

APPROVE THE RENEWAL OF THE AGREEMENT WITH MB REAL ESTATE SERVICES LLC FOR PROPERTY MANAGEMENT SERVICES AT 125 S. CLARK STREET AND APPROVE THE CONTINUED FUNDING OF THE DISBURSEMENT ACCOUNT RELATED THERETO

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the renewal of the agreement with MB Real Estate Services LLC to provide property management services for the 125 South Clark Street Building ("the Building") at a cost not to exceed \$362,541.00 for a one-year term, which cost includes payroll for management site personnel and administrative fees. A written renewal agreement for Consultant's services is currently being negotiated. The authority granted herein shall automatically rescind in the event a written renewal document is not executed within 90 days of the date of this Board Report. Also, approve the continued funding of the disbursement account related to the management of the Building. Information pertinent to this matter is stated below.

SPECIFICATION NO.: 05-250004-A

CONSULTANT: MB Real Estate Services LLC
181 W. Madison Street, Suite 3900
Chicago, IL 60602
Contact Person: Kevin Purcell
Phone: (312) 726-1700
Vendor # 30356

ISFR: Real Estate Department

- 6) Administer, interact with, coordinate the performance of and pay for all goods and services from the Disbursement Account required in the operation of the Building;
- 7) Administer and coordinate capital improvements as directed by CPS;
- 8) Maintain all physical areas within the Building to assure that high levels of cleanliness, state of repair and aesthetic appeal are sustained in compliance with

specifications as determined by CPS;

OUTCOMES: The services of Consultant under the Property Management Agreement will enable the Building to operate on a day-to-day basis.

COMPENSATION: Consultant shall be paid a management fee in the amount of \$362,541.00, which fee includes ~~on-site personnel and Consultant's administrative fee~~

~~profit and overhead. The management fee for the final option period, if exercised by the Board~~

shall not exceed \$374,355.

FUNDING OF DISBURSEMENT ACCOUNT: The Board shall continue to fund the Disbursement Account in the amount of the annual approved budget for the operation of the Building, which account will be funded on a monthly basis in the amount equaling approximately 1/12 of the annual budget. Some monthly fluctuation may occur due to seasonal and/or one-time expenses. Consultant shall pay all vendor expenses and all other operation and management expenses for the Building from this account on behalf of the Board and shall account for all

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.