

This Agreement will be posted on the CPS Internet website.

PROGRAM MANAGEMENT SERVICES AGREEMENT

This PROGRAM MANAGEMENT SERVICES AGREEMENT ("Agreement") is effective as of November 9, 2009 and is entered into by and between the Board of Education of the City of Chicago, a body politic and corporate (the "Board") and URS Corporation ("Program Manager").

RECITALS

A. The Board desires that Program Manager render certain program management services in connection with the Board's on-going Capital Improvement Program ("CIP") for its various schools and facilities, as more particularly described herein; and

B. Program Manager has demonstrated expertise in providing such services, has represented that it has the requisite knowledge, skill, experience and other resources necessary to perform such services and is desirous of providing such services for the Board.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the parties hereby agree as follows:

1. **Incorporation of Recitals:** The matters recited above are hereby incorporated into and made a part of this Agreement.
2. **Term:** This Agreement is for a term commencing on the Commencement Date and ending thirty-six (36) months thereafter ("Term"), unless terminated sooner as provided herein. The Board shall have two (2) options to extend this Agreement for successive one (1) year periods.
3. **Scope of Services:** Program Manager agrees to provide the services to the CIP as set forth on Exhibit A including the deliverables set forth thereon ("Services"), in accordance with the terms and conditions of this Agreement. The parties acknowledge that the goal of these Services is to provide for the effective and efficient overall management of the CIP. The Board retains final authority with respect to all Services related decisions. The Board may, from time to time, request changes in the Services by issuing a written clarification letter to Program Manager from the Board's Chief Operating Officer ("COO"). Any such changes in Services which will increase the maximum compensation payable to Program Manager hereunder, shall also be documented by an amendment to this Agreement duly authorized by the Board.

4. **Compensation and Payment:** Compensation for Services during the Term shall be payable as set forth on Exhibit B, including those reimbursable expenses identified thereon ("Reimbursables"). The maximum compensation payable to Program Manager during the Term for all Services and Reimbursables shall not exceed the sum approved by the Board, which current sum, pursuant to Board Report No. 09-0923-PR6 is Four Million Forty Thousand Three Hundred Eighty-Nine and 00/100s Dollars (\$4,040,389) per year. The Board shall not be obligated to pay for any Services or Reimbursables not in compliance with this Agreement. In the event of early termination of this Agreement, the Board shall only be obligated to pay for Services rendered or costs incurred up to the date of termination. In no event shall the Board be liable for any costs incurred or Services performed after the effective date of termination as provided herein. Program Manager shall submit invoices referencing this Agreement with such supporting documentation as may be requested by the Board. The Board shall process payment in its normal course of business. Unless otherwise stated in Exhibit B, payment shall be on a time and material basis under the Schedule of Fees and Charges in effect when the Services are performed. The Board shall pay undisputed portions of each progress invoice within thirty (30) days of the date of the invoice. The Board shall notify Program Manager of any disputed amount within thirty (30) days after receipt of an invoice.
5. **Key Personnel:** The Board has retained Program Manager, in part, because of the particular expertise of the individuals identified on Exhibit C (the "Key Personnel"), and Program Manager acknowledges that the Board is relying on the expertise of the Key Personnel in performing the Services hereunder. Program Manager agrees to remove any member of the Key Personnel from performing Services upon written direction from the COO and shall bear any cost associated with removal of any member of the Key Personnel if such removal is for cause. Program Manager agrees not to reassign or replace any Key Personnel without the prior written consent of the COO, which consent shall not be unreasonably withheld.
6. **Standards of Performance:** Program Manager shall devote, and shall cause all of its staff and subcontractors to devote, such of their time, attention, skill and judgment, knowledge and professional ability as is necessary to perform all Services effectively, efficiently and consistent with applicable professional standards, and to the satisfaction of the COO. Program Manager shall retain and utilize sufficient staff to assure the most effective and efficient performance of Services and shall utilize, as required by law or by this Agreement, professionals licensed to practice in the State of Illinois in the applicable profession. Program Manager shall use efficient business administration methods and perform the Services in the best way and in the most expeditious and economical manner so as to assure, among other things, that the Services are performed at a reasonable cost to the Board and that Services performed by other entities retained by Program Manager in connection with this Agreement are efficiently and cost-effectively delivered. Program Manager acknowledges and accepts a relationship of trust and confidence with the Board and agrees to cooperate with the Board, and all other persons or entities which may be retained by the Board, in performing Services to further the best interests of the Board. Notwithstanding the foregoing, the parties acknowledge and agree the Program Manager shall only be responsible for the Services performed by Program Manager and its subcontractors; and the Board shall be responsible for any services, connected to Services provided by Program Manager under this Agreement, performed by entities retained by the Board. Program Manager understands that it does not have the authority to represent or commit the Board to any obligation hereunder without first obtaining approval from the COO and/or his designee.
7. **Non-appropriation:** Expenditures not appropriated by the Board in its current fiscal year budget are deemed to be contingent liabilities only and are subject to appropriation in subsequent fiscal year budgets. In the event sufficient funds are not appropriated in a subsequent fiscal year by the Board for performance under this Agreement, the Board shall notify Program Manager and this Agreement shall terminate on the last day of the fiscal period for which funds were appropriated.

8. **Audit and Document Retention:** Program Manager shall furnish the Board with such information as may be requested relative to the progress, execution and costs of the Services. Program Manager shall maintain all records, correspondence, receipts, vouchers, memoranda and other data relating to Program Manager's Services under this Agreement. All records referenced above shall be retained for five (5) years after completion of Services and shall be subject to inspection and audit by the Board. Program Manager shall include in all subcontractor agreements for Services, provisions requiring subcontractors to maintain the above-described records and allowing the Board the same right to inspect and audit said records as set forth herein.

9. **Termination:**

A. **Termination for Convenience.** If at any time during the Term of this Agreement, the Board determines, in its sole discretion, that the Services provided by Program Manager are no longer in its best interest, the Board shall have the option to terminate this Agreement upon thirty (30) calendar days written notice to Program Manager. The Board shall pay to Program Manager the undisputed amount of any invoices for Services performed prior to termination of this Agreement within thirty (30) days of the date of invoice.

B. **Suspension of Services.** The Board may, upon thirty (30) calendar days written notice, request that Program Manager suspend Services in whole or part. Program Manager shall promptly resume performance of Services upon written notice from the Board and upon such equitable extension of time as may be mutually agreed upon in writing by the Board and Program Manager. Responsibility for any additional costs or expenses actually incurred by Program Manager as a result of remobilization shall be paid by the Board.

C. **Program Manager Events of Default.** Events of default ("Events of Default") include, but are not limited to, the following:

- 1) Any material misrepresentation by Program Manager in the inducement of this Agreement or the performance of Services.
- 2) Breach of any agreement, representation or warranty made by Program Manager in this Agreement.
- 3) Failure of Program Manager to perform in accordance with or comply with the terms and conditions of this Agreement, including, but not limited to, the following:
 - a) Action or failure to act which affects the safety and/or welfare of students or Board staff;
 - b) Failure to perform in accordance with terms, conditions and specifications of this Agreement;
 - c) Failure to provide any portion of the Services herein at the time fixed for performance and in the manner specified herein;
 - d) Failure to perform the Services with sufficient personnel and equipment or with sufficient material to ensure the performance of the Services due to a reason or circumstances within Program Manager's reasonable control;
 - e) Failure to perform the Services in a manner satisfactory to the Board;
 - f) Failure to promptly re-perform Services within a reasonable time that were determined by the Board to be incomplete or unsatisfactory;
 - g) Discontinuance of the Services for reasons not beyond Program Manager's reasonable control; or

h) Failure to comply with any term of this Agreement, including but not limited to, the provisions concerning insurance and nondiscrimination, and any other acts specifically and expressly stated in this Agreement constituting an Event of Default.

4) Assignment by Program Manager for the benefit of creditors or consent by Program Manager to the appointment of a trustee or receiver or the filing by or against Program Manager of any petition or proceeding under any bankruptcy, insolvency or similar law.

D. Remedies. The occurrence of any Event of Default which Program Manager fails to cure within thirty (30) calendar days after receipt of notice given in accordance with the terms of this Agreement and specifying the Event of Default or which, if such Event of Default cannot be reasonably cured within thirty (30) calendar days after notice, Program Manager fails to commence and continue diligent efforts to cure, in the sole opinion of the Board, may permit the Board to declare Program Manager in default. Whether to declare Program Manager in default is within the reasonable discretion of the Board. Written notification of an intention of the Board to terminate this Agreement, in whole or in part, shall be provided and shall be final and effective upon Program Manager's receipt of such notice. Upon the giving of such notice as provided in this Agreement, the Board may invoke any or all of the following remedies:

- 1) The right to take over and complete the Services or any part thereof, by agreement or otherwise as agent for and at the cost of Program Manager either directly or through others. Program Manager shall be liable to the Board for any excess costs incurred by the Board. Any amount due Program Manager under this Agreement may be offset against amounts claimed due by the Board.
- 2) The right to terminate this Agreement, in whole or in part, as to any or all of the Services yet to be performed effective at a time specified by the Board.
- 3) The right to suspend Services during the thirty (30) day cure period if the default results from Program Manager's action or failure to act which affects the safety and/or welfare of students or Board staff.
- 4) The right to specific performance, an injunction or any other appropriate equitable remedy.
- 5) The right to receive from Program Manager any and all damages incurred as a result or in consequence of an Event of Default.
- 6) The right to money damages.
- 7) The right to withhold all or part of Program Manager's compensation under this Agreement.
- 8) The right to deem Program Manager non-responsible in future agreements to be awarded by the Board.

If the Board considers it to be in its best interest, it may elect not to declare Program Manager in default or to terminate this Agreement. The parties acknowledge that this provision is solely for the benefit of the Board and that if the Board permits Program Manager to continue to provide the Services despite one or more Events of Default, Program Manager shall in no way be relieved of any responsibilities, duties or obligations under this Agreement nor shall the Board waive or relinquish any of its rights.

The remedies under this Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy shall be cumulative and shall be in addition to any other remedies, existing now or hereafter, at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall be construed as a waiver of any Event of Default or acquiescence thereto, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

E. **Turnover of Documents and Records.** Upon demand of the Board after termination of this Agreement for any reason or the expiration of this Agreement by its terms, Program Manager shall turn over to the Board or its designee within three (3) days of demand, all materials, supplies, equipment owned or purchased by the Board, completed or partially completed work analyses, data, computer disks, documents and any other information relating in any way to this Agreement or the performance or furnishing of Services, except that Program Manager may keep a copy of such information for its own records.

10. **Confidential Information, Dissemination of Information, Ownership, Survival:**

A. **Confidential Information.** In performance of Services to the Board, Program Manager may have access to or receive certain information that is not generally known to others ("Confidential Information"). Program Manager agrees not to use or disclose any Confidential Information or any records, reports, or documents prepared or generated as a result of this Agreement without the prior written consent of the Board or its designee. It is understood that, once such information becomes known to third parties or the general public through a source other than Program Manager, such information shall no longer be considered Confidential Information for purposes of this Agreement.

