City to formalize a revenue stream for funding on the capital improvement program, and supporting the issuance of bonds for TIF revenues. Consultant also will develop complex

strategies and mechanisms needed to coordinate aspects of the program, advise the Chief Administrative Officer on alternative TIF strategies, present creative approaches for additional funding opportunities, and provide long alternative, and provide long alternative TIF strategies, present creative approaches for additional funding opportunities, and provide long range planning assistance to the Chief Administrative Officer. Consultant also will conduct financial feasibility studies in specific TIF districts to verify future projections of available tax increment revenue as necessary.

DELIVERABLES:

Consultant will continue to deliver the following: monthly project reports, database of TIF revenues and potential revenue opportunities from existing TIF districts, a database of schools in or adjacent to TIFs, an updated funding matrix for the Modern Schools Across Chicago Program, feasibility analyses, and strategic planning documents, all as requested by the Chief Administrative Officer.

OUTCOMES:

Consultant's services will continue to result in revenue for the Capital Improvement Program over the next 1-5 years to help build over 30 new schools, major renovations and additions. To date, the consultant has helped negotiate \$750 million in intergovernmental agreements with the City of Chicago to fund new schools from TIF revenues and anticipates negotiating additional funding to complete the Modern Schools Across Chicago program.

COMPENSATION:

Consultant shall be paid during this option period as follows: Hourly rates by category ranging from \$170 per hour for a principal to \$110 per hour for a project researcher, plus reimbursables such as report preparation expenses and copying charges; with a total maximum amount for all of the foregoing not to exceed the sum of \$250,000 per year inclusive of reimbursables.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize Chief Administrative Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

This contract is in full compliance with the requirements of the Board's Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts. The M/WBE goals for this agreement are: 25% total MBE participation and 5% total WBE participation.

The vendor has identified and scheduled the following firms:

Total MBE - 25%

Ernest Sawyer Enterprises
100 North LaSalle Street
Chicago, Illinois 60602

World's Printing
233 North Michigan Ave.
Chicago, Illinois 60601

Sir Speedy
311 South Wacker Drive
Chicago, Illinois 60606

GP&R Group
1837 South Michigan Ave.
Chicago, Illinois 60616

Total WBE - 5%

Noitam, Inc.
100 North LaSalle Street, Suite 1515
Chicago, Illinois 60602

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to Department of Facilities: \$250,000
Fiscal Year: FY10

12670-499-54125-252502-000000-2010 \$250,000.00

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 L. Walls
Chief Purchasing Officer

Approved:



Ron Huberman
Chief Executive Officer

Within Appropriation:



PEDRO MARTINEZ
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel