

**APPROVE ENTERING INTO AN AGREEMENT WITH JOHNSON RESEARCH GROUP FOR
CONSULTING SERVICES RELATED TO TAX INCREMENT FINANCING FUNDING FOR THE
CAPITAL IMPROVEMENT PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Johnson Research Group, Inc. to provide consulting services to the Department of Operations at a total cost not to exceed \$200,000.00. Vendor was selected on a competitive basis pursuant to Board Rule 7-2 and approved by CPOR# 13-0408-CPOR-1561. 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.

VENDOR:

- 1) Vendor # 30433
JOHNSON RESEARCH GROUP, INC.
343 S. DEARBORN STREET
CHICAGO, IL 60604
Ann Moroney
312 235-0130

USER INFORMATION :

Contact:

11860 - Facility Operations & Maintenance

125 South Clark Street 16th Floor

Chicago, IL 60603

Taylor, Ms. Patricia L

773-553-2960

Contact:

12310 - Chief Financial Officer

125 South Clark Street 14th Floor

Chicago, IL 60603

Rogers, Mr. Peter W.

773-553-2700

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 1 year. Costs for each option year shall not exceed \$200,000.00 per year.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

Vendor will serve as special advisor to the Chief Financial Officer to develop a strategy with the Chicago Department of Housing and Economic Development and the Chicago Department of Finance on tax increment financing (TIF) initiatives to support the Modern Schools Across Chicago Program and other Capital Improvement Program initiatives. Vendor 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. Vendor also will develop strategies and mechanisms needed to coordinate aspects of the program, advise the Chief Financial Officer on alternative TIF strategies, present creative approaches for additional funding opportunities, and provide long range planning assistance to the Chief Financial Officer. Vendor will also conduct financial feasibility studies in specific TIF districts to verify future projections of available tax increment revenues as necessary.

DELIVERABLES:

Vendor 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 TIF's, an updated funding matrix for the Modern Schools Across Chicago Program and other TIF agreements, feasibility analyses, and strategic planning documents, all as requested by the Chief Financial Officer.

OUTCOMES:

Vendor's services will result in revenue for the Capital Improvement Program over the next 1-5 years to help build new schools and additions and undertake major renovations. To date, the vendor has helped negotiate \$800 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 and other new initiatives.

COMPENSATION:

Vendor shall be paid during the term of this agreement as follows: Hourly rates by category ranging from \$190 per hour for a principal to \$120 per hour for a project researcher, plus reimbursables; with a total maximum amount for all of the foregoing not to exceed the sum of \$200,000.00 per year.

REIMBURSABLE EXPENSES:

Vendor 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 above 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 Chief Financial Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

This agreement 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. The MBE/WBE goals for this agreement are: 25% total MBE and 5% total WBE participation.

The Vendor has identified the following:

Total MBE - 25%

Ernest R. Sawyer Enterprises, Inc.
100 N. LaSalle Street, Suite #1515
Chicago, Illinois 60602

TMR Partners
3653 S. Normal Ave.
Chicago, Illinois 60609

Total WBE - 5%
Prado & Renteria
1837 S. Michigan Avenue
Chicago, Illinois 60616

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

FINANCIAL:
Charge to Department of Operations: \$200,000.00Fiscal Year 2013: \$20,000.00Fiscal Year 2014:
\$180,000.00 Parent Unit Number: 12150Source of Funds: Miscellaneous Capital Funds

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:



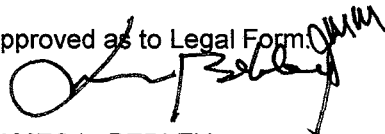
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form.



JAMES L. BEBLEY
General Counsel