B. **Dissemination of Information.** Program Manager agrees not to use or disclose any Confidential Information or any records, reports or documents prepared or generated as a result of this Agreement ("Work Product") without the prior written consent of the Board. Program Manager shall not issue publicity news releases or grant press interviews, except as may be required by law, during or after the performance of the Services, nor shall Program Manager disseminate any information regarding Services without the prior written consent of the Board. In the event that Program Manager is presented with a request for documents by any administrative agency or with a *subpoena duces tecum* regarding any records, data, or Work Product which may be in Program Manager's possession as a result of Services under this Agreement, Program Manager shall immediately give notice to the Board and its General Counsel with the understanding that the Board shall have the opportunity to contest such process by any means available to it prior to submission of any documents to a court or other third party. Program Manager will not be obligated to withhold delivery of documents beyond the time ordered by a court of law or administrative agency, unless the request for production or *subpoena* is quashed or withdrawn, or the time to produce is otherwise extended. Program Manager agrees to cause its personnel, staff and subcontractors, if any, to undertake the same obligations of confidentiality agreed to by Program Manager under this Agreement.

C. **Ownership.** All intellectual property, Work Product, and any and all other records, reports, documents, and materials prepared or generated as a result of this Agreement, shall at all times be and remain the property of the Board. All of the foregoing items shall be delivered to the Board upon demand at any time and in any event, shall be promptly delivered to the Board upon expiration or termination of this Agreement. In the event any of the above items are lost or damaged while in Program Manager's possession, such items shall be restored or replaced at Program Manager's expense.

D. **Freedom of Information Act.** Program Manager acknowledges that this Agreement and all documents submitted to the Board related to this Agreement are a matter of public record and

are subject to the Illinois Freedom of Information Act (5 ILCS 140/1) and any other comparable state and federal laws and that this Agreement is subject to reporting requirements under 105 ILCS 5/10-20.40. Program Manager further acknowledges that this Agreement shall be posted on the Board's Internet website at www.cps.edu

E. **Survival.** The provisions of this paragraph shall survive the termination or expiration of this Agreement.

11. **Representations and Warranties of Program Manager:** Program Manager represents and warrants that the following shall be true and correct as of the effective date of this Agreement and shall continue to be true and correct (as may be modified from time to time subject to Board approval) during the Term of this Agreement:

A. **Contractor's Disclosure Form.** The disclosures in the Contractor's Disclosure Form submitted by Program Manager to the Department of Procurement and Contracts are true and correct. Program Manager shall promptly notify the Board of any material change in information set forth therein, including, but not limited to, change in ownership or control, and any such change shall be subject to Board approval which shall not be unreasonably withheld.

B. **Licensed Professionals.** Services required by law or by this Agreement to be performed by professionals shall be performed by professionals licensed to practice by the State of Illinois in the applicable professional discipline.

C. **Financially Solvent.** Program Manager warrants that it is financially solvent, is able to pay all debts as they mature and is possessed of sufficient working capital to complete all Services and perform all obligations under this Agreement.

D. **Technical Accuracy.** Program Manager warrants that all Services will be technically accurate and correct.

E. **Compliance with Laws.** Program Manager is and shall remain in compliance with all local, State and Federal laws, ordinances, regulations and statutes relating to this Agreement and the performance of Services, including, but not limited to, the Prevailing Wage Act, 820 ILCS 130/1 *et seq.*, the Drug-Free Workplace, and any others referenced in this Agreement relating to non-discrimination. Further, Program Manager is and shall remain in compliance with all Board policies and rules.

F. **Gratuities.** No payment, gratuity or offer of employment was made to Program Manager, any of its members if a joint venture or, to the best of Program Manager's knowledge, to any subcontractors, in relation to this Agreement or as an inducement for award of this Agreement. Program Manager is and shall remain in compliance with all applicable anti-kickback laws and regulations.

G. **Ethics.** No officer, agent or employee of the Board is or will be employed by Program Manager or has or will have a financial interest, directly or indirectly, in this Agreement or the compensation to be paid hereunder except as may be permitted in writing by the Board's Ethics Policy (95-0927-RU3), as may be amended from time to time, which policy is incorporated herein by reference as if fully set forth herein.

H. **Good Standing.** Program Manager, each of its joint venture members if a joint venture, and each of its subcontractors, if any, are not in default or have not been deemed by the Board's

Chief Purchasing Officer to be in default under any other agreement with the Board during the five (5) year period immediately preceding the effective date of this Agreement, and have not been debarred under the Board's Debarment Policy during the three (3) year period immediately preceding the effective date of this Agreement.

I. **Authorization.** Program Manager has taken all action necessary for the approval and execution of this Agreement, and execution by the person signing on behalf of Program Manager is duly authorized by Program Manager and has been made with complete and full authority to commit Program Manager to all terms and conditions of this Agreement which shall constitute valid, binding obligations of Program Manager.

12. **Independent Contractor:** It is understood and agreed that the relationship of Program Manager to the Board is and shall continue to be that of an independent contractor and neither Program Manager nor any of Program Manager's staff, agents, employees or subcontractors shall be entitled to receive Board employee benefits. It is further understood and agreed that the Board shall not be responsible for, nor incur any liability for, any State or Federal withholding or other taxes or for FICA or State unemployment insurance for Program Manager, its agents, employees or subcontractors, and the payment of any such taxes incurred or due by Program Manager shall be the sole responsibility of Program Manager. Program Manager agrees that neither Program Manager nor its staff or subcontractors shall represent themselves as employees or agents of the Board. Program Manager shall provide the Board with a valid taxpayer identification number as defined by the United States Internal Revenue Code, including, but not limited to, a social security number or a federal employer identification number.

13. **Indemnification:** Program Manager agrees to defend, indemnify and hold harmless the Board, its members, employees, agents, officers and officials from and against liabilities, losses, penalties, damages and expenses, including costs and reasonable attorney fees, arising out of all claims, liens, damages, obligations, actions, suits, judgments or settlements, or causes of action, of every kind, nature and character arising or alleged to arise out of the negligent or willful acts or omissions of Program Manager, its officials, agents, employees and subcontractors in the performance of this Agreement.

Program Manager shall, at its own cost and expense, appear, defend and pay all reasonable attorney fees and other costs and expenses arising out of the negligent or willful acts or omissions of Program Manager, its officials, agents, employees and subcontractors in the performance of this Agreement. In addition, if any judgment shall be rendered against the Board in any such action, Program Manager shall, at its own expense, satisfy and discharge such obligation of the Board. The Board shall have the right, at its own expense, to participate in the defense of any suit, without relieving Program Manager of any of its obligations hereunder. The Board retains final approval of any and all settlements or legal strategies which involve the interest of the Board.

The indemnities set forth herein shall survive the expiration or termination of this Agreement.

14. **Non-Liability of Board Officials:** Program Manager agrees that no Board member, employee, agent, officer or official shall be personally charged by Program Manager, its members if a joint venture, or any subcontractors with any liability or expense under this Agreement or be held personally liable under this Agreement to Program Manager, its members if a joint venture, or any subcontractors.

15. **Insurance:** Program Manager, at its own expense shall procure and maintain insurance covering all operations under this Agreement, whether performed by Program Manager or by a subcontractor. All insurers shall be licensed by the State of Illinois and rated A-VII or better by A.M. Best or a comparable rating service unless a written waiver is granted by the Board's

Bureau of Risk and Benefits Management. At any time upon request, Program Manager shall submit to the Board satisfactory evidence of insurance coverage. Minimum insurance requirements are:

a. **Workers' Compensation and Employers' Liability Insurance.**

Workers' Compensation and Employers' Liability insurance covering all employees who are to provide Services under this Agreement and Employers' Liability coverage with limits of not less than Five hundred thousand and 00/100 Dollars (\$500,000.00) per occurrence.

b. **Commercial General Liability Insurance.**

Commercial General Liability Insurance or equivalent with limits of not less than Five Million and 00/100 Dollars (\$5,000,000.00) per occurrence, combined single limit for bodily injury, for personal injury and property damage liability coverage shall include the following: all premises and operations, and products/completed operations (for a minimum of two (2) years following completion). The Board and its employees shall be named as additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly from services provided by Program Manager.

Subcontractors performing work for Contractor must maintain limits of not less than \$1,000,000 per occurrence with the same terms herein.

c. **Automobile Liability Insurance.**

When any motor vehicle (owned, non-owned and hired) is used in connection with the work to be performed, Program Manager shall provide Automobile Liability Insurance with limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for bodily injury and property damage.

d. **Professional Liability/Errors and Omissions.**

Program Manager shall maintain Professional Liability insurance covering acts, errors or omissions with limits of not less than Five Million and 00/100 Dollars (\$5,000,000.00) per claim and Ten Million and 00/100 Dollars (\$10,000,000) in the aggregate. Coverage extensions shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on this Agreement. A claims made policy which is not renewed or replaced must provide for an extended reporting period of not less than two (2) years.

Subcontractors performing work for Contractor must maintain limits of not less than \$1,000,000 per occurrence with the same terms herein.

Insurance-Additional Insured.

The Program Manager shall have its general and automobile liability insurance endorsed to provide that the Board of Education of the City of Chicago, a body corporate and politic, and its members, employees and agents, and such other entities as may be designated by the Board are listed as ADDITIONAL INSUREDS on a primary basis without recourse or right of contribution.

Insurance Certificates.

Before commencing work under this Agreement, the Program Manager shall have its insurance company or its representative submit an insurance certificate evidencing insurance coverage maintained by the Program Manager and indicating that the Board of Education and its employees as well as any other entity designated by the Board are additional insureds on the general and automobile liability insurance and must evidence thirty (30) days prior written notice of material change, cancellation or non renewal of any policy maintained by Program Manager be given to:

Board of Education of the City of Chicago
Department of Procurement and Contracts
125 South Clark Street 10th Floor
Chicago IL 60603
Attention: Opal Walls

Program Manager's failure to carry or document required insurance shall constitute a breach of this Agreement and any failure by the Board to demand or receive proof of insurance coverage shall not constitute a waiver of Program Manager's obligation to obtain the required insurance. The Board will not pay the Program Manager for any work if satisfactory proof of insurance is not provided before the commencement of Services. The Board reserves the right to obtain copies of insurance policies and insurance records by written request at any time from the Program Manager or its subcontractors and to modify, delete, alter or change insurance requirements at any time.

The Program Manager shall require any subcontractors under this Agreement to maintain comparable insurance which shall name the Program Manager, the Board inclusive of its members, employees and agents, and any other entity designated by the Board as Additional Insureds. The Program Manager will maintain a file of subcontractor's insurance certificates evidencing compliance with these requirements.

16. **Non-Discrimination:** It shall be an unlawful employment practice for Program Manager or any of its subcontractors to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to compensation, or the terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, age, disability, marital status, parental status, military discharge status, or national origin; or to limit, segregate, or classify employees or applicants for employment from equal employment opportunities or otherwise adversely affect an individual's status as an employee because of such individual's race, color, religion, sex, age, disability, marital status, parental status, military discharge status, or national origin. Program Manager shall comply with the Civil Rights Act of 1964, 42 U.S.C.A. §2000, *et seq.*, as amended; the Age Discrimination in Employment Act, 29 U.S.C.A. §621, *et seq.* The Rehabilitation Act of 1973, 29 U.S.C.A. §701, *et seq.*, as amended; the Americans with Disabilities Act, 42 U.S.C.A. §12101, *et seq.*; the Illinois Human Rights Act, 775 ILCS 5/1-10, as amended; and the Chicago Human Rights Ordinance, MCC ch. 2-160.
17. **Assignment:** This Agreement shall be binding on the parties and their respective successors and assigns; provided, however, Program Manager may not assign this Agreement or any obligations imposed hereunder without the prior written consent of the Board.
18. **Entire Agreement; Amendments:** This Agreement, including all exhibits and referenced documents, constitutes the entire agreement of the parties with respect to the matters contained herein. No modification of or amendment to this Agreement shall be effective unless such modification or amendment is in writing and signed by both parties.
19. **Continuing Obligation To Perform:** Subject to the provisions of 9(b) above, in the event of any dispute between Program Manager and the Board, Program Manager shall expeditiously and diligently proceed with the performance of all of its obligations under this Agreement with a reservation of all rights and remedies it may have under or pursuant to this Agreement at law or in equity.
20. **Survival/Severability:** All express representations or indemnifications made or given in this Agreement shall survive the completion of Services by Program Manager or the termination of this Agreement for any reason. If any provision or part of this Agreement is held to be unenforceable, this Agreement shall be considered divisible and such provision shall be deemed

inoperative to the extent it is deemed unenforceable, and in all other respects this Agreement shall remain in full force and effect; provided, however, that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law.

21. **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to any conflict of law or choice of law principles.
22. **Waiver:** No delay or omission, or series of delays or omissions, by the Board to exercise any right hereunder shall be construed as any type of waiver of any such right, and the Board reserves the right to exercise any such right from time to time as often as may be deemed expedient.
23. **Conflict of Interest:** This Agreement is not 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.
24. **Indebtedness:** Program Manager agrees to comply with the Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as may be amended from time to time, which policy is hereby incorporated by reference as if fully set forth herein.
25. **Inspector General:** Each party to this Agreement hereby acknowledges 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.
26. **Right of Entry:** Program Manager, and any of its officers, employees, or agents, performing Services hereunder shall be permitted to enter upon various Board sites, subject to the terms and conditions contained herein and those rules established by the Board. Program Manager shall provide advance notice to the Board whenever applicable, of any such intended entry. Consent to enter upon a site given by the Board shall not create, nor be deemed to imply, the creation of any additional responsibilities on the part of the Board. Program Manager shall use, and shall cause each of its officers, employees and agents to use, care when entering upon any property owned by the Board in connection with the Services. Any and all claims, suits or judgments, costs, or expenses, including reasonable attorney fees, arising from, by reason of, or in connection with any such entries shall be treated in accordance with the applicable terms and conditions of this Agreement, including without limitation, the indemnification provisions contained in this Agreement.
27. **Joint and Several Liability:** In the event that Program Manager, or its successors or assigns, if any, is comprised of more than one individual or other legal entity (or a combination thereof) then, and in that event, each and every obligation or undertaking herein stated to be fulfilled or performed by Program Manager shall be the joint and several obligation or undertaking of each such individual or other legal entity.
28. **MBE/WBE Plan:** Program Manager acknowledges that it is familiar with the requirements of the Board's Remedial Plan for Minority and Women Business Economic Participation and agrees to comply with the provisions of such plan ("MBE/WBE Plan").
29. **Mentor/Protege Program:** During the term of this Agreement, Program Manager will, to the fullest extent practicable, "mentor" the MBE/WBE firms it has identified. The mentoring process will be designed to elevate the existing level of capability of the MBE/WBE firms to acquire new skills and enhance competence in the field of the Services being rendered. Program Manager

shall submit monthly reports to the Board's Department of Operations and to the Board's Department of Procurement and Contracts relative to the progress of the program.

30. **Student/Apprentice Program:** Program Manager agrees that it will initiate and implement a student/apprentice program to the fullest extent practicable in performing the Services. Program Manager shall insure that such program adheres to any criteria established pursuant to the Illinois School Code or other applicable regulatory agency. Such program will include high school students (juniors and seniors) in work activities that expose them to various areas of the business environment. Program Manager shall submit monthly reports to the Department of Operations and Procurements and Contracts relative to the progress of the program.
31. **Notices:** All notices required under this Agreement shall be in writing and sent to the addresses and persons set forth below, or to such other addresses as may be designated by a party in writing. All notices shall be deemed received when (i) delivered personally; (ii) sent by confirmed telex or facsimile (followed by the actual document); or (iii) one (1) day after deposit with a commercial express courier specifying next day delivery, with written verification of receipt.

IF TO THE BOARD: Board of Education of the City of Chicago
Department of Operations
125 South Clark Street, 16th Floor
Chicago, Illinois 60603
Attn: Chief Facilities Officer
Fax No. (773) 553-2901

WITH A COPY TO: Law Department
125 South Clark Street, 7th Floor
Chicago, Illinois 60603
Attn: General Counsel
Fax: (773) 553-1701

IF TO PROGRAM MANAGER: URS Corporation
100 S. Wacker Drive, Suite 500
Chicago, Illinois 60606
Attn: Daniel Youngman
312-939-1000

32. **Kickbacks.** Neither Program Manager nor any of its members, if a joint venture or limited liability company, has accepted and shall not accept from or on behalf of any subcontractor or any intermediate tier subcontractor, any payment, gratuity or offer of employment in relation to the Agreement or as an inducement for the acceptance of the Agreement. Program Manager is and shall remain in compliance with all applicable anti-kickback laws and regulations.

33. **Taxes:** Federal excise tax does not apply to the Board by virtue of Exemption Certificate No. 36-600584 and State of Illinois Sales Tax does not apply by virtue of Exemption No. E9997-7109. The amounts to be paid to Program Manager hereunder are inclusive of all other taxes that may be levied or based upon this Agreement, including without limitation sales, use, nonresident, value-added, excise, and similar taxes levied or imposed upon the goods and services to be provided under this Agreement, but excluding taxes levied or imposed upon the income or business privileges of Program Manager. Program Manager shall be responsible for any taxes levied or imposed upon the income or business privileges of Program Manager.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

**BOARD OF EDUCATION OF THE
CITY OF CHICAGO**

By: Clare Muñana
Clare Muñana, Vice President

Attest: Estela G. Beltran 12/15/09
Estela G. Beltran, Secretary

Board Report No:09-0923-PR6-1

Approved as to legal form: ST/gmm

Patrick Rocks
Patrick Rocks, General Counsel

URS CORPORATION

By: [Signature]

Name: Don Youngblood
Its: VICE PRESIDENT

Attest: [Signature]

Name: Kimberly Ludford
Its: Office Administrator

Exhibit A

SCOPE OF SERVICES

A. GENERAL

Background. The Board is seeking an innovative, visionary, proactive Program Manager to assist the Board in the continuation of its Capital Program, which consists of the long-term planning for—and prioritization of—capital needs, and the ongoing improvement of CPS facilities through capital construction projects, more commonly known as the Capital Improvement Program (CIP). The Chicago Public School Capital Improvement Program (CPS/CIP) is an extensive effort to improve school facilities in Chicago. Under the leadership of Mayor Daley, the CPS/CIP began in 1995 and has invested over \$4 billion in the Chicago Public Schools. The board anticipates maintaining a \$300 million per year—or more—Capital Improvement Program to carry out this initiative.

The Chicago Public Schools has established a general management structure for developing and implementing capital projects, which provides for a division of responsibilities among internal CPS resources, a Program Manager (PM), Design Manager (DM) (managing architect/engineer), Construction Manager (CM) and various consultants providing professional services. Several of these professional services—such as environmental testing and consulting; surveying; commissioning; and architectural/engineering design—are procured separately, as are construction contractors. The PM has both program-wide and project-specific responsibilities.

Program-wide responsibilities include leadership and overall coordination between all relevant CPS departments to assess capital needs over a five-year horizon. These departments include, but are not limited to: Information Technology, Facilities, Real Estate, Safety and Security, Student Transportation, Food Services, Office of New Schools, School Demographics and Planning, Office of Specialized Services, Department of College and Career Preparation, and Early Childhood Education. Other program-wide responsibilities include comprehensive program management; long-term planning; ongoing facilities assessments; ADA assessments; environmental support and integration; sustainability practices; overcrowding analysis; standards management; cost controls and estimating; program controls; document management; capital expenditure reporting; consultant and contractor evaluation; policy and procedure management; as well as construction claims prevention management.

Project-specific responsibilities include oversight and management of the DM to develop project scope and budget estimates; and produce transfer packages for the selected AOR. The PM will track project progress and actively manage project activities to meet scope, schedule and budget parameters—including regulatory and CPS approvals. The PM will coordinate the efforts of the DM and CM in the assembly and final preparation of bid documents and review bids received in response to public advertisements. During the construction phase, the Program Manager will oversee the CM's activities for general conformance with scope, budget, and schedule; and actively monitor contractor and consultant performance with the goal of minimizing change orders and ensuring complete project closeout.

Program Manager Relationship to CPS. CPS, acting through the Chief Facilities Officer and Director of Capital Improvements/New Construction, shall direct the PM's performance of assigned capital projects, and shall retain final authority with regard to all project decisions. The PM is responsible for maintaining procedures so that all functional groups—both internal staff and external consultants—responsible for overseeing the capital project's planning, design, and implementation—are coordinated. The PM is responsible for providing the Director of Capital Improvements/New Construction with timely information and recommendations regarding decisions needed to enable the Capital Improvement Program to be implemented in a timely and cost-effective manner.

Time Accounting. The PM will ensure that all time billed is allocated to specific projects where applicable to allow project costs to accurately reflect consulting time spent.

B. DETAIL OF SERVICES

Strategic Planning. Coordinate with Chicago Public Schools' senior management staff and develop a long-term Capital Plan (5-year plan) that: a) requires all facilities meet or exceed occupant health, safety, and welfare standards; b) reduces overcrowding; c) elevates the level of school facilities to meet or exceed modern education standards; d) promotes environmental sustainability; e) requires cost effectiveness, and meets the educational and financial requirements of the Board; and f) promotes standardization of systems and procedures. To that end:

Work with the DM to manage, and implement the facility assessment program for the Board.

Develop plan for implementation and assignment of work and look for ways to continuously improve assessment methodology.

Incorporate findings into long-term plan.

Work closely with the DM and Board's ADA Director and staff to develop and recommend plans for complying with ADA Title II and the Illinois Accessibility Code across the District.

Make assessments of Board's facilities and programs.

Develop plans and budgets to address deficiencies.

Coordinate implementation of the plans so that, among other things, timelines for work related to compliance with ADA Title II and the Illinois Accessibility Code allow for completion of such work before the start of school, or in any other manner necessary to allow the Board to be in compliance.

Utilizing the tools above, assist in the development of a long-term Capital Plan:

Ensure all facilities meet or exceed occupant health, safety, and welfare standards:

Establish a viable facility standard in conjunction with existing assessment data.

Propose modifications to the existing school assessment and phased renovation approach.

Recommend and prioritize facilities to be phased out of the CPS building portfolio including: modular classrooms; pre-cast demountable structures; and schools where structural, environmental, or programmatic renovations exceed 65% of replacement cost. Integrate replacement construction with the overall plans regarding new construction to relieve overcrowding.

Attend Board and community meetings as requested.

Function as the Board's liaison with the Chicago Park District, the Capital Development Board, the City of Chicago Department of Planning, and the Public Building Commission, as requested on facilities that are subject of intergovernmental agreements.

Work with the Board to implement a long-term plan that presents an integrated strategy for addressing overcrowding across the District:

Coordinate with Department of Demographics and Planning to develop a consistent method of determining existing and anticipated overcrowding that can provide a clear hierarchy of needs.

Assist CPS in the development of a standard program for all new school educational spaces and equipment; and facility renovation approaches and prioritization of work; for use by CIP and other agencies as needed.

Coordinate with Department of Demographics and Planning to develop an approach to long-term capital planning that integrates urban planning and demographic trends in the City of Chicago.

Elevate the level of school facilities to meet or exceed modern education standards:

Conduct necessary research to continually improve the quality and effectiveness of the Board's CIP:

Promote and publicize program effectiveness by issuance of an "Annual State of the Buildings Report".

Promote sustainability in the design of various project components and develop tools to track results.

Maintain sufficient staff at the Board's CIP offices located at 125 S. Clark Street, 17th floor, Chicago, Illinois, in such quantity and experience levels that will successfully provide the required Services. The Board shall provide the Proposer with office space for some, but not necessarily all, of its staff in accordance with the Lease attached as an exhibit to the Program Management Services Agreement, which is attached hereto as Attachment F. Currently, there are sufficient work stations, and at least one office for the PM staff (to be confirmed once proposed staffing is evaluated). Other additional space required shall be provided by the Proposer. The Board shall provide office furniture, fixtures, computers, copiers, printers, and other equipment or software/program necessary to successfully deliver the required Service. All equipment and furniture supplied by the Board shall remain the property of the Board. Proposer shall use CPS sources for all office supplies.

It is important that Proposer proposes staffing levels that reflect adequate coverage of the duties outlined. Special consideration should be given to ways to leverage off-site personnel for project-specific or specialized needs, so that overall staffing levels can be adjusted to best meet the needs of the program while maximizing efficiencies and encouraging cost savings.

Program Management. After CPS approval of a long-term Capital Plan, the Proposer shall develop annual budgets for Board consideration that reflect this plan. These yearly budgets will include appropriate allocations for all CPS/CIP projects, including renovation and educational enhancements. To accomplish the goals of the CIP the Proposer shall:

Provide graphic design and presentation support in conjunction with the requirements of the CPS/CIP to support the proposed budget and present same for Board consideration. Once the annual budget is approved, the Proposer shall coordinate all proposed projects and:

Develop an implementation plan and preliminary schedule that coordinates all CPS/CIP work to minimize disruptions to CPS educational programs and maximize value to the Board. These educational programs include the standard and alternative school calendars, and all new and specialized programs as offered by CPS.

Provide support in the planning, management, and coordination of environmental projects. Work closely with the DM to insure projects are designed and coordinated with needed environmental remediation

Work with the DM to insure that all projects implement sustainable design principles to promote carefully planned acoustics, abundant daylight, clean indoor air, and innovative design that enhances and improves learning.

Insure that new construction, renovation, maintenance and site-work plans and projects are coordinated and that they complement each other. Coordinate with the Asset Management Office—Department of Facilities, to develop and implement proactive maintenance program (preventative, scheduled, and deferred) that complements the Capital Improvement Program.

Provide information support on other projects (e.g. grant management and monitoring for compliance and reporting purposes, oversight for the implementation of the E-rate program). Provide technical and other support (special projects, space analysis, and new-school feasibility) to the CIP as directed by the Chief Facilities Officer.

The Proposer shall identify, implement, and manage any value-added services at no additional cost to the Board, which would assist the Department of Facilities in the professional training of CPS staff. This would include, but not be limited to: in-house professional development; subject-matter training on HVAC, mechanical, electrical, and plumbing (MEP) systems; sustainable design; environmental health and safety; reading and interpretation of architectural drawings, etc.

Project Management

Design Management. The Proposer shall work with the DM to develop scope/transfer documentation based on the implementation plan developed above.

Verify that DM is performing services as per their agreements with the Board. Provide regular written reviews of their work for the Board's review. Manage, review, and make recommendations regarding DM billing for contracted services.

Supervise and coordinate the AOR selection by the DM and oversee the design development, design review, and construction review for all CIP projects so that projects meet the goals of the implementation plan, are on schedule and on budget.

Verify that the DM inputs and maintains relevant information into the CIP database in a timely manner. Provide tracking reports as required.

The PM will work with the DM to provide necessary and appropriate direction to—and quality assurance/quality control monitoring responsibility over—CPS's architectural and engineering consultants.

The PM will oversee the DM and other consultants (as appropriate) in developing milestone project estimates and coordinate adjustments as required to maintain on-budget design.

Construction Management. The PM will work with the CM to perform appropriate constructability review during the scope development and design phase, and assist the design team in managing to the approved budget and schedule.

Verify that CM is performing services per their agreements with the Board. Provide regular written reviews of their work for the Board's review. Manage, review, and make recommendations regarding CM billing for contracted services.

Assist the CM in the timely preparation of bid packages, reviewing of bids, and awards. Coordinate efforts between the Board's Department of Procurement and Contracts and the CM to facilitate the

bidding of all CIP projects in accordance with the Board's policies and procedures. Provide a weekly bid and award schedule.

Work with the CM to assure the work is properly installed in a timely manner, and cost controls are effective. Manage proposed change orders that occur in construction to minimize impact on budget and schedule. Provide cost estimates to verify change order pricing as required.

Verify that CM is coordinating City of Chicago Building Permits and Inspections as required.

Supervise and coordinate value-engineering effort for projects as required. Facilitate and monitor the Board's quality assurance and quality contract (QA/QC) and construction safety programs.

Ensure that there is a timely processing of payment applications and change orders, and lead the project through close-out.

Program Controls/Reporting

Coordination. Insure that new construction, renovation, maintenance, and site-work plans and projects are coordinated and that they complement each other. Work with the Asset Management Group in developing and implementing a proactive maintenance program that complements the CIP.

Standards

Provide standards for facility maintenance, energy use, and indoor air quality as an integral part of an overall plan to maximize impact of capital-improvement spending. Develop standard repair procedures that reinforce overall capital goals for existing buildings.

Under the direction of the Board, maintain and improve existing design and construction standards and guideline specifications for use in new construction and renovation.

Build construction standardization into the CPS/CIP program.

Conduct technical reviews and lessons-learned program.

Cost Controls

Provide overall cost control, accounting, and successful completion of all CPS/CIP projects. Oversee projects' completion for general conformance with program standards, schedule, and budget.

Perform comprehensive reviews/audits of projects or programs as required by the Board.

See Attachment H for specific accounting requirements.

Database

Oversee the updating and maintenance of CPS/CIP database, master planning, and reporting requirements of the Board. The Proposer shall also assist in the design, development, and maintenance of the CPS Facilities Portal.

Verify and input relevant information into CPS/CIP database in a timely manner. Provide tracking reports as required.

Coordinate and manage all inputs for existing CPS/CIP database as indicated in Attachment G. Make technical recommendations for improvement or replacement of the database as needed.

Manage CPS facility assessments and space utilization reports using provided assessment tools.

Provide annual CPS/CIP recommendations that reflect the long-term Capital Plan.

Coordinate with Department of Facilities and respective CPS staff on the downloading of information from the Board's financial system and incorporation into the CIP database. Prepare project and program financial management reports as required.

Reporting

Provide annual CPS/CIP organizational chart and staffing plan (including contact numbers) for review and approval.

Provide monthly program management reports for all CPS/CIP projects. The report shall feature proposed versus actual bid amount, appropriated budget, payment schedules as well as change order rates and other project indicators as determined by the Board.

Document Management

Develop and implement an effective document management system to ensure that documents are properly stored.

Maintain a proper filing and retrieval system both electronically and hardcopy.

This list is not exhaustive and the Board reserves the right to add additional services as necessary.

Exhibit B

COMPENSATION AND REIMBURSABLES

SEE ATTACHED

**Exhibit B
Compensation and Reimburseables**

Direct Labor Billing Rates

Description	Name	Period 1 Nov. 2009 - Dec 2009	Period 2 Jan 2010-Dec 2010	Period 3 Jan 2011 - Dec 2011	Period 4 Jan 2012 - Oct 2012	Company
Program Director	Sean Murphy	\$108.00	\$108.00	\$111.24	\$114.58	URS
Design Oversight Manager	Mary DeRuntz	\$50.00	\$51.50	\$53.05	\$54.64	Cotter Consulting
Construction Oversight Manager	Art Glenn	\$63.00	\$64.89	\$66.84	\$68.84	McKissack & McKissack
Program Controls Manager	Sam Nawansi	\$64.00	\$65.92	\$67.90	\$69.93	URS
Database Manager	Wes Cheng	\$70.00	\$72.10	\$74.26	\$76.49	GreatWay Consulting
Strategic Planning Manager	Derek Messier	\$57.00	\$58.71	\$60.47	\$62.29	Maniu
New Programs Manager	Dawit Hadgu	\$57.00	\$58.71	\$60.47	\$62.29	Maniu
Financial Administration Administrator	Javeta Smith	\$25.00	\$25.75	\$26.52	\$27.32	URS
New Schools Liason	Heather St. Cloud	\$35.00	\$36.05	\$37.13	\$38.25	McKissack & McKissack
Closeout Administrator	Kevin Taylor	\$51.00	\$52.53	\$54.11	\$55.73	McKissack & McKissack
Administrator - Executive	Jamal Quinn	\$27.00	\$27.81	\$28.64	\$29.50	Rodriguez & Associates
	Stacie Myers	\$33.00	\$33.99	\$35.01	\$36.06	URS

Monthly invoices will be calculated based on direct labor rate X hours X 2.5 multiplier.

Reimburseables

OCE Equipment (including service agreement) - at cost for units approved by the Chief Facilities Officer
Automobiles (to be driven by Program Management Staff only)

3 vehicles - at cost

Maintenance - at cost

Parking - at cost

Fuel - at cost

Cameras (2) - at cost

Printing - at cost

Student Interns - at cost

Additional Resources

Additional resources will be billed at their current direct rates X hours X 2.5 multiplier and monthly invoices will include a narrative documenting activities performed.

Exhibit C

KEY PERSONNEL

<u>Description</u>	<u>Name</u>
Program Director	Sean Murphy
Design Oversight Manager	Mary DeRuntz
Construction Oversight Manager	Arthur Glenn
Program Controls Manager	Sam Nwansi
Strategic Planning Manager	Derek Messier
Database Manager	Wes Cheng

Additional Key Personnel shall be determined by mutual agreement between the parties.

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