

APPROVE ENTERING INTO AN AGREEMENT WITH CUSHMAN-WAKEFIELD FOR REAL ESTATE STRATEGIC PLANNING, BROKERAGE AND TRANSACTION MANAGEMENT SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Cushman-Wakefield ("Vendor") to provide real estate strategic planning, brokerage and transaction management services in connection with the relocation or reconfiguration of the Board's headquarters office. Vendor shall be compensated based on the transaction entered into by the Board and according to the compensation structure outlined on the attached Exhibit A. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to 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.

Specification Number : 13-250017

Contract Administrator : Hernandez, Miss Patricia / 773-553-2280

VENDOR:

- 1) Vendor # 23994
CUSHMAN & WAKEFIELD OF ILLINOIS,
INC.
200 SOUTH WACKER DRIVE., STE 2800
CHICAGO, IL 60606
Jeff Samaras
312 470-1816

USER INFORMATION :

Contact: 11910 - Real Estate
125 South Clark Street 17th Floor
Chicago, IL 60603
Balistreri, Ms. Liza B
773-553-2900

Contact: 11860 - Facility Operations & Maintenance
125 South Clark Street 16th Floor
Chicago, IL 60603
Taylor, Ms. Patricia L
773-553-2960

TERM:

The term of this agreement shall commence on the date the agreement is signed and shall end 12 months thereafter. This agreement shall have 1 option to renew for a period of 12 months.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

Vendor will conduct a comprehensive market analysis, strategic planning, marketing and all negotiation relating to the sale, move or reconfiguration of the Board's headquarters office.

DELIVERABLES:

Vendor will prepare and deliver to the Board: (i) a report on the current commercial real estate conditions and lease opportunities, (ii) proposed terms sheets and/or letters of intent for potential leases, (iii) copies of all marketing materials used for 125 S. Clark St., and (iv) space utilization plans, drawings and written scope(s) of work for the headquarters office configuration.

OUTCOMES:

Vendor's services will result in the implementation of part or all of the following scope of services: comprehensive market analysis, strategic planning, marketing and negotiation of the sale of 125 S. Clark St., negotiation of a new lease or property acquisition, space utilization analyses any additional related services.

COMPENSATION:

Vendor shall be compensated based on the transaction entered into by the Board and according to the compensation structure outlined on the attached Exhibit A.

REIMBURSABLE EXPENSES:

None

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 Chief Operating Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

This contract is in full compliance with the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts (M/WBE Program). The M/WBE participation goals for this contract are set at 30% total MBE and 7% WBE. The selected vendor has scheduled the following firms for this contract:

Total MBE:

Brook Architecture
2325 S. Michigan Ave. suite 300
Chicago, IL 60616

Total WBE:

Cotter Consulting
100 S. Wacker Dr. suite 920
Chicago, IL 60606

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Proceeds from any sale shall be deposited in the General Fund. Vendor shall be compensated according to the attached Exhibit A.

CFDA#: Not Applicable

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 May 25, 2011 (11-0525-PO2), 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:



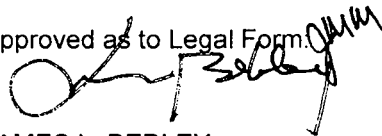
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY
General Counsel

EXHIBIT A

TRANSACTION	COMPENSATION TO CUSHMAN-WAKEFIELD
SCENARIO #1: SALE OF 125 S CLARK ST/RELOCATION TO LEASED SITE	
Sale commission	1% of purchase price
Tenant representation commission (paid by landlord)	\$1.25/sq ft/yr
Lease commission rate rebate to CPS	67%
Estimated rebate to CPS (based on 175,000 sf, 10-yr term)	\$1,465,625
Strategic planning fee	None to CPS
Project management fee	None to CPS
SCENARIO #2: SALE-LEASEBACK AT 125 S CLARK ST	
Sale commission	0.75% of purchase price
SCENARIO #3: STAY IN 125 S CLARK ST LEASE OUT SURPLUS SPACE TO 3RD PARTY TENANTS (NO SALE)	
Leasing commission (does not include 3rd party tenant broker fees)	Net payable \$0.40/sq ft/yr
Estimated leasing cost to CPS (based on 220,000 sf, 7.5-yr term; does not include 3rd party tenant broker fees)	\$660,000
Project management fee (restacking)	\$0.95/rentable sq ft \$220,000 cap
CONTRACT TERMINATION FEE	
	None