

**APPROVE RENEWAL OF THE EXISTING AGREEMENT WITH KIRKPATRICK PETTIS
FOR CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the renewal of the existing agreement with Kirkpatrick Pettis ("KP") to provide consulting services to the Office of School Financial Services at a cost during the renewal period not to exceed \$450,000.00. A written renewal agreement for consultant's services is currently being negotiated. No payment shall be made to Vendor during the renewal period prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this renewal agreement is stated below.

Specification No.: 02-250051

VENDOR: Kirkpatrick Pettis
Suite 1829
20 N. Wacker Dr.
Chicago, Illinois 60606
Bill Morris
(312) 364-9030
Vendor # 35466

USER: Office of School Financial Services
125 South Clark, 13^h Floor
Chicago, IL 60603
David Bryant
(773) 553-2790

ORIGINAL AGREEMENT: The original Consulting Services Agreement (authorized by Board Report 03-0527-PR45) in an amount not to exceed \$500,000.00, was for a term commencing June 26, 2003 and ending June 25, 2004. The original agreement was awarded on a non-competitive basis because the Vendor's prior service, experience, and contribution to the implementation of the Board's capital financing program.

RENEWAL PERIOD: By mutual agreement of the parties, the term of this agreement is being renewed for a period commencing June 26, 2004 and ending June 25, 2005.

SCOPE OF SERVICES: Consultant shall continue to provide services as contained in the original agreement including the following Financial Advisory ("FA") services: general advice on debt management issues and ratings agency presentations, coordination of issuance of periodic bond issues and investment of proceeds, and other specific services at the request of the Chief Financial Officer.

DELIVERABLES: Consultant will continue to provide reports and written analyses as requested by the Office of School Financial Services to support decision-making regarding various financing alternatives.

OUTCOMES: Consultants services shall result in the issuance or restructuring of bonds or the establishment of one or more financing mechanisms that will allow the Board and schools to finance the Capital Program in an efficient and cost effective manner.

COMPENSATION: For services rendered during the option period, the total compensation will not exceed \$450,000.00, with a specific fee schedule to be included in the written document.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written Renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize the Chief Financial Officer to negotiate the specific fee schedule and to execute all ancillary documents required to administer or effectuate the renewal agreement.

AFFIRMATIVE ACTION: Pursuant to Section 6.2 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the Per Contract and Category Goals method for M/WBE participation will be utilized.

Total MBE 66.8%
Total African American 33.4%
Total Hispanic 33.4%

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

FINANCIAL:	Charge to Bureau of Treasury: \$450,000.00	Fiscal Year: FY05
	Budget Classification: 0230-210-000-1135-5410	Source of Funds: Operating Not to exceed \$75,000
	Budget Classification: Assigned at bond issuance	Source of Funds: Other bond funds Not to exceed \$ 375,000

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.

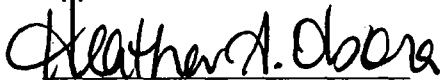
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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

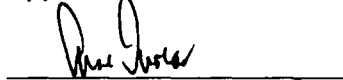
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:


Heather A. Obora
Chief Purchasing Officer

Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form: 


Ruth M. Moscovitch
General Counsel