

**RATIFY THE EXERCISING OF THE FIRST OPTION TO EXTEND THE AGREEMENT WITH
CHICAGO SCHOOL ASSOCIATES
FOR PROGRAM MANAGEMENT SERVICES FOR THE CAPITAL IMPROVEMENT PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify the exercising of the first option to extend the agreement with Chicago School Associates to provide program management services for the Capital Improvement Program at a cost for the option period not to exceed \$4,000,000.00. A written agreement for Consultant's services is currently being negotiated. No payment shall be made to Consultant during the option period 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 agreement is stated below.

SPECIFICATION NO.: 00-250062

PROGRAM MANAGER:

Chicago School Associates (Joint Venture)
303 East Wacker Drive, Suite 600
Chicago, Illinois 60601
Contact Person: Ray Heitner
(773) 553-3127
Vendor # 29459

Participants in CSA Joint Venture are:

Consoer, Townsend Envirodyne Engineers
303 East Wacker Drive, Suite 600
Chicago, Illinois 60601
Vendor #29459

McCLier
401 East Illinois Avenue
Chicago, Illinois 60611
Vendor #21795

DMJM Illinois, Inc.
401 E. Illinois Street, 5th Floor
Chicago, Illinois 60611
Vendor #29459

USER: Department of Operations/Capital Improvement Program
125 South Clark- 16th Floor
Chicago, IL 60603
Timothy Martin

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 01-0425-PR1), is for a term commencing May 1, 2001 and ending April 30, 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 Proposals process (Specification No. 00-250062).

OPTION PERIOD: The term of this agreement shall be extended for a period commencing on May 1, 2002 and ending April 30, 2003.

OPTION PERIOD REMAINING: There is one-one year option remaining.

SCOPE OF SERVICES: Chicago School Associates will continue to provide the overall oversight and management of the Capital Improvement Program (CIP) and shall focus on establishing and adhering to the proper scope, budget, and schedule for the CIP including the management of all renovation, new construction, environmental remediation, cost control, and the construction and maintenance of educational enhancement projects undertaken on behalf of the Board. Consultant shall provide the following specific services:

1. Program Management: Provide system-wide coordination and oversight of the CIP to implement and maximize value to the Board of its capital resources including, but not limited to the following:

- a) Establish and maintain organizational structure and accountability;
 - b) Review consulting and contractor contracts and determine fees;
 - c) Facilitate inter-disciplinary communication;
 - d) Maintain consistent data format and control;
 - e) Coordinate professional services, contractors, and vendors;
 - f) Provide regular management reports;
 - g) Facilitate the Board's decision-making;
 - h) Integrate environmental, regulatory compliance, efficient energy management, information technology, land acquisition and ADA projects within the CIP;
 - i) Coordinate design and construction activities of new projects that involve CIP funding;
 - j) Assist in the preparation and production of the CIP Book;
 - k) Design and develop computerized presentations of the CIP for the Board, as required;
 - l) Maintain photo history of projects;
 - m) Coordinate the Board's communications with principals, Local School Council ("LSC") representatives and others regarding CIP projects;
 - n) Attend Board and community meetings as requested or required;
 - o) Meet with the Board whenever requested to promptly resolve any concerns that occur relative to the administration of the CIP;
 - p) Function as the Board's liaison with the Public Building Commission ("PBC") on existing projects until project completion and close-out;
 - q) Function as the Board's liaison with the Chicago Park District ("CPD"), the Capital Development Board ("CDB") and the PBC on facilities that are subject to intergovernmental agreements;
 - r) Provide the Board's Department of Capital Planning with all reports including but not limited to, weekly status of all bids, awards, and construction completion schedule on all CIP projects;
 - s) Identify and implement of cost saving measures; and
 - t) Identify additional sources and methods of financing for capital improvements;
2. **Project Management:** Provide coordination and supervision of the overall project management of the CIP including the Board's Construction Managers, Managing Architects, Architects of Record and Environmental Consultants to provide smooth and uninterrupted transition of expertise and information between all project consultants, including, but not limited to, the following:
- a) Provide scope oversight;
 - b) Supervise and coordinate design development and construction review;
 - c) Supervise and coordinate value engineering;
 - d) Schedule coordination activities; and
 - e) Provide data consolidation and reporting
3. **Construction Management:** Provide management of construction to ensure adherence to scope, budget and schedule, including, but not limited to, the following:
- a) Assist in and facilitate the Board's bidding process;
 - b) Provide contract administration;
 - c) Provide project scheduling;
 - d) Provide and monitor scope and cost control;
 - e) Provide oversight of construction management services; and
 - f) Facilitate the Board's development of a construction safety program.
4. **Audit Management:** Provide financial and procedural oversight of the CIP functions, including but not limited to, the following:
- a) Review reports;
 - b) Review budgets;
 - c) Review all change orders;
 - d) Review accounts payable; and
 - e) Coordinate all of the above.

