

AMEND BOARD REPORT 09-1028-OP2
APPROVE ENTERING INTO AGREEMENT(S) WITH SUPPLIERS FOR ELECTRICITY
SUPPLY AND SERVICES AND APPROVE EXTENDING EXELON ENERGY COMPANY AGREEMENT

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into agreements with one or more Illinois Alternative Retail Electricity Suppliers and/ or suppliers of renewable energy certificates to provide electricity supply services to all of the Board's facilities and renewable energy certificates equivalent to a portion of the Board's usage. Suppliers will be selected on a competitive basis pursuant to a Request for Proposal issued pursuant to Board Rule 7.2. Written agreement(s) with the supplier(s) will be negotiated. There will be an Electricity Supply and Services Agreement, and a Renewable Energy Certificates Purchase and Sale Agreement. No payment shall be made to any supplier prior to execution of a written agreement. The authority granted herein shall automatically rescind as to each supplier in the event a written agreement for such selected supplier is not executed within 120 days of the date of this Board Report. Information pertinent to the agreement(s) and this authorization is stated below.

The Electricity Supply and Services Agreement was awarded to Exelon Energy Company for a thirty-six (36) month term beginning on the meter read date in July 2010 and ending on the meter read date in June 2013 for each account with an option to extend for a one or more years following the end of the then-current Term.

The Renewable Energy Certificate Purchase and Sale Agreement was awarded to Element Markets, LLC for a term beginning on July 1, 2010 and ending June 30, 2013 with an option to extend for one or more years following the end of the then-current Term.

This July 2012 amendment is necessary to authorize a six-month extension of the Electricity Supply and Services Agreement with Exelon Energy Company pursuant to Section II(c) of the Agreement and negotiate reduced rates for the remainder of the initial 36 month term. A revised pricing schedule extending the term is being negotiated. The authority granted herein shall automatically rescind in the event the revised pricing schedule is not executed within 90 days of this amended Board Report.

THE RFP: The Board will issue a Request for Proposals ("RFP") for Electricity Supply and Services and/or Renewable Energy Certificates ("REC") to the Board inviting the submission of proposals from Illinois Alternative Retail Electricity Suppliers certified by the Illinois Commerce Commission and suppliers of renewable energy certificates to provide electricity supply Services and renewable energy ("Proposers" or "Suppliers") to all of the Board's facilities. The RFP will contain the form of each written agreement preferred by the Board to be entered into between the Board and the selected Proposer(s).

CURRENT AGREEMENT: The Board's current electricity supply arrangement with (not including renewable energy) with Commonwealth Edison Company is scheduled to expire on the last regular billing date for every facility owned by the Board to and including July 31, 2010.

PROPOSALS: Each Proposer will be invited to submit proposals for a period of twenty-four (24) months or a period of thirty-six (36) months.

TERM: The initial term of the Electricity Supply and Services Agreement will commence, for each account, on its meter read date in July 2010 and shall be for a designated term of twenty-four (24) months or thirty-six (36) months, and may include options to renew or extend the Electricity Supply and Services Agreement. The initial term of the REC Purchase and Sale Agreement will commence on July 1, 2010 and shall be for a designated term of twenty-four (24) months or thirty-six (36) months, and may include options to renew or extend the REC Purchase and Sale Agreement. The term of each agreement and the number and period of any options will be determined by the Chief Financial Officer and the Chief Operating Office dependent upon pricing and market conditions.

RENEWAL TERM: The Electricity Supply and Services Agreement with Exelon Energy Company is being extended for a six-month period commencing on the meter read date in June 2013 and ending January 31, 2014, subject to negotiation of pricing for the renewal term.

SCOPE OF SERVICES: The selected Proposer(s) will supply the Board's full requirements for electricity including, but not limited to, power, lighting, heating, ventilation, air conditioning, and miscellaneous purposes, to all of the Board's facilities, and renewable energy certificates equivalent to a portion of the Board's usage. Propers may submit proposals to provide: i) traditional energy; ii) renewable; or iii) a combination of both traditional and renewable energy.

COMPENSATION: Suppliers shall be compensated at the rates set forth in the applicable agreement.

AUTHORIZATION: Subject to the written approval of the Chief Financial Officer, authorize the Chief Operating Officer to execute Agreement(s) with Proposer(s) selected by the Evaluation Committee as described in the RFP. Authorize the General Counsel to include insurance and indemnification provisions and other relevant terms and conditions in the agreements. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate the agreements. Subject to approval of the General Counsel as to legal form, authorize the Chief Operating Officer to execute the revised pricing schedule and extension document.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council review is not applicable to this matter.

FINANCIAL: Charge to Operations: Not to exceed ~~\$34 million~~ \$50,000,000.00 million
Budget Classification: 11880-230-53105-254002 FY11-FY14

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:

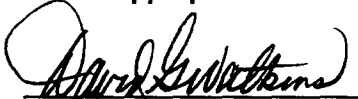
Approved:


Patricia Taylor
Chief Facilities Officer

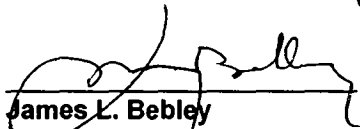

Jean-Claude Brizard
Chief Executive Officer


Sebastien De Longeaux
Chief Procurement Officer

Within Appropriation:


David Watkins
Chief Financial Officer

Approved as to legal form: 


James L. Bebley
General Counsel