

AUTHORIZE THE PURCHASE OF EQUIPMENT/SERVICES AND ASSIGN INDIVIDUAL LEASE SCHEDULES TO BE FINANCED THROUGH GE CAPITAL PUBLIC FINANCE

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the purchase of equipment/services and approve individual lease schedules to be financed through GE Capital Public Finance ("GE"). Authorize the annual lease payments to GE at the rates and for the terms identified on Exhibit A attached hereto. The individual lease schedules are subject to that certain Master Lease Agreement entered into by and between the Board and GE.

Specification No: 02-250176
LEASING VENDOR: G.E. Capital Public Finance, Inc.
8400 Normandale Lake Blvd., Suite 470
Minneapolis, MN 55437
1 (800) 346-3164 x5617
Contact: Kevin Johnson
Vendor #44550

USER: Office of School Financial Services
Bureau of Treasury
125 S. Clark 13th Floor
David Bryant
(773) 553-2806

See Exhibit A (attached)

DESCRIPTION OF FINANCING: Pursuant to Board Report No. 02-0925-PR19, GE is providing master lease financing to the Board subject to a Master Lease Agreement. Pursuant to the terms of the Master Lease Agreement, Board approval is required for each individual lease schedule. Each school or User Group must appropriately bid the purchase of the equipment to be financed or utilize pre-approved Board vendors. The equipment will be purchased and an individual lease arrangement entered into with GE based on the School's ability to make lease payments. GE will reimburse the Board for the equipment after several criterions have been met, including, but not limited to, the vendor(s) shipping and installing the leased equipment. Lease payments will be made to Treasury from the school's internal account and paid by Treasury to GE as described in Exhibit A attached hereto.

COMPENSATION: GE shall be paid interest charges on the amount of principal borrowed by the Board. In no event shall the interest component of lease payments be determined on the basis of interest rates that exceed the greater of 9% per annum or 125% of the rate for the most recent date shown in the 20 G.O. Bonds Index of average municipal bond yields as published in the most recent edition of The Bond Buyer, published in New York, New York (or any successor publication or index, or if such publication or index is no longer published, then any index of long term municipal tax-exempt bond yields then selected by the Board).

AUTHORIZATION: Authorize the Chief Fiscal Officer to negotiate and execute the individual lease schedules identified in Exhibit A.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE. However, the Waiver Review Committee recommends that a (partial) waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be waived because the contract scope is not further divisible.

LSC REVIEW: The use of financing by the School, along with the obligations for its annual debt service payment, has been approved by the School's LSC.

FINANCIAL: Charge to:

0963-090-000-9600-5730 – \$314,274.24 - Purchase of Equipment for School listed hereto in Exhibit A.

0963- 677-000-9600-5910 - \$350,000.00 – Aggregate Total of School's Debt Service Individual leases will be sufficient to cover costs incurred by CPS, GE, and any other costs incurred related to the implementation of the lease financing program.

Fiscal Year: 2003 Source of Funds: School's Internal Accounts Fund

GENERAL CONDITIONS:

Inspector General-Each party to the agreements 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 agreements 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 agreements.


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 agreements.

Contingent Liability-The agreements 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).

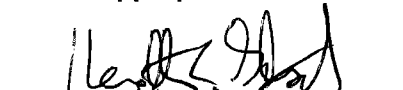
Approved for consideration:


Anita Rocha *by RV*
Acting Chief Purchasing Officer

Approved:


Arne Duncan *by DAD*
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form: *HW*

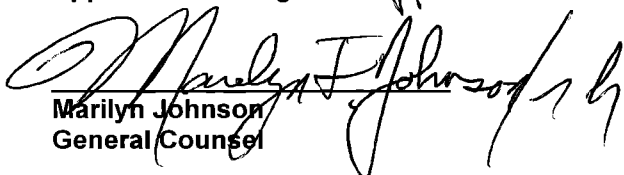

Marilyn Johnson
General Counsel

EXHIBIT A

School or User Group	Purchasing Vendor	Total Purchase Not to Exceed	Down Payment	Amount to be Financed	Term	Tentative Rate	Tentative Total Financing (Principal & Interest)
Whitney Young	Acer	\$ 99,670.05	\$ 0.00	\$ 99,670.05	3 yrs.	4.75	\$ 110,000.00
	Apple Computer	\$ 48,461.00	\$ 0.00	\$ 48,461.00	3 yrs.	4.75	\$ 54,000.00
	System Concepts	\$ 148,310.39	\$ 0.00	\$ 148,310.39	3 yrs.	4.75	\$ 163,000.00
	Lansoft Office Systems	\$ 17,832.80	\$ 0.00	\$ 17,832.80	3 yrs.	4.75	\$ 20,000.00
	Totals:	\$ 314,274.24	\$ 0.00	\$ 314,274.24	---	---	\$ 347,000.00