5. Database Management: Maintain an active database encompassing all CIP projects, including but not limited to, the following:
- a) Design status,
 - b) Bid and award schedule;
 - c) Construction schedules;
 - d) Assessments;
 - e) Project scope,
 - f) Completed projects;
 - g) Deferred projects;
 - h) New programs;
 - i) Budgets; and
 - j) Overall status of projects.

DELIVERABLES: Consultant shall continue to deliver the following items to the Board:

- a) A weekly bid and award schedule from the tracking database;
- b) Weekly new construction and renovation schedule from the tracking database;
- c) Staffing plan, including pager and two-way radio/cell phone contact numbers;
- d) A CIP implementation plan of the services described;
- e) Monthly schedules and Summary of all CIP activities (revise and re-issue every month).
- f) Timetable for publishing CIP standard procedures manual;
- g) CIP Book;
- h) Standard procedures manual for Board review;
- i) CIP Book for Board approval; and
- j) A hard copy and computer based public relations support material.

OUTCOMES: The program manager services shall continue to result in the effective and efficient management of the CIP.

COMPENSATION: Program Manager shall be compensated for services rendered to manage a minimum \$400,000,000.00 Capital Improvement Program, based upon actual wages times an overhead burden and profit multiplier of 2.50 plus Board approved reimbursables, in an amount not to exceed the sum of \$4,000,000.

REIMBURSABLE EXPENSES: Program Manager shall be reimbursed for the following expenses: Transportation expenses for personal or company vehicles when used for travel to project sites only and required meetings outside of the CIP Program Management office; reproduction charges; remote telephone usage, and pagers; office expenses including license fees for office space, furnishings, computers, copiers, printers, office supplies, and materials for Consultant's personnel located within the CIP Program Management Office. The total compensation amount reflected herein is inclusive of all reimbursable expenses.

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

AFFIRMATIVE ACTION: As a condition of this award, this firm agrees to comply with the provisions of the Revised Remedial Plan for M/WBE Economic Participation and agrees to make every effort to achieve full compliance with the goals for this program. The M/WBE goals for this program are 35% MBE (22% African American, 10% Hispanic, 2% Asian) and 5% WBE.

However, the Waiver review Committee recommends that a partial waiver of the participation goals for this contract as required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) be waived because of substantial participation.

The vendor has however, identified and scheduled the following firms and percentages:

Total MBE 29%

Total African American 22%

Flemco Inc. 203 N. Lasalle suite 2100 Chicago, IL 60602	11%	Certified until June 30, 2002
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Infrastructure Engineering Inc. 29 S. Lasalle St. suite #345 Chicago, IL 60603	11%	Certified until September 30, 2002
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Total Hispanic

HWR Inc. 1410 Chicago Ave. suite 803 Evanston, IL 60201	5%	Certified until September 30, 2002
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Total Asian 2%

Greatway Consulting Inc. 8 S. Michigan suite 1510 A Chicago, IL 60603	2%	Certified until November 30, 2002
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Total WBE 5%

Vistara Construction Services 407 S. Dearborn St. suite #1450 Chicago, IL 60605	5%	Certified until May 31, 2006
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LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Charge to Department of Operations: \$4,000,000.00 Fiscal Year: FY02-03
Budget Classification: Capital Improvement 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.

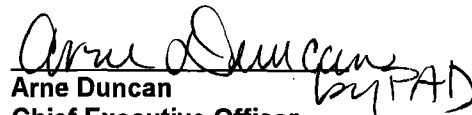
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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

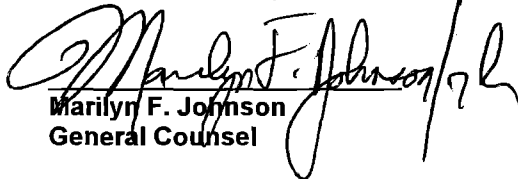
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form.


Marilyn F. Johnson
General Counsel