

**APPROVE ENTERING INTO AN AGREEMENT WITH JOHNSON RESEARCH GROUP
FOR CONSULTING SERVICES RELATED TO THE MODERN SCHOOLS ACROSS CHICAGO
PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Johnson Research Group to provide consulting services to Office of Management and Budget at a cost not to exceed \$250,000.00 per year. Consultant was selected using the Level Two competitive procurement process pursuant to Board Rule 5-4.1. Johnson Research Group has been providing these consulting services since August 25, 1999. A written agreement for Consultant's services is currently being negotiated. No services shall be provided by Consultant and no payment shall be made to Consultant prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

CONSULTANT: Johnson Research Group, Inc.
345 S. Dearborn, Suite 404
Chicago, IL 60604
312-235-0130
Ron Johnson
Vendor #30433

USER: Office of Management and Budget
125 S. Clark, 13th floor
Chicago, IL 60603
Susan Marek
773-553-2717

TERM: The term of this agreement shall commence on the date the agreement is signed and shall end 24 months thereafter. The Board shall have three options to renew for periods of 1 year each. Costs for each option year shall not exceed \$250,000.00 per year.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES: Consultant will serve as special advisor to the Chief Administrative 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 Modern Schools Across Chicago Program and other Capital Improvement Program initiatives. Consultant will focus on preparing detailed financial analyses of available TIF revenues for each TIF district, assessing TIF funding strategies, negotiating financial commitments with the City, reviewing appropriate school sites for TIF eligibility, consulting on written agreements with the City to formalize a revenue stream for funding of the capital improvement program, and supporting the issuance of bonds from TIF revenues. Consultant also will develop complex strategies and mechanisms needed to coordinate aspects of the program, advise the Chief Administrative Officer on alternative TIF strategies, present creative approaches for additional funding opportunities, and provide long range planning assistance to the Chief Administrative Officer. Consultant also will conduct financial feasibility studies in specific TIF districts to verify future projections of available tax increment revenues as necessary.

DELIVERABLES: Consultant will 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, an updated funding matrix for the Modern Schools Across Chicago Program, feasibility analyses, and strategic planning documents, all as requested by the Chief Administrative Officer.

OUTCOMES: Consultant's services will result in revenue for the Capital Improvement Program over the next 1-5 years to help build over 30 new schools, major renovations and additions. To date, the consultant has helped negotiate \$750 million in intergovernmental agreements with the City of Chicago to fund new schools from TIF revenues and anticipates negotiating additional funding to complete the Modern Schools Across Chicago program.

COMPENSATION: Consultant shall be paid during the term of this agreement as follows: Hourly rates by category ranging from \$170 per hour for a principal to \$110 per hour for a project researcher, plus reimbursables; with a total maximum amount for all of the foregoing not to exceed the sum of \$250,000 per year.

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

AFFIRMATIVE ACTION: The M/WBE goals for this contract include 20% MBE and 5% WBE. This contract is in full compliance and the following firms have been identified and scheduled:

Total MBE – 34%

Ernest Sawyer Enterprises – AA 100 N. LaSalle St. Chicago, IL 60602	28% Certified until November 1, 2007
World's Printing – AA 233 N. Michigan Chicago, IL 60601	1% Certified until November 1, 2007
Sir Speedy – A 311 S. Wacker Drive Chicago, IL 60606	1% Certified until November 1, 2007
GP & R Group – H 1837 S. Michigan Chicago, IL 60616	4% Certified until December 1, 2007

Total WBE – 7%

Noitam, Inc. – W 100 N. LaSalle St. Chicago, IL 60606	7% Certified until November 1, 2008
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LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Charge to Office of Management and Budget: \$250,000 Fiscal Year: 2008
 Budget Classification: 12210-436-000-54105 Source of Funds: Capital funds

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 June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), 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:


Pedro Martinez
Chief Financial Officer

Approved as to legal form: 


Patrick J. Rocks
General Counsel