

**AUTHORIZATION OF AN AGREEMENT FOR CONSULTANT'S SERVICES (FY2009/FY2010)  
WITH THE PFM GROUP**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve an agreement with The PFM Group ("Consultant") to provide consulting services to the Office of School Financial Services at a cost not to exceed \$525,000.00. A written Agreement for Consultant's Services (FY2009/FY2010) (the "Agreement") is currently being negotiated. No payment may be made to Consultant during the period 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 the Agreement is stated below.

**CONSULTANT:** The PFM Group  
222 North LaSalle, Suite 910  
Chicago, IL 60601  
Attention: Tim Sullivan  
(312) 977-1570 x222  
Vendor # 66844

**USER:** Office of School Financial Services  
125 South Clark Street, 13<sup>th</sup> Floor  
Chicago, IL 60603  
Attention: David Bryant  
(773) 553-2790

**TERM:** The Agreement will be for a period commencing on February 1, 2009, and terminating not later than June 30, 2010. The Agreement is awarded on a competitive basis based on a Request for Proposal issued by the Office of School Financial Services.

**SCOPE OF SERVICES:** Consultant shall provide financial advisory services as contained in the Agreement including, but not limited to: general advice on debt management issues and ratings agency presentations; coordination of issuance of periodic debt issues and investment of proceeds; selection, structuring and negotiations related to financial derivative products; and other specific services at the request of the Chief Financial Officer.

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

**OUTCOMES:** Consultant's services assist in the issuance or restructuring of debt or the establishment of one or more financing mechanisms that permits the Board to implement the Board's Capital Program in an efficient and cost-effective manner.

**COMPENSATION:** The Agreement will provide for payment by the Board for services by the Consultant in an amount not to exceed \$525,000.00, during the term of the Agreement, with a specific fee schedule to be included in the Agreement. Payment of such amount will be made in such installments and amounts as provided in the Agreement.

**AUTHORIZATION:** The General Counsel is authorized to include other relevant terms and conditions in the Agreement. The President and Secretary of the Board are authorized to execute the Agreement. The Chief Financial Officer is authorized to negotiate the specific fee schedule and to execute all ancillary documents required to administer or effectuate the Agreement.

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

**AUTHORIZATION:** The General Counsel is authorized to include other relevant terms and conditions in the Agreement. The President and Secretary of the Board are authorized to execute the Agreement. The Chief Financial Officer is authorized to negotiate the specific fee schedule and to execute all ancillary documents required to administer or effectuate the Agreement.

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

**FINANCIAL:** Charge to Bureau of Treasury: \$125,000.00  
\$400,000.00

Fiscal Year: FY09  
Fiscal Year: FY10

Budget Classification: 0230-401-000-1135-5410

Source of Funds: Other bond funds

Not to exceed \$525,000.00

(If bond sales or other financing transactions result from the work of this Consultant, then the Board may use proceeds from bond sales or other financing transactions to reimburse the funding source identified above in conjunction with the completion of a bond sale or other financing transaction.)

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

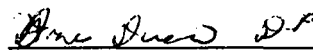
**Ethics** – The Board’s Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the Agreement.

**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).

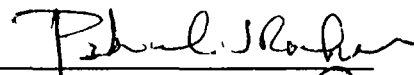
**Within Appropriation:**  
**Approved for Consideration:**

**Approved:**

  
\_\_\_\_\_  
**Pedro Martinez**  
Chief Financial Officer

  
\_\_\_\_\_  
**Arne Duncan**  
Chief Executive Officer

**Approved as to legal form:** 

  
\_\_\_\_\_  
**Patrick J. Rocks**  
General Counsel