

**APPROVE THE RENEWAL OF THE EXISTING AGREEMENT WITH JOHNSON RESEARCH GROUP
FOR CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the renewal of the existing agreement with Johnson Research Group to provide consulting services to the Office of School Financial Services at a cost not to exceed \$150,000. A written renewal agreement for Consultant's services is currently being negotiated. No payment shall be made to Consultant 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.

CONSULTANT: Johnson Research Group, Inc.
345 S. Dearborn, Suite 502
Chicago, IL 60604
312-235-0130
Ron Johnson
Vendor #30433

SPECIFICATION NO.: 01-250183

USER: Office of School Financial Services
125 S. Clark, 14th floor
John Maiorca
773-553-2700

ORIGINAL CONTRACT: The original agreement (authorized by Board Report 01-0822-PR15, as amended by Board Report 02-0626-PR39) is for a term commencing August 30, 2001 and ending August 29, 2002 at a cost of \$175,000. The original agreement was renewed (authorized by Board Report 02-0724-PR25) in the amount of \$175,000 for a term commencing August 30, 2002 and ending August 29, 2003. The original agreement was further renewed (authorized by Board Report 03-0723-PR72) in the amount of \$150,000 for a term commencing August 30, 2003 and ending August 29, 2004. The original agreement was awarded on a non-competitive basis because of the special knowledge and expertise of this consultant.

RENEWAL TERM: By mutual agreement of the parties, the original agreement shall be renewed for a term commencing August 30, 2004 and ending August 29, 2005. The renewal agreement shall provide for two additional one-year options to renew.

SCOPE OF SERVICES: Consultant will continue to serve as special advisor to the Chief Financial Officer to develop a strategy with the Chicago Department of Planning and Development and the Chicago Department of Finance on tax increment financing initiatives to support the Capital Improvement Program. Consultant will focus on preparing detailed financial analyses of available TIF revenues, negotiating financial commitments from the City, preparing formal written agreements with the city, and receiving the funds identified for CPS. These agreements will formalize a revenue stream for both short-term and long-range funding of the capital improvement program. Consultant shall also develop complex strategies and mechanisms needed to coordinate all aspects of the negotiations. Johnson Research Group will also advise on alternative TIF strategies, present creative approaches for additional funding opportunities, and provide long range planning assistance to the CFO. Consultant will also conduct financial feasibility studies in specific TIF districts to verify future projections of available tax increment revenues.

DELIVERABLES: Consultant shall continue to provide the following deliverables: monthly project reports, database of TIF revenues and potential revenue opportunities from existing TIF districts, a database of schools in or adjacent to TIFs, draft intergovernmental agreements, feasibility analyses, and strategic planning documents, as determined by the Chief Financial Officer.

OUTCOMES: Consultant's services will result in revenue for the Capital Improvement Program in the anticipated amount of \$135 million in TIF funds in FY04 and an additional \$100 - \$200 million over the next 3-5 years.

COMPENSATION: Consultant shall be paid as follows: Hourly rate of \$150, plus reimbursables; with total compensation not to exceed the sum of \$150,000.

REIMBURSABLE EXPENSES: Consultant shall be reimbursed for the following expenses: report preparation expenses and copying charges agreed to in advance by the Chief Financial Officer. 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 renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize the Chief Financial Officer to execute all ancillary documents required to administer or effectuate this agreement.

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 granted because the contract scope is not further divisible.

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

Total MBE 31.7%

Total African American 28.7%

A&B Office Machines	\$750.00	.5%
1551 Fullerton Street		
Chicago, IL. 60624	Certified 10/31/04	

Ernest Sawyer Enterprises	\$40,000	26.7%
100 N. LaSalle, St. #500		
Chicago, IL 60662	Certified 8/1/04	

IMC Automation	\$1,500	1%
333 E. Ontario, Suite 310 B		
Chicago, IL.60611	Certified 8/31/04	

Worlds Printing	\$750.00	.5%
233 N. Michigan		
Chicago, IL. 60601	Certified 11/1/05	

Total Hispanic 3.3%

Prado & Renteria CPA	\$5,000.00	3.3%
1837 S. Michigan		
Chicago, IL. 60616	Certified 9/1/04	

Total Asian 2%

Sir Speedy	\$3,000	2%
311 S. Waden Drive		
Chicago, IL. 60606	Certified 9/1/04	

Total WBE 5%	\$7,500.00	5%
Noitam Inc.		
100 N. LaSalle St. #500		
Chicago, IL 60602	Certified 9/1/04	

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

FINANCIAL: Charge to Department of Finance: \$116,755 Fiscal Year: FY05
Budget Classification: 0230-476-000-1121-5410 Source of Funds: Fund 476 (Capital Fund)
Charge to Department of Finance: \$33,245 Fiscal Year: FY05
Source of Funds: Fund 476 (Capital Fund)

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.

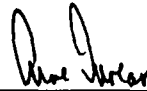
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



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