

**RATIFY ENTERING INTO AN AGREEMENT WITH RUTH BROD FOR CONSULTING SERVICES****THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Ratify entering into an agreement with Ruth Brod to provide consulting services to the Office of School Financial Services at a cost not to exceed \$125,000.00. Consultant was selected on a non-competitive basis because of her unique experience and familiarity with debt issuance and debt management at the Chicago Public Schools. A written agreement for Consultant's services is currently being negotiated. No payment shall be to Consultant prior to the execution of a written agreement. The authority granted herein shall automatically rescind in the event a written document is not executed within 60 days of the date of this Board Report. Information pertinent to this agreement is stated below.

**CONSULTANT:** Ruth Brod  
7677 Greenbrier Drive  
Rockford, Michigan 49341  
(616) 874-2699  
Vendor No.: 37573

**USER:** Office of School Financial Services  
125 S. Clark Street, 14<sup>th</sup> Floor  
Chicago, IL 60603  
Kenneth C. Gotsch and David Bryant  
(773) 553-2700 and (772) 553-2790

**TERM:** The term of this agreement shall commence on October 23, 2002 and shall end October 22, 2003.

**EARLY TERMINATION RIGHT:** The Board shall have the right to terminate this agreement immediately at any time for any or no reasons.

**SCOPE OF SERVICES:** The Consultant shall provide transitional services for the on-going financing activities of the Chicago Public Schools including: organizing and transitioning hardcopy and electronic files, and transitioning ongoing projects as requested by the Bureau of Treasury Department of Finance. Upon request, Consultant may also provide consulting services to the Office of School Financial Services on a broad range of financing issues including, but not limited to, debt management and debt administration of the Capital Improvement Program ("CIP") and other financing initiatives as requested by the Chief Fiscal Officer.

**DELIVERABLES:** Consultant will provide

1. Transitional support for the on-going financing activities of the Chicago Public Schools, including
  - Organized hardcopy and electronic files and procedures
  - Analysis and recommendations on the structure of the FY03 Budget Bond
  - Analysis and recommendations on the structure of the FY03 QZAB
  - Organized files on Investment contracts and agreements
  - Organized files and documents on all arbitrage agreements
  - Documented status report on bond fund closeouts and procedures for continuing closeouts
  - Completed staff evaluations
  - Other related services as requested
2. Ongoing consulting and support, including
  - Reports as requested
  - Technical support as requested
  - Written analyses as requested

**OUTCOMES:** Consultant's services will result in improved efficiency in the functioning of the Chicago Public Schools' debt management activities.

**COMPENSATION:** Consultant shall be paid as follows: \$1,000.00 per day for transitional support. It is anticipated that the transitional period will end sometime in January of 2003. Thereafter, Consultant will, upon request for her services be paid \$162.50 per hour for ongoing consulting support. The total compensation under this agreement shall not exceed the sum of \$125,000.00.

**REIMBURSABLE EXPENSES:** Consultant shall be reimbursed for the following expenses only upon prior written authorization from the Chief Fiscal Officer or his designee: travel and other related expenses deemed extraordinary. The total compensation amount reflected herein is inclusive of all reimbursable expense.

**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. Authorize the Chief Fiscal Officer to assign the financing tasks to Consultant and to execute all ancillary documents required to administer or effectuate the agreement.

**AFFIRMATIVE ACTION:** This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE) because the prime is an independent consultant (100% WBE).

**LSC REVIEW:** Local School Council approval is not applicable to this report

**FINANCIAL:**

	Fiscal Year 2003	\$80,000.00	Charge to:
Classification:	various-210-000-various-5410	\$ 30,000.00	Operating
	0230-210-000-1135-5410	\$ 27,500.00	Operating
	0963-454-000-1135-5400	\$ 22,500.00	Proceeds of bond funds
	Fiscal Year 2004	\$45,000.00	Charge to:
Classification:	various-210-000-various-5410	\$ 45,000.00	Operating

(If bond sales or other financing transactions result from the work of this Consultant, then the budget classification for each bond sale or financing vehicle will be a unique classification and will be established in the respective fiscal year budget. If some other financing mechanisms are utilized, then the Board may use proceeds from those vehicles to pay for this financial Consultant. If no bond sales result and no proceeds are used to pay financial advisors, then the above budget classifications will be used.)

**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