

**RATIFY THE EXERCISING OF THE FIRST OPTION TO EXTEND THE AGREEMENT WITH
d'ESCOTO, INC. FOR CONSTRUCTION MANAGEMENT SERVICES FOR EDUCATIONAL
ENHANCEMENTS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify the exercising of the first option to extend the agreement with d'Escoto, Inc. to provide construction management services for educational enhancements to the Capital Improvement Program in the Department of Operations at a cost for the option period not to exceed \$1,800,000. These services were continued without prior Board approval. No payment shall be made to d'Escoto, Inc. during the option prior to the execution of the written option agreement. The authority granted herein shall automatically rescind in the event a written option agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

SPECIFICATION NO: 00-250201

CONSULTANT: d'Escoto Inc.
One East Erie, Suite 520
Chicago, Illinois 60611
Contact Person: Peter Antosh
312-787-0707
Vendor # 23729

USER: Department of Operations
125 South Clark
Timothy Martin
(773) 553-2900

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report #00-0628-PR7), is for a term commencing June 1, 2000 and ending May 31, 2002, with the board having two options to renew for periods of one year each. The original agreement was awarded pursuant to a public Request for Proposal process (Specification No. 00-250201).

OPTION PERIOD: The term of this agreement shall be extended for a period commencing June 1, 2002 and shall ending May 31, 2003.

OPTION PERIODS REMAINING: There is 1 one-year option period remaining.

SCOPE OF SERVICES: d'Escoto, Inc. shall continue to render the Services set forth in the Original Agreement.

DELIVERABLES: d'Escoto, Inc. shall continue to deliver construction manager services to the Office of Operations for the educational enhancement including installation of modular units, playgrounds, athletic fields, and stadium work.

OUTCOMES: The construction manager services shall continue to result in the management of all design and construction costs for educational enhancements for the Department of Operation's Capital Improvement Program.

COMPENSATION: The maximum compensation payable to d'Escoto during this first option of the agreement shall not exceed \$1,800,000.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option agreement. Authorize the President and Secretary to execute the option agreement.

AFFIRMATIVE ACTION: Based upon a review and analysis of the vendor's compliance with the M/WBE goals from the initial contract term, this contract is in full compliance with the original M/WBE participation goals required by the Revised Remedial Plan for Minority and Women Business Contract Participation (M/WBE Plan). The Professional Services participation goals for the contract include: 35% total MBE, 22% total African-American, 10% total Hispanic, 2% Asian, and 5% total WBE.

The vendor has identified and scheduled the following original M/WBE firms and percentages:

Total MBE 95%

Total African-American 22%

The Architects Enterprise 116 S. Michigan Ave. suite 700 Chicago, Illinois 60603	7%	certified until August 31, 2002
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Brown and Momen 823 E. Drexel Square Chicago, Illinois 60615	15%	certified until January 31, 2003
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Total Hispanic 71% 71% certified until February 28, 2003

d'Escoto Inc. 1 E. Erie suite 520 Chicago, Illinois 60611		
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Total Asian 2%

Site Design 8 S. Michigan Ave. suite 1007 Chicago, Illinois 60603	1%	certified until October 31, 2002
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Shah Engineering Inc. One IBM Plaza suite 3200 Chicago, Illinois 60611	1%	certified until March 31, 2003
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Total WBE 5% 5% certified until February 28, 2003

O'Brien and Associates 1235 E. Davis A Arlington Hts. IL 60005		
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LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Charge to Office of Operations: \$1,800,000 Fiscal Year: FY03
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.

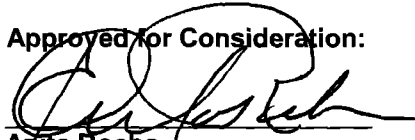
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

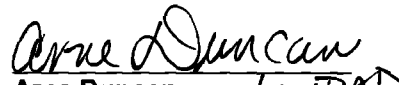
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:


Anita Rocha
Acting Chief Purchasing Officer

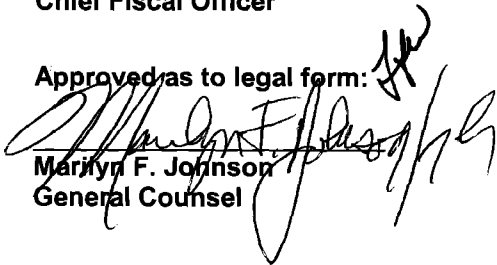
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel