

PUBLIC BUILDING COMMISSION OF CHICAGO



**AGREEMENT
CONTRACT NUMBER PS1010**

**TO PROVIDE
OWNER'S REPRESENTATIVE SERVICES**

FOR

**MOZART SCHOOL CAMPUS PARK
CHICAGO, ILLINOIS**

**Mayor Richard M. Daley
Chairman**

**Montel M. Gayles
Executive Director**

**Richard J. Daley Center, Room 200
50 West Washington Street
Chicago, Illinois 60602
www.pbcchicago.com**

**EXECUTION PAGE
PROFESSIONAL SERVICES AGREEMENT
OWNER REPRESENTATIVE**

AGREEMENT NO. PS1010

THIS AGREEMENT dated as of **August 8, 2006** but actually executed on the date witnessed, is entered into by and between the Public Building Commission of Chicago, a municipal corporation of the State of Illinois, having its principal office at Room 200, Richard J. Daley Center, 50 West Washington Street, Chicago, Illinois 60602, (the "**Commission**"), and Navigant Consulting Inc., an Illinois corporation with offices at 175 West Jackson, Suite 500, Chicago, IL 60604, (the "**Owner's Representative**").

BACKGROUND INFORMATION

THE COMMISSION on behalf of the **Chicago Public Schools** (referred to in this Agreement as the "**User Agency**"), intends to undertake the construction and/or improvement of the following facility or facilities in Chicago, Illinois, (the "**Project**") described in **Schedule A** attached to this Agreement:

**Mozart School Campus Park
2200 N. Hamlin Avenue
Chicago, Illinois**

The Commission requires certain professional services described in this Agreement, in connection with the Project and desires to retain Owner's Representative on the terms and conditions set forth in this Agreement to perform such services. The Owner's Representative desires to be so retained by the Commission and has represented to the Commission that the Owner's Representative has the knowledge, skill, experience and other resources necessary to perform the services in the manner provided by this Agreement.

The Owner's Representative has consulted with the Commission, reviewed the Project and taken such other actions as Owner's Representative deemed necessary or advisable to make it acquainted with the scope and requirements of the Project. The Owner's Representative represents that it is qualified and competent by education, training and experience to manage construction of the Chicago Public Schools Campus Park, including the following areas of emphasis: preconstruction, permits, soil conditions, underground obstructions, scheduling of material procurement and construction, construction cost controls, LEEDTM¹, and communications with stakeholders.

The Commission has relied upon the Owner's Representative's representations in selecting Owner's Representative.

¹ Leadership in Energy and Environmental Design

NOW THEREFORE, The parties agree on the Terms that follow:

SIGNED on: 11/01/2006

PUBLIC BUILDING COMMISSION OF CHICAGO

[Signature]
Chairman

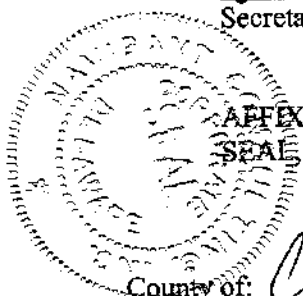
ATTEST:
[Signature]
Secretary

OWNER'S REPRESENTATIVE:

Navigant Consulting Inc.

BY: Wayne M. Koprowski
Secretary/Assistant Secretary

BY: [Signature]
President/Vice President



AFFIX CORPORATE SEAL IF ANY, HERE

County of: Cook

State of: Illinois

Subscribed and sworn to before me by Wayne M. Koprowski and Julie M. Howard on behalf of Owner's Representative this 12th day of October 2006.

[Signature]
Notary Public

My Commission expires:

(SEAL OF NOTARY)



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TERMS

1) INCORPORATION OF RECITALS

The matters recited above are incorporated in and made a part of this Agreement.

2) DEFINITIONS AND USAGE

a) Definitions.

The following phrases have the following meanings for purposes of this Agreement:

- i) **Agreement.** This Agreement for Owner's Representative Services, between the Commission and Owner's Representative, including all attached exhibits, schedules and documents and all such exhibits, schedules and documents incorporated by reference, all component parts and all amendments, modifications, or revisions made in accordance with its terms.
- ii) **Additional Services.** Additional Services to be provided by Owner's Representative for the Project pursuant to the provisions of Schedule A.
- iii) **Architect.** The company or other entity identified by the Commission as Architect of Record for a facility or facilities that are part of the Project covered by this Agreement.
- iv) **Authorized Commission Representatives.** One or more persons designated in writing by the Commission for the purposes of assisting the Commission in managing the Project. As specifically directed by the Commission, the Authorized Commission Representative will act on behalf of the Commission.
- v) **Commission.** The Public Building Commission of Chicago, a municipal corporation, acting by and through its Chairman, Secretary, Assistant Secretary, Executive Director, Director of Development, Managing Architect, Portfolio Manager or designated consultant or consultants, including the Authorized Commission Representative.
- vi) **Construction Estimate.** The probable cost of construction prepared by the Architect.
- vii) **Contract Documents.** All of the component parts of the Contract between the Commission and the General Contractor for the construction and improvement of the Project including Books 1, 2 and 3, the general and special conditions, technical specifications, drawings, addenda, bulletins and modifications to those parts.
- viii) **Day.** Unless otherwise indicated, the word "day" means calendar day. The phrase "business day" refers to Monday through Friday, except for national holidays.
- ix) **Deliverables.** The documents, in the format requested by the Commission, including correspondence, memos, reports, forms, recommendations, analyses, and interpretations that Owner's Representative is required under this Agreement to provide to the Commission.
- x) **Key Personnel.** Those job titles and individuals identified in Schedule E.
- xi) **Owner's Representative.** The company or other entity identified in this Agreement, and

such successors or assigns, if any, as may be authorized by the terms and conditions of this Agreement.

- xii) **Project.** The construction and/or improvement of the facility or facilities specified in this Agreement.
- xiii) **Record Documents.** Drawings prepared by the Architect in an electronic format approved by the Commission showing significant changes in the work made during construction, based on marked-up prints, drawings, shop drawings and other data furnished by the contractor to the Architect.
- xiv) **Reimbursable Expenses.** Expenditures as identified in Schedule C in this Agreement.
- xv) **Services.** Collectively, the duties, responsibilities and tasks provided by the Owner's Representative under this Agreement.
- xvi) **Subcontractor.** Any person or entity, including consultants and subconsultants hired or engaged by or through Owner's Representative to provide any part of the Services and that are eligible for reimbursement under the terms of this Agreement.
- xvii) **Transfer Documents.** Materials, such as plans, specifications, manuals and other materials, if any, prepared by others, as indicated in Schedule B, and provided to Owner's Representative for reference.
- xviii) **User Agency.** The governmental agency, identified in the Background Information that requested the Commission to undertake the construction and/or improvement of the Project in this Agreement.

b) Usage and Conventions.

- i) **Captions and Headings.** The captions and headings of the various sections of this Agreement are used solely for reference purposes and do not construe, nor will they be deemed or used to construe, interpret, limit, or extend the meaning or scope of any word, clause, paragraph, or provision of this Agreement.
- ii) **The term "include,"** in all its forms, means "include, without limitation" unless stated otherwise.
- iii) **Terms of one gender** imply the other gender(s) unless the context clearly indicates otherwise. Use of the singular includes the plural and vice versa.
- iv) **References to "approved by the Commission"** or to "approval by the Commission" are not intended to and must not be interpreted to absolve Owner's Representative from liability due to errors and omissions.

3) INCORPORATION OF DOCUMENTS

The documents identified in this Section are incorporated in and made a part of this Agreement. By executing this Agreement, Owner's Representative acknowledges that Owner's Representative is familiar with the contents of each of such documents and will comply fully with all applicable portions of them in performing the Services.

a) Policies Concerning MBE and WBE.

The Commission's policies concerning utilization of minority business enterprises ("MBE") and women business enterprises ("WBE"), provided in Exhibit C and the same as may be revised from time to time.

4) ENGAGEMENT AND STANDARDS FOR PERFORMING SERVICES

a) Engagement.

The Commission engages Owner's Representative, and Owner's Representative accepts the engagement, to provide the Services described in this Agreement, as those Services may be amended from time to time by mutual agreement of the Commission and Owner's Representative.

b) Key Personnel.

Owner's Representative must not reassign or replace Key Personnel without the written consent of the Commission. The Commission may at any time in writing notify Owner's Representative that the Commission will no longer accept performance of Services under this Agreement by one or more Key Personnel listed in this Agreement in Schedule E. Upon that notice Owner's Representative must immediately suspend the Key Person or Key Persons from performing Services under this Agreement and must replace him or them with a person or persons with comparable professional credentials and experience. Such replacements are subject to approval by the Commission.

c) Adequate Staffing.

Owner's Representative must, upon receiving a fully executed copy of this Agreement, assign and maintain for the duration of this Agreement an adequate staff of competent personnel that is fully equipped, licensed as appropriate, available as needed, qualified and assigned exclusively to perform the Services. The level of staffing may be revised from time to time by notice in writing from Owner's Representative to the Commission and with prior written consent of the Commission.

d) Nondiscrimination.

In performing under this Agreement, Owner's Representative will not discriminate against any worker, employee, applicant for employment, or any member of the public, because of race, color, creed, national origin, gender, age, or disability, or otherwise commit an unfair labor practice. Owner's Representative certifies that he/she is familiar with, and will comply with, all applicable provisions of the Civil Rights Act of 1964, 28 U.S.C. § 1447, 42 U.S.C. §§ 1971, 1975a-1975d, 2000a to 2000h-6 (1992); the Age Discrimination in Employment Act of 1967, 29 U.S.C. §§ 623-634 (1992); the Americans with Disabilities Act of 1990, 29 U.S.C. § 706, 42 U.S.C. §§ 12101-12213, 47 U.S.C. §§ 152, 221, 225, 611 (1992); 41 C.F.R. § 60 (1992); 41 C.F.R. § 60 (1992); reprinted in 42 U.S.C. 2000(e) note, as amended by Executive Order No. 11,375 32 Fed. Reg. 14,303 (1967) and by Executive Order No. 12,086, 43 Fed. Reg. 46,501 (1978); the Age Discrimination Act, 43 U.S.C. Sec. 6101-6106 (1981); P.L. 101-336; 41 C.F.R. part 60 et seq. (1990); the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1990), as amended; the Discrimination in Public Contracts Act, 775 ILCS 10/0.01 et seq. (1990), as amended; the Environmental Barriers Act., 410 ILCS 25/1 et seq; and the Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq. of the Municipal Code (1990), as amended. Owner's Representative will further furnish such reports and information as may be requested by the Commission, the Illinois Department of Human Relations, or any other administrative or governmental entity overseeing the enforcement, or administration of, or compliance with, the above mentioned laws and regulations.

e) Employment Procedures; Preferences and Compliance.

Salaries of employees of Owner's Representative, performing work under this Agreement, will be paid unconditionally, and not less often than once a month, without deduction or rebate on any

account except such payroll deductions as are mandatory or permitted by applicable law or regulations. Owner's Representative certifies that he/she is familiar with, and will comply with, all applicable provisions of 820 ILCS 130/0.01 through 130/12 (Prevailing Wage Act), 30 ILCS 570/1 through 570/7 (Employment of Illinois Workers on Public Works Act) and 30 ILCS 560/0.01 through 560/7 (Public Works Preference Act). Owner's Representative will also comply with all applicable "Anti-Kickback" laws and regulations, including the "Anti-Kickback" Act of 1986, 41 U.S.C. §§ 51-58 (1992); 18 U.S.C. § 874 (1992); 40 U.S.C. § 276c (1986) and the Illinois Criminal Code of 1961 720 ILCS 5/33E-1 et. seq. If, in the performance of this Agreement, any direct or indirect "kick-back" is made, as defined in any of the above mentioned laws and regulations, the Commission may withhold from Owner's Representative, out of payments due to Owner's Representative, an amount sufficient to pay any underpaid employees the difference between the salaries required to be paid under the law and this Agreement and the salaries actually paid such employees for the total number of hours worked. The amounts withheld may be disbursed by the Commission for and on account of Owner's Representative to the respective employees to whom they are due, as determined by the Commission in its sole discretion.

f) Compliance with Policies Concerning MBE and WBE.

Without limiting the generality of the requirements of the policies of the Commission referred to in paragraph 3 above, Owner's Representative will use every reasonable effort to utilize minority business enterprises for not less than 25% and women business enterprises for not less than 5% of the value of the Services, in accordance with the Resolution passed by the Board of Commissioners of the Commission on October 1, 2004, concerning participation of minority business enterprises and women business enterprises on contracts, other than construction contracts, awarded by the Commission and to furnish to the Commission, such reports and other information concerning compliance with such Resolution as may be requested by the Commission from time to time.

g) No Damages for Delay.

Owner's Representative will not assert on its behalf nor on the behalf of its Subcontractors and the Commission will not pay for any costs, fees, charges or claims for damages for any delays or hindrances from any cause whatsoever during the term of this Agreement. The foregoing does not apply to potential additional compensation for Additional Services provided by the Owner's Representative pursuant to a written request by the Commission. Owner's Representative will be granted an extension of time to complete the Services, for such reasonable period as will be determined by the Commission. An extension of time granted by the Commission to allow the Owner's Representative to perform the Services or any other obligation under this Agreement will in no way operate as a waiver on the part of the Commission of any of its rights under this Agreement.

h) Records.

The Owner's Representative must maintain accurate and complete records of expenditures, costs and time incurred by the Owner's Representative and by Subcontractors engaged by the Owner's Representative in connection with the Project and the Services. Such records will be maintained in accordance with recognized commercial accounting practices. The Commission may examine such records at the Owner's Representative's offices upon reasonable notice during normal business hours. The Owner's Representative must retain all such records for a period of not less than five calendar years after the termination of this Agreement.

i) Time is of the Essence.

The Owner's Representative acknowledges that time is of the essence in the performance of the Services required by this Agreement and that timely completion of the Services is vital to the completion of the Project. The Owner's Representative must use every reasonable effort to expedite performance of the Services and performance of all other obligations of the Owner's Representative

under this Agreement and any other agreements entered into by the Commission which are managed or administered by the Owner's Representative as a result of the Owner's Representative's engagement under this Agreement.

j) Compliance with Laws.

In performing its engagement under this Agreement, the Owner's Representative must comply with all applicable federal, state and local laws, rules, and regulations.

k) Meetings.

Meetings to discuss the progress of the Project and the Services and/or to review the performance of Owner's Representative will be scheduled upon the Commission's request, at mutually agreeable times and locations. Owner's Representative will cause such meetings to be attended by appropriate personnel of Owner's Representative engaged in performing or knowledgeable of the Services. Owner's Representative will take the minutes at these meetings and distribute the minutes to all parties in attendance within 5 days of the meeting.

l) Defects in Project.

Owner's Representative must notify the Commission immediately if the Owner's Representative obtains knowledge of an issue or circumstances which could result in a delay in the performance of Services or significant problem in connection with any part of the Project, including construction defects, cost overruns or scheduling delays.

m) Performance Standard.

- i) Owner's Representative represents that the Services performed under this Agreement will proceed with efficiency, promptness and diligence and will be executed in a competent and thorough manner, in accordance with reasonable professional standards in the field consistent with that degree of skill and care ordinarily exercised by professionals performing similar services in the same locality at the same site and under similar circumstances and conditions. Owner's Representative further promises that it will assign at all times during the term of this Agreement the number of experienced, appropriately trained employees necessary for Owner's Representative to perform the Services in the manner required by this Agreement.
- ii) Owner's Representative must ensure that all Services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. Owner's Representative must maintain current copies of any such licenses and provide these copies upon request by the Commission. Owner's Representative remains responsible for the professional and technical accuracy of all Services furnished, whether by Owner's Representative or others on its behalf. All deliverables will be prepared in a form and content reasonably satisfactory to the Commission and delivered in a timely manner consistent with the requirements of this Agreement.
- iii) Owner's Representative must not use any business or individual to provide the Services under this Agreement who is disqualified by the Commission or debarred under any other governmental agency's procedures.
- iv) If Owner's Representative fails to comply with the obligations under the standards of this Agreement, Owner's Representative must perform again at its own expense, all Services required to be re-performed as a direct or indirect result of that failure. Any review,

approval, acceptance or payment for any of the Services by the Commission does not relieve Owner's Representative of its responsibility to render the Services and deliverables with the professional skill and care and technical accuracy required by this Agreement. This provision in no way limits the Commission's rights against Owner's Representative either under this Agreement, at law or equity.

n) Amendments to this Agreement.

The Commission may from time to time request changes to the terms and Services of this Agreement. Such changes, including any increase or decrease in the amount of compensation and revisions to the duration of the Services, which are mutually agreed upon by and between the Commission and Owner's Representative, will be incorporated in a written amendment to this Agreement. The Commission will not be liable for any changes absent such written amendment.

o) Compliance with The Chicago Standard.

The City of Chicago has adopted The Chicago Standard, a set of construction standards for public buildings. The Chicago Standard was developed to guide the design, construction and renovation of municipal facilities in a manner that provides healthier indoor environments, reduces operating costs and conserves energy resources. It also includes provisions for outfitting, operating and maintaining those facilities. The Chicago Standard takes advantage of new building technologies and practices to enhance the well-being and quality of life of everyone working in and using these buildings, as well as the neighborhoods in which they are located. Owner's Representative will familiarize itself with the current requirements of The Chicago Standard and perform the Services in such a manner as to incorporate those construction standards into the Project.

p) Representation and Covenant by Owner's Representative.

Neither the Owner's Representative nor any affiliate of the Owner's Representative is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the User Agency may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (p) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

5) TERM

a) Duration.

The term of this Agreement begins on the Commencement Date of Services specified in Schedule A or as stated in the Notice to Proceed ("NTP"), if an NTP is issued. Subject to the provisions in this section, this Agreement expires upon the Completion Date of Services or upon completion of the Services and acceptance of the Deliverables by the Commission, whichever is earlier to occur. The term of this Agreement may be extended by the mutual agreement of the Commission and Owner's Representative.

b) Termination by the Commission.

The Commission has the right, at any time, to terminate this Agreement in whole or in part, with or without cause, by written notice given to the Owner's Representative at least 30 days before the effective date of termination. So long as Owner's Representative is not in default under this Agreement at the time of termination, the Commission will pay Owner's Representative, in accordance with the terms of this Agreement, all compensation and reimbursements due to Owner's Representative for periods up to the effective date of termination. The Commission may, however in its sole discretion, reimburse Owner's Representative for actual expenses approved by the Commission.

c) Suspension by the Commission.

The Commission also has the right, at any time and from time to time, with or without cause, to suspend the performance of Owner's Representative hereunder with respect to all or any part of the Services, by written notice given to Owner's Representative at least 5 days before the effective date of suspension. During the notice period Owner's Representative must wind down its Services. So long as Owner's Representative is not in default under this Agreement at the time of suspension, the Commission will pay Owner's Representative, in accordance with the terms of this Agreement, all compensation and reimbursements due to Owner's Representative for periods up to the effective date of suspension. If Owner's Representative's performance is suspended more than 90 days under this provision, Owner's Representative may, at its option, exercise its rights under this section to terminate this Agreement.

- i) During the period Owner's Representative's performance is suspended, Owner's Representative is not entitled to incur fees or bill the Commission, except for Owner's Representative's time for participating in substantive meetings concerning the Project (but not for meetings to discuss Owner's Representative's invoices or claims). Owner's Representative may bill such time spent during a suspension only if Owner's Representative's participation is requested by the Commission and only for the time of one individual per meeting. Commission will pay for such time at the applicable hourly billing rate set forth in Schedule C. Participation in meetings at the request of the Commission is not considered to be resumption of Owner's Representative's Services.
- ii) The number of days during which the suspension period lasted will be added to the Completion Date of Services set forth in Schedule A, establishing a revised Completion Date of Services, and Owner's Representative will re-commence its Services at the point they were suspended and may resume billing in accordance with the terms of this Agreement.

d) Effect of Termination or Suspension.

Termination or suspension of this Agreement in whole or in part does not relieve Owner's Representative from liability for its performance of any obligation under this Agreement that was performed or was to have been performed by Owner's Representative on or before the effective date of termination or suspension. In no event will the Commission be liable to Owner's Representative for any loss, cost or damage, including lost profits, which Owner's Representative or any other party may sustain by reason of the Commission terminating or suspending this Agreement as provided in it.

e) Termination by the Owner's Representative.

If the Services, in whole or substantial part, are stopped for a period longer than 90 days under an order of any court or other governmental authority having jurisdiction, or as a result of an act of government, such as a declaration of national emergency making materials unavailable, through no act or fault of Owner's Representative, or if the Commission suspends Owner's Representative's performance of its Services for more than 90 days for any reason, or if the Commission fails after

notice and an opportunity to cure to make any payment or perform any other obligation hereunder, Owner's Representative has the right to terminate this Agreement, by written notice given to the Commission at least 7 days before the effective date of termination, and has the right to recover from the Commission all compensation and reimbursements earned by Owner's Representative under this Agreement for periods up to the effective date of termination. If Owner's Representative for any reason does not exercise its right to terminate hereunder, and if the Owner's Representative's Services are later resumed, Owner's Representative will provide its Services as set forth in this Agreement without adjustment of compensation.

f) Force Majeure.

Neither of the parties will be liable to the other for any delay or failure in performance hereunder due to causes which are beyond the control of the party unable to perform. If a force majeure occurs, the party delayed or unable to perform will give prompt notice to the other party, and the Commission may, at any time during the continuation of the force majeure event, elect to suspend the performance of Owner's Representative under this Agreement for the duration of the force majeure. The Commission will not be obligated to pay for the Services to the extent and for the duration that performance of the Services is delayed or prevented by force majeure, but, provided Owner's Representative is not in default of any obligation of Owner's Representative under this Agreement, the Commission will pay to Owner's Representative, according to the terms of this Agreement, all compensation and reimbursements due to Owner's Representative for periods up to the effective date of suspension. The term "force majeure" means an extraordinary event or effect that the parties could not have anticipated or controlled and that renders performance impossible or impracticable for the duration of the event or effect. Such events or effects include but are not limited to: extraordinary acts of nature, such as tornadoes; or of people, such as acts of terrorism; or of governments, such as imposition of martial law. The term does not include, for example, typical Chicago inclement weather (i.e. weather the severity of which is less than a standard deviation from the 5-year mean for the Chicago Midway area for Project located south of Madison Street or the O'Hare area for Project located north of Madison Street, as established by the National Oceanic and Atmospheric Administration) or labor force strikes.

6) COMPENSATION OF OWNER'S REPRESENTATIVE; REIMBURSEMENT FOR EXPENSES

The Commission will compensate Owner's Representative for the Services in the amount and manner set forth on Schedule C.

7) RIGHTS AND OBLIGATIONS OF COMMISSION

a) General and Specific.

In connection with the administration of the Services by the Commission and the performance of this Agreement by Owner's Representative, the Commission has the following rights and obligations, in addition to those provided elsewhere in this Agreement:

- i) Information.** The Commission will provide Owner's Representative all information reasonably required concerning the Commission's requirements for the Project and the Services.
- ii) Review of Documents.** Subject to the provisions of this Agreement, the Commission will make reasonable efforts to examine documents submitted by Owner's Representative and render decisions pertaining to them with reasonable promptness.

iii) **Site Data.** To the extent the Commission determines necessary for Owner's Representative to perform the Services, the Commission may furnish, or may authorize Owner's Representative to obtain information concerning availability of both public and quasi-public service and utility lines from a company or companies approved by the Commission as Reimbursable Expenses. See Schedule A for more details.

iv) **Tests and Reports.** To the extent required for Owner's Representative to perform the Services, the Commission may furnish structural, civil, chemical, mechanical, results of test borings and pits for determining soil and subsoil conditions and/or other tests and reports or may issue written authorization to the Owner's Representative to procure such tests and reports from a Subcontractor or Subcontractors. See Schedule A for more details. The Commission will pay for such tests and reports, however, the Commission may direct Owner's Representative to procure such professional services as Reimbursable Expenses and submit invoices to the Commission for payment as provided in Schedule C.

b) Limited Exculpation of Owner's Representative.

Owner's Representative is not liable to the Commission under the provisions of subparagraphs and for the substantive content of such tests and reports obtained from a Subcontractor engaged by Owner's Representative and approved by the Commission, but only if Owner's Representative has exercised reasonable diligence in the selection of the Subcontractor and also only if Owner's Representative has caused the Subcontractor to purchase and maintain professional liability insurance in accordance with Schedule D, protecting the Commission, the User Agency, and Owner's Representative from any loss or claim arising out of the Subcontractor's performance. See Schedules A and D for detailed requirements.

c) Audits.

The Commission has the right to abstract and audit the books of Owner's Representative and its Subcontractors on all subjects relating to the Project and/or the Services.

d) Legal, Auditing and other Services.

The Commission will arrange and pay for such legal, auditing, insurance counseling and other services as the Commission, in its sole discretion, may determine to be required for the Project. Such payments will not include legal or auditing expenses arising out of or relating to any errors or omissions, or claimed errors or omissions, of Owner's Representative.

e) Designated Representatives.

The Commission may designate, at its sole discretion, one or more representatives authorized to act in its behalf. No extras or credits to Subcontractors will be authorized by anyone other than the Commission.

f) Ownership of Documents.

All designs, drawings, documents, data, studies and reports prepared by Owner's Representative or any party engaged by Owner's Representative, pertaining to the Project will be the property of the Commission.

8) INDEMNIFICATION

a) Indemnity by Third Parties.

The Commission will require, by appropriate provision in each contract let by the Commission after the date of this Agreement with respect to the Project and the Services that the contractor(s) and

consultant(s) under such contracts must indemnify, save and hold harmless the Commission, the User Agency and Owner's Representative, and each of them, and their respective commissioners, board members, officers, officials and employees, from all claims, demands, suits, actions, losses, costs and the like, of every nature and description, made or instituted by third parties, arising or alleged to arise out of the work under such contract, and that the contractor(s) and consultant(s) under such contracts will purchase and maintain during the life of such contract such insurance as the Commission may require. The amount and insurer for such insurance are subject to approval by the Commission.

b) Indemnification by Owner's Representative.

Owner's Representative must indemnify, defend, keep and save harmless the Commission and the User Agency and their respective commissioners, board members, officers, officials, officials and employees, from and against all claims, demands, suits, losses, costs and expenses, including the fees and expenses of attorneys, (including court costs and expert's fees) that may arise out of or be based on any injury to persons or property that is, or is claimed to be, the result of Owner's Representative's performance or non-performance of this Agreement or of any error, omission or negligent or willfully wrongful act of Owner's Representative, or and any person employed by Owner's Representative, or any Subcontractor retained by Owner's Representative in connection with the Project and the Services.

9) INSURANCE MAINTAINED BY OWNER'S REPRESENTATIVE

Owner's Representative will purchase and maintain at all times during the performance of Services, for the benefit of the Commission, the User Agency and Owner's Representative, insurance coverage which will insure the Commission, the User Agency and Owner's Representative against claims and liabilities which could arise out of the performance of such Services, including the insurance coverages set forth in Schedule D to this Agreement.

10) DEFAULT

a) Events of Default.

Each of the following occurrences constitutes an Event of Default by Owner's Representative under this Agreement:

- i) Failure or refusal on the part of Owner's Representative to duly observe or perform any obligation or agreement on the part of Owner's Representative contained in this Agreement, which failure or refusal continues for a period of 10 days (or such longer period as the Commission, in its sole discretion, may determine if such failure is not capable of being cured within such 10-day period) after the date on which written notice of it has been given to Owner's Representative by the Commission;
- ii) A materially false representation or warranty by Owner's Representative in this Agreement or throughout the performance of the Services.
- iii) Owner's Representative becomes insolvent or ceases doing business as a going concern, or makes an assignment for the benefit of creditors, or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, or files a voluntary petition in bankruptcy, or is adjudicated a bankrupt or an insolvent, or files a petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar arrangement under any present or future statute, law or regulation relating to bankruptcy or insolvency, or files an answer admitting the material allegations of a petition

filed against it in any such proceeding, or applies for, consents to or acquiesces in the appointment of a trustee, receiver, liquidator or other custodian of it or of all or any substantial part of its assets or properties, or if it or its principals will take any action in furtherance of any of the foregoing;

- iv) Any proceeding is commenced against Owner's Representative seeking reorganization, arrangement, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation relating to bankruptcy which is not vacated, stayed, discharged, bonded or dismissed within 60 days following commencement of the proceeding, or appointment of, without Owner's Representative's consent or acquiescence, any trustee, receiver, liquidator or other custodian of all or any substantial part of Owner's Representative's assets and properties, and such appointment will not have been vacated, stayed, discharged, bonded or otherwise dismissed within 60 days of the appointment.
- v) Owner's Representative's material failure to perform any of its obligations under this Agreement including:
 - (1) Failure due to a reason or circumstance within Owner's Representative's reasonable control to perform the Services with sufficient personnel, and equipment or with sufficient material to ensure the performance of the Services;
 - (2) Failure to properly perform the Services or inability to perform the Services as a result of insolvency, filing for bankruptcy or assignment for the benefit of creditors;
 - (3) Failure to promptly re-perform within a reasonable time the Services that were rejected per the Terms of this Agreement;
 - (4) Discontinuance of the Services for reasons within Owner's Representative's reasonable control;
 - (5) Failure to comply with a material term of this Agreement, including the provisions concerning insurance and nondiscrimination;
 - (6) Any change in ownership or control of Owner's Representative without prior written approval of the Executive Director which approval the Executive Director will not unreasonably withhold;
 - (7) Owner's Representative's default under any other agreement it presently may have or may enter into with the Commission. Owner's Representative acknowledges that in event of a default under this Agreement the Commission may also declare a default under any such other agreements.

b) Remedies.

If an Event of Default occurs and continues, then the Commission may exercise any right, power or remedy permitted to it by law or in equity and has, in particular, without limiting the generality of the foregoing, the right to terminate this Agreement upon written notice to Owner's Representative, in which event the Commission has no further obligations hereunder or liability to Owner's Representative except as to payment for Services actually received and accepted by the Commission through the effective date of termination. No courses of dealing on the part of the Commission or delay or failure on the part of the Commission to exercise any right will operate as a waiver of such right or otherwise prejudice the Commission's rights, powers or remedies.

c) Remedies Not Exclusive.

No right or remedy in this Agreement conferred upon or reserved to the Commission is exclusive of any right or remedy provided or permitted under this Agreement or by law or equity, but each is cumulative of every other right or remedy given in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.

11) DISPUTES

a) General.

All disputes arising under, related to or in connection with the terms of this Agreement or its interpretation, whether involving law or fact or both, including questions concerning allowability of compensation, and all claims for alleged breach of contract will be presented to the Authorized Commission Representative. Owner's Representative will present all disputes not resolved by the next Monthly Meeting in writing to the Executive Director for final determination.

b) Procedure.

Owner's Representative will make all requests for final determination of disputes in writing specifically referencing this Section, and will include: 1) the issue(s) presented for resolution; 2) a statement of the position of Owner's Representative; 3) the facts underlying the dispute; 4) reference to the applicable provisions of this Agreement by page and section; 5) identification of any other parties believed to be necessary to the resolution; and 6) all documentation which describes and relates to the dispute. Owner's Representative will promptly provide a copy of the request for final determination of the dispute to the Authorized Commission Representative. The Authorized Commission Representative will have 30 business days to respond in writing to the dispute by supplementing the submission or providing its own submission to the Executive Director. Failure by the Authorized Commission Representative to respond will not be an admission of any allegations made in the request for dispute resolution, but will constitute a waiver of the opportunity to respond to such allegation(s), if any. The Executive Director may thereafter reach his final determination in accordance with such other information or assistance as may be deemed reasonable, necessary or desirable.

c) Effect.

The Executive Director's final determination will be rendered in writing no more than 45 business days after the response by the Authorized Commission Representative was received or was due unless the Executive Director notifies Owner's Representative that additional time for the final determination is necessary. The Executive Director's final determination will be conclusive, final, and binding on all parties. Owner's Representative must follow the procedures set out in this Section and receive the Executive Director's final determination as a condition precedent to filing a complaint in the Circuit Court of Cook County or pursuing any alternative dispute resolution procedure that may be agreed by the parties. Owner's Representative will not withhold performance of any Services required by the Commission under this Agreement during the dispute resolution period provided in Section 11 DISPUTES of this Agreement.

d) Owner's Representative Self-Help Prohibited.

Owner's Representative must never withhold performance of its Services by, for example, refusing to review and approve appropriately submitted invoices or pay applications, timely to make recommendations on General Contractor claims, or promptly to issue other appropriate approvals needed by others where doing so would potentially harm third parties, such as Subcontractors, the General Contractor, or its subcontractors. Doing so to gain potential leverage in negotiating or settling Owner's Representative's claims against the Commission or User Agency will be considered

to be bad faith on Owner's Representative's part. This provision is not intended to prohibit Owner's Representative from exercising its well-considered professional judgment, however, in carrying out its duties and responsibilities under the Agreement.

12) CONFIDENTIALITY

All of the reports, information, or data prepared or assembled by Owner's Representative under this Agreement are confidential, and Owner's Representative must not make such reports, information or data available to any party without the prior written approval of the Commission. In addition, Owner's Representative must not, without the prior written consent of the Commission, prepare or distribute any news releases, articles, brochures, advertisements or other materials concerning this Agreement, the Project or the Services. If Owner's Representative is served with a subpoena requiring the production of documents or information which is deemed confidential, Owner's Representative will immediately notify the Commission in writing and provide a copy of the subpoena to the Commission in sufficient time for the Commission to attempt to quash, or take other action in relation to, the subpoena.

13) ASSIGNMENT

Owner's Representative acknowledges that the Commission is induced to enter into this Agreement by the personal and professional qualifications of the principals, staff and employees of Owner's Representative and, therefore, that neither this Agreement nor any right or obligation in this Agreement may be assigned by Owner's Representative, in whole or in part, without the prior written approval of the Commission. For purposes of this paragraph, if Owner's Representative transfers more than 50% of its equity ownership during any 12-month period, such a transfer is considered an assignment of this Agreement. In the event of an assignment by Owner's Representative without the prior written approval of the Commission, the Commission will have the right to immediately terminate this Agreement without fault or responsibility.

14) RELATIONSHIP OF PARTIES

Under this Agreement, the relationship of Owner's Representative to the Commission is that of an independent contractor, and Owner's Representative, except to the extent expressly provided to the contrary in this Agreement, will have no right or authority to make contracts or commitments for or on behalf of the Commission, to sign or endorse on behalf of the Commission any instruments of any nature or to enter into any obligation binding upon the Commission. This Agreement will not be construed as an agreement of partnership, joint venture, or agency.

15) GENERAL

a) Owner's Representative's Authority.

Owner's Representative represents that its execution of this Agreement is authorized by a resolution of its Board of Directors, if a corporation, or similar governing document if a partnership or a joint venture, and the signatures(s) of each person signing on behalf of Owner's Representative have been made with complete and full authority to commit Owner's Representative to all terms and conditions of this Agreement, including each and every representation, certification and warranty contained or incorporated by reference in it.

b) Counterparts.

This Agreement may be executed in any number of counterparts, any of which will be deemed an original.

c) Entire Agreement.

This Agreement constitutes the entire understanding and agreement between the parties to this Agreement and supersedes any and all prior or contemporaneous oral or written representations or communications with respect to the subject matter hereof, all of which communications are merged in this Agreement. This Agreement must not be modified, amended or in any way altered except by an instrument in writing signed by both of the parties.

d) Governing Law.

This Agreement has been negotiated and executed in the State of Illinois and will be construed under and in accordance with the laws of the State of Illinois.

e) No Waiver.

The waiver by either party of any breach of this Agreement will not constitute a waiver as to any succeeding breach.

f) Notices.

All notices required to be given under this Agreement must be given in writing and must be hand delivered or sent by United States certified or registered mail, postage prepaid, addressed to the Authorized Commission Representative and the Executive Director, if appropriate, or to Owner's Representative at their respective addresses set forth above, as appropriate. If given as provided in this Agreement, such notice is deemed to have been given on the date of delivery, if delivered by hand, and on the second business day after mailing, if given by mail. The Commission or Owner's Representative may, from time to time, change the address to which notices will be sent by giving notice to the other party in the manner provided in this subparagraph.

g) Non-liability of Public Officials.

No Commission board member, employee, officer, or official is personally liable to Owner's Representative or its Subcontractors, and Owner's Representative and its Subcontractors are not entitled to, and must not attempt to, charge any of them with liability or expense or hold them personally liable to Owner's Representative or its Subcontractors under this Agreement.

h) Severability.

If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision will be severed from this Agreement and such invalidity or unenforceability will not affect any other provision of this Agreement, the balance of which will remain in full force and effect; provided, however, that if such provision is deemed invalid or unenforceable as a matter of law, such provision will be deemed to have been modified so as to be valid and enforceable to the maximum extent permitted by law.

i) Successors and Assigns.

Except as otherwise provided in this Agreement, this Agreement is binding upon and inures to the benefit of each of the parties to this Agreement and their respective successors and assigns.

j) Non-appropriation of Funds.

If funds have not been appropriated in full or in part, the Commission has the right to terminate this Agreement.

SCHEDULES FOLLOW.

**SCHEDULE A
SCOPE OF SERVICES**

MOZART SCHOOL CAMPUS PARK

The Owner's Representative will provide Services to manage and administer the Project as determined by the Commission. The Commencement Date of Services will be established by issuance by the Commission of a notice to begin those Services ("Notice to Proceed" of "NTP"). The term of this Agreement will expire when all Services required by this Agreement have been completed to the reasonable satisfaction of the Commission.

Commencement Date of Services	Upon issuance of the NTP
Completion Date of Services	120 Days after the NTP is issued or upon completion of the Services, whichever is earlier to occur.

The deliverables for the Services (and any other work product) must be approved by the Commission in writing before commencement of subsequent or dependent Services.

In this Schedule A, regardless of whether a time limit is specified for particular tasks or duties, it is intended that Owner's Representative will perform its Services promptly, with sufficient staffing, and all in accordance with the standard of performance in this Agreement.

The Authorized Commission Representative will assist the Commission in managing the Project and will have the authority, as specifically directed by the Commission, to act on its behalf. The Commission designates Jennifer Valentin as the Commission's designated representative for the Project.

A.1 Construction Phase:

- A.1.1 Review and monitor, on a periodic basis, the General Contractor's baseline and updated schedules for compliance with the individual general contract milestone dates and the Master CPM milestone dates using Primavera Project Planner. In instances where the schedule slippage and/or schedule conflicts are forecast to occur, make recommendations to the Commission as to how to remedy the schedule slippage and/or schedule conflicts.
- A.1.2 Conduct meetings (to be generally scheduled every other week) with the Commission, User Agency, Design Team, specialty consultants and General Contractor. Review the Project schedule, submittals, scope changes, requests for information, outstanding bulletins, pending issues and field problems. Prepare meeting minutes and distribute to all parties in attendance within 5 business days.
- A.1.3 Expedite approvals and coordination issues between federal, state, and local agencies to obtain any required permits, licenses and fees.
- A.1.4 Review and approve all payment applications and submit payment requests for approval and payment by the Commission.
- A.1.5 Maintain a full-time project manager as the primary point of contact with the Commission, User Agency, Design Team members and General Contractor.
- A.1.6 Establish an on-site organization line of authority to implement all phases of the Project in a coordinated and efficient manner.

- A.1.7 Establish, document and implement procedures for, and maintain coordination with respect to all construction aspects of the Project.
- A.1.8 Coordinate the procurement and assembly of required permits, licenses, and certificates from the General Contractor and arrange delivery of same to the Commission.
- A.1.9 Coordinate all aspects of the work between the General Contractor and any quasi-public agencies or utility companies.
- A.1.10 Conduct periodic site observations of the General Contractor's work for congruence with the Project Schedule, Project Budget and requirements of the Contract Documents. Review the supervision, personnel, and equipment of the General Contractor and the availability of materials and supplies necessary for the Project. Direct that action be taken to remediate deficiencies and report all deficiencies and actions taken to the Commission at the Weekly Meeting or earlier as appropriate.
- A.1.11 In the event that the interpretation of the meaning and intent of the contract documents becomes necessary during construction, ascertain the Architect's interpretation in writing and transmit such information to the General Contractor and to the Commission.
- A.1.12 Receive and review all shop drawings, materials and all other required submittals prior to transmittal of these documents to the Commission's Architect of Record. Requests for approval of subcontractors, delivery schedules, material lists, shop drawings, samples, and the like will be commented upon by the Architect and submitted to the Commission for concurring approval.
- A.1.13 Monitor and implement the flow of all documents and materials for proper sequence of approvals so as not to delay the progress of the work.
- A.1.14 Establish and maintain, available to the Commission, a complete library of all Contract Documents, addenda, bulletins, scope changes, approved shop drawings and material samples.
- A.1.15 Receive and review all change order requests from the General Contractor. Review unit prices, time and material changes and similar items. Submit recommendations to the Commission for approval.
- A.1.16 Review all scope changes proposed by the Commission, the User Agency, and/or Design Team and make recommendations regarding practicality, costs, effect on completion schedule and risk to the Project.
- A.1.17 Monitor requests for change orders required by field conditions and other unforeseen conditions, and submit such requests to the Commission for approval prior to instituting any changes to the requirements of the Contract documents.
- A.1.18 Monitor all scope changes during construction to ensure compliance with approved revisions.
- A.1.19 Implement the Commission's procedures for processing scope changes, including applications for extensions of time.
- A.1.20 Maintain cost accounting records of the work performed in accordance with the Commission's procedures.

A.1.21 Prepare a monthly report containing the following:

- A.1.21.1 Executive Summary – include a summary of financial status, highlights of major events and a schedule summary.
- A.1.21.2 Status of Construction – summarize Project construction activities, including current anticipated start and completion dates by Project elements.
- A.1.21.3 Outstanding Items – include items to be completed by the Owner's Representative, the Design Team members, the Commission, the User Agency and General Contractor.
- A.1.21.4 Purchasing Activity – detail current status of materials procurement based upon information received from the General Contractor.
- A.1.21.5 Budget Status Report – include a summary of anticipated costs and status of scope changes that are approved, pending, and/or anticipated.
- A.1.21.6 Schedules – include construction schedule indicating current Project status (both in CPM and summary bar chart form), updated cash flow and look-ahead plan for the following period.
- A.1.21.7 Progress Photographs – arrange for production and distribution of progress photographs as required by the Commission.
- A.1.21.8 Anticipated Project Activity – indicate, in narrative form, the activities of the Project in the upcoming month, actions to be taken during that period, and any scheduled governing agency reviews/approvals, etc.
- A.1.21.9 Other – include such additional or revised information as required by the Commission.

A.2 Project Close-out:

- A.2.1 Conduct a comprehensive final inspection of the Project to verify that the materials furnished and work performed are in accordance with the Contract Documents.
- A.2.2 Coordinate the preparation of punch-lists indicating the items of work remaining to be accomplished. Coordinate the completion of such items in an expeditious manner. Prepare certificates of preliminary and final completion in consultation with the Commission and the User Agency.
- A.2.3 Assemble and deliver to the Commission all guarantees, warranties, operating and maintenance manuals required by the contract documents. Coordinate equipment and systems training sessions for User Agency personnel. Make recommendations as to the withholding of payments to the General Contractor. Determine the value of any uncorrected and/or deficient work.
- A.2.4 Expedite the preparation of "as-built" drawings and operations and maintenance manuals of the Project in accordance with the specifications. The "as-built" documents will be subject to the approval of the Owner's Representative. Submit approved "as-built" documents to the Commission upon completion of the Project.

A.3 **Additional Services:**

A.3.1 Provide Additional Services as required by the Commission.

**SCHEDULE B
TRANSFER PROJECT DOCUMENTS**

**MOZART SCHOOL CAMPUS PARK
CHICAGO, ILLINOIS**

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**SCHEDULE C
COMPENSATION OF OWNER'S REPRESENTATIVE**

**MOZART SCHOOL CAMPUS PARK
CHICAGO, ILLINOIS**

C.1 FEE OF OWNER'S REPRESENTATIVE

C.1.1 The Commission will pay the Owner's Representative for its services a total Fixed Fee ("Fee") of \$29,000.00. The Fee will, in absence of a change of scope of the Project by the Commission or the issuance of Commission-originated additive change orders constitutes the Owner's Representative full fee for Basic Services. The fee will be allocated as follows:

Construction Phase	80%
Project Close-out	20%

C.1.2 Owner's Representative will include consultant's profit, overhead, and all items not specifically identified as Reimbursable Expenses.

C.2 BILLING RATES

C.2.1 The Commission will compensate the Owner's Representative for contract modifications and/or additional services based upon a *Lump Sum Fee* or a *Time Card Not to Exceed Fee*, as approved by the Commission in writing.

C.2.1.1 **Mark-up on Subcontractor Costs.** In no event will Owner's Representative be entitled to any mark-up of Subcontractor costs.

C.2.2 **Project Reimbursable Expenses ("Direct Costs").** Owner's Representative will be reimbursed for certain expenses incurred in the satisfactory performance of the Services. Allowable Direct Costs consist of and are limited to expenses not provided for elsewhere which have been paid for or incurred by Owner's Representative (or Subcontractor) in connection with the Services and subject to the limitations set forth below. Any expenditure in excess of \$5,000.00, which qualifies as a Direct Cost will require prior written approval of the Commission. Owner's Representative will not break down an expense, which would otherwise be greater than \$5,000.00 in order to avoid this approval requirement. Other Direct Costs will include the following:

C.2.2.1 **Drawings, Printing and Reproduction Costs.** The costs of all printing, binding and reproduction related only to the production of submittals to the Commission.

C.2.2.2 **Long Distance Telephone, Facsimile and Shipping costs.** Long distance telephone calls, fax transmissions, postage, messengers, and overnight delivery costs.

C.2.2.3 **Travel and Related Expenses.** Whenever out of town travel is necessary in the performance of Services, Owner's Representative will obtain prior written approval from the Commission for expenses related to travel into or out of the City. All such expenses will conform to the Commission's travel reimbursement guidelines.

C.2.2.4 **Miscellaneous.** Any other costs or expenses by Owner's Representative (or Subcontractor) as reasonable and necessary for the satisfactory performance of the Services and allowable and directly allocable to the Services. Any expenditure in

excess of \$5,000.00 will require prior approval of the Commission.

C.3 METHOD OF PAYMENT

C.3.1 Invoices. Once each month, Owner's Representative will submit to the Commission an invoice for Services performed during the preceding month. Each invoice must be supported with such reasonable detail and supported by such data as the Commission may require, including detail and data related to Subcontractor costs. In accordance with the terms of this Agreement, Owner's Representative must maintain complete documentation of all costs incurred for review and audit by the Commission or its designated audit representative(s). Each invoice must be submitted in the format directed by the Commission. Invoices must be accompanied by a progress report in a format acceptable to the Commission. Such progress report must identify any variances from budget or schedule and explain the reasons for such variances.

C.3.2 Payment. Payment will be processed within 30 days after the Commission's approval of an acceptable invoice. The Commission will make a reasonable effort to review and approve for payment, or inform Owner's Representative of non-approval of, all invoices submitted by Owner's Representative.

C.3.3 Invoice Disputes. If the Commission disputes certain items in Owner's Representative's invoices, the amount not disputed will be paid in full. The amount in question must be resolved in accordance with the Disputes provisions of this Agreement.

**SCHEDULE D
INSURANCE REQUIREMENTS
MOZART SCHOOL CAMPUS PARK
CHICAGO, ILLINOIS
NAVIGANT CONSULTING INC.**

The Owner's Representative (OR) must provide and maintain at their own expense, until expiration of this Agreement and during the time period following expiration if OR is required to return and perform any additional work, the minimum insurance coverages and requirements specified below, insuring all operations related to this Agreement.

D.1. INSURANCE TO BE PROVIDED

D.1.1. Workers' Compensation and Employers Liability

Workers' Compensation Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident or illness.

D.1.2. Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverage must include the following: All premises and operations, products/completed operations, separation of insureds, defense, and contractual liability (with no limitation endorsement). The Public Building Commission, Chicago Park District and City of Chicago must be named as additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

Subcontractors performing work for Owner's Representative must maintain limits of not less than \$1,000,000 per occurrence with the same terms herein

D.1.3. Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Owner's Representative must provide Automobile Liability Insurance, with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The Public Building Commission, Chicago Park District and City of Chicago must be named as additional insureds on a primary, non-contributory basis.

D.1.4. Professional Liability

When Owner's Representative performs work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$1,000,000 covering negligent acts, errors and omissions. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede the, start of work on this Agreement.

D.1.5 Property

The Owner's Representative is responsible for all loss or damage to Public Building Commission, Chicago Park District and City of Chicago property at full replacement cost. The Owner's Representative is responsible for all loss or damage to personal property (including but not limited to materials, equipment, tools, and supplies) owned, rented, or used by Owner's Representative.

D.2. ADDITIONAL REQUIREMENTS

D.2.1. The Owner's Representative must furnish the Public Building Commission Procurement

Department, Richard J. Daley Center, Room 200, Chicago, IL 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Owner's Representative must submit evidence of insurance to the Commission before award of Agreement. The receipt of any certificate does not constitute agreement by the Commission that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the Commission to obtain certificates or other insurance evidence from Owner's Representative is not a waiver by the Commission of any requirements for the Owner's Representative to obtain and maintain the specified coverages. The Owner's Representative will advise all insurers of this Agreement provisions regarding insurance. Non-conforming insurance does not relieve Owner's Representative of the obligation to provide insurance as specified in this Agreement. Non-fulfillment of the insurance conditions may constitute a violation of this Agreement, and the Commission retains the right to stop work until proper evidence of insurance is provided, or this Agreement may be terminated.

D.2.2. The Commission reserves the right to obtain copies of insurance policies and records from the Owner's Representative and/or its Subcontractors at any time upon written request.

D.2.3. The insurance must provide for 60 days prior written notice to be given to the Commission if coverage is substantially changed, canceled, or non-renewed.

D.2.4. Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Owner's Representative.

D.2.5. The Owner's Representative agrees that insurers waive their rights of subrogation against the Commission and the City of Chicago, their respective Board members, employees, elected and appointed officials, and representatives.

D.2.6. The insurance coverage and limits furnished by Owner's Representative in no way limit the Owner's Representative's liabilities and responsibilities specified within this Agreement or by law.

D.2.7. Any insurance or self-insurance programs maintained by The Public Building Commission, Chicago Park District and City of Chicago do not contribute with insurance provided by the Owner's Representative under this Agreement.

D.2.8 The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

D.2.9 The Owner's Representative must require all its Subcontractors to provide the insurance required in this Agreement, or Owner's Representative may provide the coverage for its Subcontractors. All of its Subcontractors are subject to the same insurance requirements of Owner's Representative unless otherwise specified in this Agreement.

D.2.10. If Owner's Representative or its Subcontractors desires additional coverage, the party desiring the additional coverage is responsible for the acquisition and cost.

D.3. RISK MANAGEMENT

The Commission's Risk Management Department maintains the rights to modify, delete, alter or change these requirements.

**SCHEDULE E
KEY PERSONNEL**

**MOZART SCHOOL CAMPUS PARK
CHICAGO, ILLINOIS**

NAME	TITLE
Vincent Scannell	Director
Joseph Seder	Project Manager

**EXHIBIT A
DISCLOSURE OF RETAINED PARTIES**

**MOZART SCHOOL CAMPUS PARK
CHICAGO, ILLINOIS**

**(COMMISSION'S DISCLOSURE OF RETAINED PARTIES FORM
EXECUTED BY OWNER'S REPRESENTATIVE FOLLOWS.)**

DISCLOSURE OF RETAINED PARTIES

A. Definitions and Disclosure Requirements

1. As used in this Agreement, "Contractor" means a person or entity who has any contract or lease with the Public Building Commission of Chicago ("Commission").
2. Commission contracts and/or qualification submittals must be accompanied by a disclosure statement providing certain information about attorneys, lobbyists, consultants, subcontractors, and other persons whom the Contractor has retained or expects to retain with respect to the contract or lease. In particular, the Contractor must disclose the name of each such person, his or her business address, the name of the relationship, and the amount of fees paid or estimated to be paid. The Contractor is not required to disclose employees who are paid solely through the Contractor's regular payroll.
3. "Lobbyists" means any person (a) who for compensation or on behalf of any person other than himself undertake to influence any legislative or administrative action, or (b) any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

B. Certifications

Contractor hereby certifies as follows:

1. This Disclosure relates to the following transaction: OR services for Mozart Campus Park
Description or goods or services to be provided under Contract: # PS1010
2. Full Legal Name of Contractor: Navigant Consulting, Inc.
3. EACH AND EVERY attorney, lobbyist, accountant, consultant, subcontractor, or other person retained or anticipated to be retained by the Contractor with respect to or in connection with the contract or lease is listed below. Attach additional pages if necessary. NOTE: You must include information about certified MBE/WBEs you have retained or anticipate retaining, even if you have already provided that information elsewhere in the contract documents.

Retained Parties:

Name	Business Address	Relationship (Attorney, Lobbyist, Subcontractor, etc.)	Fees (indicate whether paid or estimated)

Check Here If No Such Persons Have been Retained or Are Anticipated To Be Retained:

4. The Contractor certifies that it understands and agrees as follows:
 1. The information provided in this Disclosure of Retained Parties is a material inducement to the Commission to execute the contract or other action with respect to which this Disclosure of Retained Parties form is being certified, and the Commission may rely on the information provided in it. Furthermore, if the Commission determines that any information provided in it is false, incomplete, or inaccurate, the Commission may at its sole option terminate the contract or other transaction, and may terminate the Contractor's participation in the contract or other transactions with the Commission.
 2. If the Contractor is uncertain whether a disclosure is required under this Disclosure of Retained Parties, Contractor must either ask the Commission's Representative or his or her manager at the Commission whether disclosure is required, or make the disclosure.

3. This Disclosure of Retained Parties form, some or all of the information provided in it, and any attachments may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. The Contractor waives and releases any possible rights or claims it may have against the Commission in connection with the public release of information contained in the completed Disclosure of Retained Parties form and any attachments.

Under penalty of perjury, I certify that I am authorized to execute this Disclosure of Retained Parties on behalf of the Contractor and that the information disclosed herein is true and complete.

Signature: *Julie Howard*
JULIE HOWARD
Name (Type or Print)

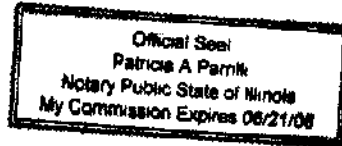
Date: October 12, 2006
President, Co
Title

County of Cook
State of Illinois

Subscribed and sworn to before me this 12th day of October 20 06

Patricia A. Parnik
Notary Public
My commission expires:

Notary Seal:



**EXHIBIT B
DISCLOSURE AFFIDAVIT**

**MOZART SCHOOL CAMPUS PARK
CHICAGO, ILLINOIS**

**(COMMISSION'S DISCLOSURE AFFIDAVIT FORM
EXECUTED BY OWNER'S REPRESENTATIVE FOLLOWS.)**

DISCLOSURE AFFIDAVIT

Name: Navigant Consulting, Inc.
Address: 615 N. Wabash, Chicago, IL 60611
Telephone No.: 312.573.5600
Federal Employer I.D. #: 4094854 Social Security #: _____

Nature of Transaction:

- Sale or purchase of land
- Construction Contract
- Professional Services Agreement
- Other

Instructions: FOR USE WITH ANY OF THE ABOVE TRANSACTIONS. Any firm proposing one of the above transactions with the Public Building Commission of Chicago must complete this Disclosure Affidavit. Please note that in the event the Contractor is a joint venture, the joint venture and each of the joint venture partners must submit a completed Disclosure Affidavit.

The undersigned W. Koprowski, as Associate General Counsel
(Name) (Title)
and on behalf of Navigant Consulting, Inc.
("Bidder/ Proposer" or "Contractor") having been duly sworn under oath certifies that:

I. DISCLOSURE OF OWNERSHIP INTERESTS

Pursuant to Resolution No. 5371 of the Board of Commissioners of the Public Building Commission of Chicago, all bidders, proposers or contractors shall provide the following information with their bid or proposal. If the question is not applicable, answer "NA". If the answer is none, please answer "none".

Bidder/Proposer/Contractor is a: Corporation LLC
 Partnership LLP
 Joint Venture Not-for-Profit Corporation
 Sole Proprietorship Other

SECTION 1. FOR PROFIT CORPORATION OR LIMITED LIABILITY COMPANY (LLC)

a. State of incorporation or organization Delaware

b. Authorized to do business in the State of Illinois: Yes No

c. Names of all officers of corporation or LLC (or attach list):
Name (Print or Type) Title (Print or Type) Names of all directors of corporation (or attach list):
Name (Print or Type) Title (Print or Type)

See attached
Tab 1 + 2

d. If the corporation has fewer than 100 shareholders indicate here or attach a list of names and addresses of all shareholders and the percentage interest of each.

Name (Print or Type)	Address	Ownership Interest
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %

e. If the corporation has 100 or more shareholders, indicate here or attach a list of names and addresses of all shareholders owning shares equal to or in excess of seven and one-half percent (7.5%) of the proportionate ownership of the corporation and indicate the percentage interest of each.

Name (Print or Type)	Address	Ownership Interest
See attached		_____ %
Tab 3		_____ %
_____	_____	_____ %

f. For LLC's, state whether member-managed or identify managing member:

g. For LLC's identify each member

Name (Print or Type)	Address	Ownership Interest
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %

h. Is the corporation or LLC owned partially or completely by one or more other corporations or legal entities?
 Yes [] No []

If "yes" provide the above information, as applicable, for each such corporation or entity.

SECTION 2. PARTNERSHIPS

a. If the bidder, proposer or contractor is a partnership, indicate the name of each partner and the percentage of interest of each therein. Also indicate, if applicable, whether general partner (GP) or limited partner (LP).

Name of Partners (Print or Type)	Percentage Interest
_____	_____ %
_____	_____ %
_____	_____ %

SECTION 3. SOLE PROPRIETORSHIP

- a. The bidder, proposer or contractor is a sole proprietorship and is not acting in any representative capacity on behalf of any beneficiary: Yes [] No []

If NO, complete items b. and c. of this Section 3.

- b. If the sole proprietorship is held by an agent(s) or a nominee(s), indicate the principal(s) for whom the agent or nominee holds such interest.

Name(s) of Principal(s). (Print or Type)

- c. If the interest of a spouse or any other party is constructively controlled by another person or legal entity, state the name and address of such person or entity possessing such control and the relationship under which such control is being or may exercised.

Name(s)

Address(es)

_____	_____
_____	_____
_____	_____

SECTION 4. LAND TRUSTS, BUSINESS TRUSTS, ESTATES & OTHER ENTITIES

If the bidder, proposer or contractor is a land trust, business trust, estate or other similar commercial or legal entity, identify any representative, person or entity holding legal title as well as each beneficiary in whose behalf title is held including the name, address and percentage of interest of each beneficiary.

Name(s)

Address(es)

_____	_____
_____	_____
_____	_____

SECTION 5. NOT-FOR-PROFIT CORPORATIONS

- a. State of incorporation _____

- b. Name of all officers and directors of corporation (or attach list):

Name (Print or Type)	Title (Print or Type)	Name (Print or Type)	Title (Print or Type)
_____	_____	_____	_____

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

NOTE: The Public Building Commission of Chicago may require additional information from any entity or individual to achieve full disclosure relevant to the transaction. Further, any material change in the information required above must be provided by supplementing this statement at any time up to the time the Public Building Commission of Chicago takes action on the contract or other action requested of the Public Building Commission.

II. CONTRACTOR CERTIFICATION

A. CONTRACTOR

1. The Contractor, or any subcontractor to be used in the performance of this contract, or any affiliated entities of the Contractor or any such subcontractor, or any responsible official thereof, or any other official, agent or employee of the Contractor, any such subcontractor or any such affiliated entity, acting pursuant to the direction or authorization of a responsible official thereof has not, during a period of three years prior to the date of execution of this certification or if a subcontractor or subcontractor's affiliated entity during a period of three years prior to the date of award of the subcontract:

- a. Bribed or attempted to bribe, or been convicted of bribery or attempting to bribe a public officer or employee of the City of Chicago, the State of Illinois, any agency of the federal government or any state or local government in the United States (if an officer or employee, in that officer's or employee's official capacity); or
- b. Agreed or colluded, or been convicted of agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. Made an admission of such conduct described in 1(a) or (b) above which is a matter of record but has not been prosecuted for such conduct.

2. The Contractor or agent, partner, employee or officer of the Contractor is not barred from contracting with any unit of state or local government as a result of engaging in or being convicted of bid-rigging² in violation of Section 3 of Article 33E of the Illinois Criminal Code of 1961, as amended (720 ILCS 5/33E-3), or any similar offense of any state or the United States which contains the same elements as the offense of bid-rigging during a period of five years prior to the date of submittal of this bid, proposal or response.³

3. The Contractor or any agent, partner, employee, or officer of the Contractor is not barred from contracting with any unit of state or local government as a result of engaging in or being convicted of bid-rotating⁴ in violation of Section 4 of Article 33E of the Illinois Criminal Code of 1961, as amended (720 ILCS 5/33E-4), or any similar offense of any state or the United States which contains the same elements as the offense of bid-rotating.

4. The Contractor understands and will abide by all provisions of Chapter 2-56 of the Municipal Code entitled "Office of the Inspector General" and all provisions of the Public Building Commission Code of Ethics Resolution No.5339, as amended by Resolution No. 5371.

5. The Contractor certifies to the best of its knowledge and belief, that it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal, state or local department or agency.
- b. Have not within a three-year period preceding this bid or proposal been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes; commission of embezzlement, theft, forgery, bribery, falsification or destruction of records; making false statements; or receiving stolen property;
- c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (5)(b) above; and
- d. Have not within a three-year period preceding this bid or proposal had one or more public transactions (federal, state or local) terminated for cause or default.

B. SUBCONTRACTOR

1. The Contractor has obtained from all subcontractors being used in the performance of this contract or agreement, known by the Contractor at this time, certifications substantially in the form of Section I of this Disclosure Affidavit. Based on such certification(s) and any other information known or obtained by the Contractor, is not aware of any such subcontractor or subcontractor's affiliated entity or any agent, partner, employee or officer of such subcontractor or subcontractor's affiliated entity having engaged in or been convicted of (a) any of the conduct describe in Section II(A) (1)(a) or (b) of this certification; (b) bid-rigging, bid-rotating, or any similar offense of any state or the United States which contains the same elements as bid-rigging or bid-rotating, or having made an admission of guilt of the conduct described in Section II(A)(1)(a) or (b) which is matter of record but has/have not been prosecuted for such conduct.
2. The Contractor will, prior to using them as subcontractors, obtain from all subcontractors to be used in the performance of this contract or agreement, but not yet known by the Contractor at this time, certifications substantially in the form of this certification. The Contractor shall not, without the prior written permission of the Commission, use any of such subcontractors in the performance of this contract if the Contractor, based on such certifications or any other information known or obtained by Contractor, became aware of such subcontractor, subcontractor's affiliated entity or any agent, employee or officer of such subcontractor or subcontractor's affiliated entity having engaged in or been convicted of (a) any of the conduct describe in Section II(A)(1)(a) or (b) of this certification or (b) bid-rigging, bid-rotating or any similar offenses of any state or the United States which contains the same elements as bid-rigging or bid-rotating or having made an admission of guilt of the conduct described in Section II(A)(1)(a) or (b) which is a matter of record but has/have not been prosecuted for such conduct. The Contractor shall cause such subcontractors to certify as to Section II(A)(5). In the event any subcontractor is unable to certify to Section II(A)(5), such subcontractor shall attach an explanation to the certification.
3. For all subcontractors to be used in the performance of this contract or agreement, the Contractor shall maintain for the duration of the contract all subcontractors' certifications required by Section II(B)(1) and (2) above, and Contractor shall make such certifications promptly available to the Public Building Commission of Chicago upon request.
4. The Contractor will not, without the prior written consent of the Public Building Commission of Chicago, use as subcontractors any individual, firm, partnership, corporation, joint venture or other entity from whom the Contractor is unable to obtain a certification substantially in the form of this certification.
5. The Contractor hereby agrees, if the Public Building Commission of Chicago so demands, to terminate its subcontract with any subcontract if such subcontractor was ineligible at the time that the subcontract was entered into for award of such subcontract. The Contractor shall insert adequate provisions in all subcontracts to allow it to terminate such subcontract as required by this certification.

C. STATE TAX DELINQUENCIES

1. The Contractor is not delinquent in the payment of any tax administered by the Illinois Department of Revenue or, if delinquent, the Contractor is contesting, in accordance with the procedures established by the appropriate Revenue Act, its liability for the tax or amount of the tax.
2. Alternatively, the Contractor has entered into an agreement with the Illinois Department of Revenue for the payment of all such taxes that are due and is in compliance with such agreement.
3. If the Contractor is unable to certify to any of the above statements [(Section II (C))], the Contractor shall explain below. Attach additional pages if necessary.

If the letters "NA", the word "NONE" or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

4. If any subcontractors are to be used in the performance of this contract or agreement, the Contractor shall cause such subcontractors to certify as to paragraph (C)(1) or (C)(2) of this certification. In the event that any subcontractor is unable to certify to any of the statements in this certification, such subcontractor shall attach an explanation to this certification.

D. OTHER TAXES/FEES

1. The Contractor is not delinquent in paying any fine, fee, tax or other charge owed to the City of Chicago.
2. If Contractor is unable to certify to the above statement, Contractor shall explain below and attach additional sheets if necessary.

If the letters "NA", the word "NONE" or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

E. ANTI-COLLUSION

The Contractor, its agents, officers or employees have not directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with this proposal or contract. Failure to attest to this section as part of the bid will make the bid non-responsive and not eligible for award consideration.

F. PUNISHMENT

A Contractor who makes a false statement material to Section II(A)(2) of this certification commits a Class 3 felony. 720 ILCS 5/33E-11(b).

G. JUDICIAL OR ADMINISTRATIVE PROCEEDINGS

1. The Contractor is not a party to any pending lawsuits against the City of Chicago or the Public Building Commission of Chicago nor has Contractor been sued by the City of Chicago or the Public Building Commission of Chicago in any judicial or administrative proceeding.

2. If the Contractor cannot certify to the above, provide the (1) case name; (2) docket number; (3) court in which the action is or was pending; and (4) a brief description of each such judicial or administrative proceeding. Attach additional sheets if necessary.

If the letters "NA", the word "NONE" or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

III. CERTIFICATION OF ENVIRONMENTAL COMPLIANCE

A. Neither the Contractor nor any affiliated entity of the Contractor has, during a period of five years prior to the date of execution of this Affidavit: (1) violated or engaged in any conduct which violated federal, state or local Environmental Restriction⁵, (2) received notice of any claim, demand or action, including but not limited to citations and warrants, from any federal, state or local agency exercising executive, legislative, judicial, regulatory or administrative functions relating to a violation or alleged violation of any federal, state or local statute, regulation or other Environmental Restriction; or (3) been subject to any fine or penalty of any nature for failure to comply with any federal, state or local statute, regulation or other Environmental Restriction.

If the Contractor cannot make the certification contained in Paragraph A of Section III, identify any exceptions:

(Attach additional pages of explanation to this Disclosure Affidavit, if necessary.)

If the letters "NA", the word "NONE" or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

B. Without the prior written consent of the Public Building Commission of Chicago, Contractor will not employ any subcontractor in connection with the contract or proposal to which this Affidavit pertains without obtaining from such subcontractor a certification similar in form and substance to the certification contained in Paragraph A of this Section III prior to such subcontractor's performance of any work or services or furnishing any goods, supplies or materials of any kind under the proposal or the contract to which this Affidavit pertains.

C. Until completion of the Contract's performance under the proposal or contract to which this Affidavit pertains, the Contractor will not violate any federal, state or local statute, regulation or other Environmental Restriction, whether in the performance of such contract or otherwise.

IV. CERTIFICATION OF COURT-ORDERED CHILD SUPPORT COMPLIANCE

For purpose of this Section IV, "SUBSTANTIAL OWNER" means any person who owns or holds a ten percent (10%) or more percentage of interest in the Contractor. If the Contractor is an individual or sole proprietorship, substantial owner means that individual or sole proprietorship. Percentage of interest includes direct, indirect and beneficial interests in the Contractor. Indirect or beneficial interest means that an interest in the Contractor is held by a corporation, joint venture, trust, partnership, association, state or other legal entity in which the individual holds an interest or by agent(s) or nominee(s) on behalf of an individual or entity. For example, if Corporation B holds or owns a twenty percent (20%) interest in Contractor, and an individual or entity has a fifty percent (50%) or more percentage of interest in Corporation B, then such individual or entity indirectly has a ten (10%) or percentage of interest in the Contractor. In this case, the response to this Section IV, must cover such individual(s) or entity. If Corporation B is held by another entity, then this analysis similarly must be applied to that next entity.

If Contractor's response in this Section IV is 1 or 2, then all of the Contractor's Substantial Owners must remain in compliance with any such child support obligations (1) throughout the term of the contract and any extensions thereof; or (2) until the performance of the contract is completed, as applicable. Failure of Contractor's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either 1 or 2 constitutes an event of default.

Check one:

1. No Substantial Owner has been declared in arrearage on his or her child support obligations by the Circuit Court of Cook County or by another Illinois court of competent jurisdiction.
2. The Circuit Court of Cook County or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on their child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements.
3. The Circuit Court of Cook County or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on their child support obligations and: (1) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support for the payment of all such child support owed; or both (1) and (2).
4. There are no Substantial Owners.

V. INCORPORATION INTO CONTRACT AND COMPLIANCE

The above certification shall become part of any contract awarded to the Contractor set forth on page 1 of this Disclosure Affidavit and are a material inducement to the Public Building Commission of Chicago's execution of the contract, contract modification or contract amendment with respect to which this Disclosure Affidavit is being executed and delivered on behalf of the Contractor. Furthermore, Contractor shall comply with these certifications during the term and/or performance of the contract.

VI. VERIFICATION

Under penalty or perjury, I certify that I am authorized to execute this Disclosure Affidavit on behalf of the Contractor set forth on page 1, that I have personal knowledge of all the certifications made herein and that the same are true.

The Contractor must report any change in any of the facts stated in this Affidavit to the Public Building Commission of Chicago within 14 days of the effective date of such change by completing and submitting a new Disclosure Affidavit. Failure to comply with this requirement is grounds for your firm to be deemed non-qualified to do business with the PBCC. Deliver any such new Disclosure Affidavit to: Public Building Commission of Chicago, Director of Procurement, 50 W. Washington, Room 200, Chicago, IL 60602.

Julie M Howard
Signature of Authorized Officer

JULIE M. HOWARD
Name of Authorized Officer (Print or Type)

President, COO
Title

312-593-5611
Telephone Number

State of Illinois

County of Cook

Signed and sworn to before me on this 12th day of October, 2006 by
Julie M. Howard (Name) as President, COO (Title) of
Morgan Consulting, Inc. (Bidder, Proposer or Contractor)

Patricia A. Parrell
Notary Public Signature and Seal



Notes 1-5 Disclosure Affidavit

1. Business entities are affiliated if, directly or indirectly, one controls or has the power to control the other, or if a third person controls or has the power to control both entities. Indicia of control include without limitation: interlocking management or ownership; identify of interests among family members; shared facilities and equipment; common use of employees; or organization of another business entity using substantially the same management, ownership or principals as the first entity.
2. For purposes of Section II (A) (2) of this certification, a person commits the offense of and engages in bid-rigging when he knowingly agrees with any person who is, or but for such agreement should be, a competitor of such person concerning any bid submitted or not submitted by such person or another to a unit of state or local government when with the intent that the bid submitted or not submitted will result in the award of a contract to such person or another and he either (1) provides such person or receives from another information concerning the price or other material term or terms of the bid which would otherwise not be disclosed to a competitor in an independent noncollusive submission of bids or (2) submits a bid that is of such a price or other material term or terms that he does not intend the bid to be accepted. see 720 ILCS 5/33-E-3.
3. No corporation shall be barred from contracting with any unit of state or local government as a result of a conviction, under either Section 33E-3 or Section 33E-4 of Article 33 of the State of Illinois Criminal Code of 1961, as amended, of any employee or agent of such corporation if the employee so convicted is no longer employed by the corporation and: (1) it has been finally adjudicated not guilty or (2) it demonstrates to the governmental entity with which it seeks to contract and that entity finds that the commission of the offense was neither authorized, requested, commanded, nor performed by a director, officer or a high managerial agent on behalf of the corporation as provided in paragraph (2) of subsection (a) of Section 5-4 of the State of Illinois Criminal Code.
4. For purposes of Section II(A) of this certification, a person commits the offense of and engages in bid rotating when, pursuant to any collusive scheme or agreement with another, he engages in a pattern over time (which, for the purposes hereof, shall include at least three contract bids within a period of ten years, the most recent of which occurs after January 1, 1989) of submitting sealed bids to units of state or local government with the intent that the award of such bids rotates, or is distributed among, persons or business entities which submit bids on a substantial number of the same contracts. See 720 ILCS 5/33E-4.
5. "Environmental Restriction" means any statute, ordinance, rule, regulation, permit, permit condition, order or directive relating to or imposing liability or standards of conduct concerning the release or threatened release of hazardous materials, special wastes or other contaminants into the environment, and to the generation, use, storage, transportation, or disposal of construction debris, bulk waste, refuse, garbage, solid wastes, hazardous materials, special wastes or other contaminants including but not limited to (1) Section 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapter 7-28 or 11-4 of the Municipal Code of Chicago; (2) Comprehensive Environment Response and Compensation and Liability Act (42 U.S.C. § 9601 *et seq.*) the Hazardous Material Transportation Act (49 U.S.C. § 1801 *et seq.*); (4) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 7401 *et seq.*); (5) the Clean Water Act (33 U.S.C. § 1251 *et seq.*); (6) the Clean Air Act (42 U.S.C. § 7401 *et seq.*); (7) the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 *et seq.*); (8) the Safe Drinking Water Act (42 U.S.C. § 300f); (9) the Occupational Health and Safety Act of 1970 (29 U.S.C. § 651 *et seq.*); (10) the Emergency Planning and Community Right to Know Act (42 U.S.C. § 11001 *et seq.*); and (10) the Illinois Environmental Protection Act (415 ILCS 5/1 through 5/56.6).

Disclosure Affidavit Attachment



March 30, 2006

Dear Shareholder:

You are cordially invited to attend the 2006 Annual Meeting of Shareholders of Navigant Consulting, Inc., which will be held at The Chicago Club, 81 East Van Buren, Chicago, Illinois, 60605 on Wednesday, May 3, 2006, at 9:00 a.m. Central Time. I look forward to greeting as many of our shareholders as possible.

Details of the business to be conducted at the meeting are given in the attached Notice of Annual Meeting and Proxy Statement.

Whether or not you plan to attend the meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to sign and date the enclosed proxy card and promptly return it in the enclosed envelope so that your shares will be represented at the meeting. You may also vote your shares over the Internet. If you so desire, you may withdraw your proxy and vote in person at the meeting.

We look forward to meeting those of you who will be able to attend the meeting.

Sincerely,

A handwritten signature in black ink that reads "William M. Goodyear". The signature is written in a cursive style with a large, sweeping "G" at the end.

William M. Goodyear
Chairman of the Board and
Chief Executive Officer

NAVIGANT CONSULTING

615 North Wabash Avenue
Chicago, Illinois 60611

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD WEDNESDAY, MAY 3, 2006

To the Shareholders of Navigant Consulting, Inc.:

We will hold the Annual Meeting of Shareholders of Navigant Consulting, Inc. (the "Company") at The Chicago Club, 81 East Van Buren, Chicago, Illinois 60605 on Wednesday, May 3, 2006 at 9:00 a.m. Central Time. The purposes of the meeting are to:

1. Elect two Directors to our Board of Directors to serve for a term of three years;
2. Approval of the Navigant Consulting, Inc. Employee Stock Purchase Plan to replace the Company's current Employee Stock Purchase Plan, which is due to expire in 2007;
3. Ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2006; and
4. Transact any other business properly brought before the meeting or any adjournments of the meeting.

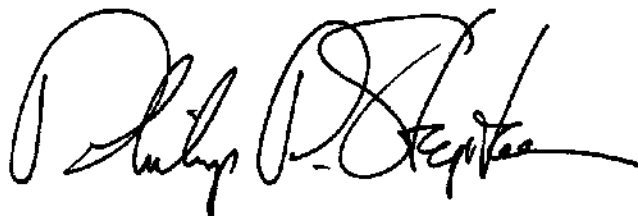
If you were a shareholder of record at the close of business on March 13, 2006, you are entitled to notice of and to vote at the Annual Meeting.

IMPORTANT

Whether or not you expect to attend the meeting, we urge you to sign, date and otherwise complete the enclosed proxy card and return it promptly in the envelope provided. No postage is required if mailed in the United States. You may also vote over the Internet by following the instructions on the enclosed proxy card. Sending in your proxy will not prevent you from attending and personally voting your shares at the meeting because you have the right to revoke your proxy at any time before it is voted.

We have also enclosed Navigant Consulting, Inc.'s 2005 Annual Report to Shareholders, which includes the Form 10-K and the proxy statement, with this notice of Annual Meeting.

By order of the Board of Directors,



Philip P. Steptoe
Secretary

Chicago, Illinois
March 30, 2006

YOUR VOTE IS IMPORTANT.
PLEASE VOTE YOUR PROXY ON THE INTERNET BY VISITING
www.proxyvote.com
OR
MARK, SIGN, DATE AND RETURN YOUR PROXY CARD BY MAIL
WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING

Navigant Consulting, Inc.
615 North Wabash Avenue
Chicago, Illinois 60611

PROXY STATEMENT

General

We have sent you this proxy statement and the enclosed proxy card because our Board of Directors is soliciting your proxy to vote at the 2006 Annual Meeting of Shareholders. We will hold the Annual Meeting on Wednesday, May 3, 2006, at 9:00 a.m. Central Time, at The Chicago Club, 81 East Van Buren, Chicago, Illinois 60605. We will begin mailing this proxy statement and the accompanying proxy card to shareholders beginning on or about March 30, 2006.

At the Annual Meeting, our shareholders will consider (1) the election of two Directors to our Board of Directors; (2) the approval of the Navigant Consulting, Inc. Employee Stock Purchase Plan to replace the current Employee Stock Purchase Plan, which is due to expire in 2007; and (3) the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2006. The Board of Directors does not know of any other matters that may properly be brought before the Annual Meeting. If other matters should properly come before the Annual Meeting, the persons named as proxies in the enclosed proxy card intend to vote or otherwise act on those matters in accordance with their best judgment.

"NAVIGANT" is a service mark of Navigant International, Inc. Navigant Consulting, Inc. ("NCT") is not affiliated, associated, or in any way connected with Navigant International, Inc. and NCT's use of "NAVIGANT" is made under license from Navigant International, Inc.

Proxy Solicitation

We will bear the expenses of this solicitation of proxies, including expenses of preparing and mailing this proxy statement. In addition to solicitation by mail, we may solicit proxies in person or by telephone, telegram or other means of communication by our officers, directors and employees, who will receive no additional compensation for, but may be reimbursed for their out-of-pocket expenses incurred in connection with, that solicitation. We will furnish copies of solicitation materials to brokerage firms, nominees, fiduciaries and custodians to forward to beneficial owners of shares held in their names and will reimburse brokerage firms and other persons representing beneficial owners of stock for their reasonable expenses in forwarding our solicitation materials to beneficial owners.

Shareholders Entitled to Vote and Voting Information

Only shareholders of record at the close of business on March 13, 2006, the record date for the Annual Meeting, are entitled to notice of and to vote at the Annual Meeting and any adjournments thereof. Each share of our common stock, par value \$0.001 per share, entitles the record holder to one vote on each matter to be voted on at the meeting. As of the record date, approximately 51,386,000 shares of our common stock were issued and outstanding. A majority of the shares of our common stock which are issued and outstanding and entitled to vote will constitute a quorum at the meeting.

Directors are elected by a plurality of the votes cast at a meeting at which a quorum is present. A plurality means that the nominees with the largest number of votes are elected as directors up to the maximum number of directors to be chosen at the meeting. The holders of a majority of the shares of common stock present in person or by proxy must vote in favor of the proposed Employee Stock Purchase Plan for it to be approved. Any other matters voted on at the meeting shall be determined by a majority of the votes cast.

If you mark "withhold authority" on your proxy card with respect to the election of a nominee for director, your vote will not count either "for" or "against" the nominee. If a broker or other person holding shares for you

does not vote on a proposal (broker non-votes), your shares will not be counted in determining the number of votes cast. Abstentions, however, will be considered to be votes cast. Votes withheld, abstentions and broker non-votes will be counted in determining whether a quorum is present at the meeting.

If you do not give directions on your proxy card and you return the signed card, the persons named in the proxy card will vote the shares at their discretion on all matters.

If you vote by proxy, you may revoke that proxy at any time before it is voted by attending the meeting in person and voting in person, by sending us a proxy bearing a later date, or by filing with the Secretary of the Company a written revocation at the principal executive offices of Navigant Consulting, Inc., 615 North Wabash Avenue, Chicago, Illinois 60611.

YOUR VOTE IS IMPORTANT. PLEASE RETURN YOUR MARKED AND SIGNED PROXY CARD PROMPTLY SO YOUR SHARES CAN BE REPRESENTED, EVEN IF YOU PLAN TO ATTEND THE MEETING IN PERSON.

PROPOSAL 1:

ELECTION OF DIRECTORS

The Board of Directors is divided into three classes, with a class of directors elected each year for a three-year term. At the Annual Meeting two Directors, Mr. Thomas A. Gildehaus and Mr. Peter B. Pond, have been nominated for election to the Board. The Directors elected at the Annual Meeting will serve for a term of three years and until their successors are elected and qualified. Such term will expire at our Annual Meeting of Shareholders to be held in 2009. The persons named as proxies will vote for Mr. Gildehaus and Mr. Pond for election to the Board unless the proxy card is marked otherwise.

If either Mr. Gildehaus or Mr. Pond becomes unable or unwilling to serve, proxies will be voted for election of a person designated by the Board. The Board knows of no reason why either Mr. Gildehaus or Mr. Pond should be unable or unwilling to serve.

The Board of Directors recommends that shareholders vote **"FOR"** Mr. Gildehaus and Mr. Pond.

A listing of the principal occupation, other major affiliations and age of the nominees for Director and the continuing Directors of the Company is set forth below:

Nominees for Election at this meeting to a Term Expiring at the Annual Meeting of Shareholders in 2009:

Thomas A. Gildehaus, 65, has served as a Director since October 2000. In recent years Mr. Gildehaus has served as Chairman of Southwest Supermarkets LLC of Phoenix, Arizona, Chairman and Chief Executive Officer of Northwestern Steel and Wire Company of Sterling, Illinois, and President and Chief Executive Officer of UNR Industries, Inc. of Chicago, Illinois. Prior to 1992, Mr. Gildehaus served ten years as Executive Vice President of Deere & Company in Moline, Illinois. In the 1970s, Mr. Gildehaus was Vice President of Temple, Barker & Sloane, a consulting firm in Lexington, Massachusetts. He is a director of Genesis Health Systems Inc, and Mercator Partners, LLC. He is also a trustee of the Figge Art Museum. Mr. Gildehaus is a graduate of Yale University and received a Master of Business Administration degree, with Distinction, from Harvard University.

Peter B. Pond, 61, has served as a Director since November 1996. Mr. Pond is the founder and General Partner of Alta Equity Partners, a venture capital firm. He formerly served as the Midwest Head of Investment Banking for Donaldson, Lufkin & Jenrette Securities Corporation from June 1991 to March 2000. Mr. Pond is Chairman of Maximus, Inc., a provider of program management and consulting services to state, county and local government health and human services agencies.

Directors Whose Terms Continue until the Annual Meeting of Shareholders in 2007:

James R. Thompson, 69, has served as a Director since August 1998. Governor Thompson was named Chairman of the Chicago law firm of Winston & Strawn in January 1993. He joined the firm in January 1991 as Chairman of the Executive Committee after serving four terms as Governor of the State of Illinois from 1977 until 1991. Prior to his terms as Governor, he served as U.S. Attorney for the Northern District of Illinois from 1971 to 1975. Governor Thompson served as the Chief of the Department of Law Enforcement and Public Protection in the Office of the Attorney General of Illinois, as an Associate Professor at Northwestern University School of Law, and as an Assistant State's Attorney of Cook County. He is a former Chairman of the President's Intelligence Oversight Board. Governor Thompson is currently a member of the Boards of Directors of FMC Corporation, FMC Technologies, Inc. and Maximus, Inc. He was also a member of the National Commission on Terrorist Attacks upon the United States.

Samuel K. Skinner, 67, has served as a Director since December 1999. Mr. Skinner is the retired Chief Executive Officer of U.S. Freightways Corporation, a transportation and logistics business. He currently serves as an Adjunct Professor of Management and Strategy at the Kellogg School of Management at Northwestern University. He is also Of Counsel to the law firm of Greenberg & Traurig, LLP. He formerly served as Co-Chairman of Hopkins & Sutter, a law firm based in Chicago. Mr. Skinner retired as President of Commonwealth Edison Company and its holding company, Unicom Corporation (now known as Exelon Corporation). Prior to joining Commonwealth Edison, he served as Chief of Staff to former President George Bush. Prior to his White House service, Mr. Skinner served in the President's cabinet for nearly three years as Secretary of Transportation. From 1977 to 1989, Mr. Skinner practiced law as a senior partner in the Chicago law firm of Sidley & Austin (now Sidley Austin LLP). From 1984 to 1988, while practicing law full time, he also served as Chairman of the Regional Transportation Authority of Northeastern Illinois and was appointed by President Reagan as Chairman of the President's Commission on Organized Crime. From 1968 to 1975, Mr. Skinner served in the office of the United States Attorney for the Northern District of Illinois and in 1977, President Ford appointed him United States Attorney, one of the few career prosecutors ever to hold such position. He is currently a member of the Boards of Directors of Midwest Air Group, Inc, Express Scripts, Diamond Cluster, Click Commerce and Dade Behring. Mr. Skinner is currently serving as a member of the United States Defense Base Realignment and Closure Commission.

Directors Whose Terms Continue until the Annual Meeting of Shareholders in 2008:

William M. Goodyear, 57, has served as a Director since December 1999. The Board of Directors elected him Chairman of the Board and Chief Executive Officer in May 2000 and subsequently elected him President. Mr. Goodyear relinquished the title of President with the election of Julie Howard as President of the Company by the Board of Directors in February 2006. He is past Chairman and former Chief Executive Officer of Bank of America, Illinois. In addition, he was President of the Bank of America's Global Private Bank until January 1999. He was Vice Chairman and a member of the Board of Directors of Continental Bank, prior to the 1994 merger between Continental Bank Corporation and BankAmerica Corporation. Mr. Goodyear joined Continental Bank in 1972 and subsequently held a variety of assignments including corporate finance, corporate lending, trading and distribution. He was stationed in London from 1986 to 1991 where he was responsible for European and Asian Operations. Mr. Goodyear is currently a member of Chicago's Commercial Club, the Board of Trustees of the Chicago Public Library Foundation and the Finance Council of the Archdiocese of Chicago. He is the Chairman of the Board of Trustees for the Museum of Science and Industry, a member of the Board of Trustees of the University of Notre Dame and serves on the Rush University Medical Center Board, where he chairs the Finance Committee. Mr. Goodyear is a Trustee of Equity Office Properties Trust, where he is Chairman of its Audit Committee.

Valerie B. Jarrett, 49, has served as a Director since April 2002. Ms. Jarrett is a Managing Director and the Executive Vice President of The Habitat Company, a premier developer and manager of residential apartments. The Habitat Company also provides residential and commercial brokerage services as well as corporate relocation services. Before joining The Habitat Company, Ms. Jarrett served eight years in the City of Chicago

government, first as Deputy Corporation Counsel for Finance and Development, then as Deputy Chief of Staff for Mayor Richard Daley and finally, as Commissioner of the Department of Planning and Development. Prior to joining City government, Ms. Jarrett practiced law with two private law firms specializing in the area of commercial real estate. Ms. Jarrett is Chairman of The Chicago Stock Exchange and Vice Chairman of the University of Chicago Hospitals Board of Trustees. She also serves as a Director of USG Corporation, RREEF America, II, the Federal Reserve Bank of Chicago and The Joyce Foundation. Ms. Jarrett is a Trustee of the University of Chicago, the Museum of Science and Industry, and Window To The World Communications, Inc.

Board and Committee Meetings

The Board met eight times in 2005. All Directors attended at least 75% of the meetings of the Board and of the committees on which they served.

The Board of Directors has an Audit Committee which monitors the integrity of the Company's financial statements, financial reporting process and internal controls regarding finance, accounting and legal compliance; monitors the independence and performance of our independent accountants; provides an avenue of communication among the independent accountants, management, including internal audit, and our Board of Directors; and monitors significant litigation and financial risk exposure. The members of the Audit Committee are Messrs. Gildehaus (Chairman), Pond and Skinner and Ms. Jarrett, each of whom is independent as defined by the listing standards of the New York Stock Exchange ("NYSE") and applicable Securities and Exchange Commission ("SEC") rules. The Board of Directors has determined that Mr. Gildehaus meets the criteria as an "audit committee financial expert" as defined in applicable SEC rules. The Audit Committee met twelve times during 2005.

The Board of Directors has a Compensation Committee which reviews and monitors matters related to management development and succession; develops and implements executive compensation policies and pay for performance criteria for the Company; reviews and approves the initial and annual base salaries, annual incentive bonus and all long-term incentive awards of our Chairman of the Board and Chief Executive Officer; reviews and approves such compensation arrangements for all corporate officers and certain other key employees; approves stock-related incentives under our stock incentive and executive compensation plans, and exercises all powers of the Board of Directors under those plans other than the power to amend or terminate those plans; reviews and approves material matters concerning our employee compensation and benefit plans; and carries out such responsibilities as have been delegated to it under various compensation and benefit plans and such other responsibilities with respect to our compensation matters as may be referred to it by our Board of Directors or management. The members of the Compensation Committee are Messrs. Skinner (Chairman), Gildehaus and Pond and Ms. Jarrett, each of whom is independent as defined by the listing standards of the NYSE. The Committee's Report on Executive Compensation is included under the caption "Compensation Committee Report on Executive Compensation." The Compensation Committee met three times during 2005.

The Board has a Nominating and Governance Committee which identifies individuals qualified to become Board members and recommends to the Board director nominees for election at the next Annual Meeting of Shareholders. The Nominating and Governance Committee has approved guidelines and charters for the Board and its committees, as well as a Code of Business Standards and Ethics, all of which are posted on the Company's website (www.navigantconsulting.com). Copies of those documents are available upon request as described under "Other Information." The members of the Nominating and Governance Committee are Ms. Jarrett (Chairman), Mr. Skinner and Mr. Gildehaus, each of whom is independent as defined by the listing standards of the NYSE. The Nominating and Governance Committee met two times during 2005.

The Board of Directors has an Executive Committee, which can act in lieu of the Board of Directors as necessary. The members of the Executive Committee are Messrs. Goodyear (Chairman) and Skinner and Governor Thompson. The Executive Committee did not meet in 2005. Governor Thompson serves as the Board's Presiding Director.

While the Company has no formal policy regarding attendance by Directors at the Annual Meeting of Shareholders, the Company encourages its Directors to attend. With the exception of Mr. Skinner, who was serving on the Defense Base Closure Realignment Commission, all of the Directors attended the 2005 Annual Meeting of Shareholders.

Director Compensation

Each non-employee Director is paid an annual retainer of \$40,000 and a fee of \$1,500 for each Board meeting or Committee meeting attended, except that members of the Audit Committee are paid \$2,000 per Committee meeting attended. Each Committee Chairman is paid an additional annual retainer of \$10,000, except that the additional annual retainer for the Chairman of the Audit Committee is \$20,000. All Directors are reimbursed for travel expenses incurred in connection with attending Board and Committee meetings.

Each non-employee Director makes an election to receive his or her annual retainer in the form of either cash or stock options to purchase shares in the Company. The number of stock options received is determined by dividing the annual retainer by the market price on the date of grant in January of each year. Such stock options become fully exercisable on the first anniversary of the grant date.

Under the Company's Long-Term Incentive Plan, the Compensation Committee has the flexibility each year to establish the equity component of non-employee Directors' fees. For their service in 2005, non-employee Directors received an annual grant of 1,500 stock options and 3,500 shares of restricted stock. The stock options become fully exercisable and the restricted stock vests one year after the grant date. A non-employee Director elected for the first time will receive a one-time grant of an option to purchase 3,750 shares and 6,750 shares of restricted stock, in each case vesting pro rata over a three year period. In addition, the Compensation Committee also established equity ownership guidelines for non-employee Directors and associated time periods for compliance.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Governor Thompson, one of our Directors, is Chairman of the law firm of Winston & Strawn. Winston & Strawn has provided us in the past and may provide us in the future with legal representation.

Our President and Chief Operating Officer, Julie Howard, has a sister who was employed prior to February 2006 by the Company as a manager. Ms. Howard's sister's total compensation in 2005 was approximately \$79,000.

AUDIT COMMITTEE REPORT

Our Committee has reviewed and discussed with management of the Company the audited financial statements of the Company as of and for the year ended December 31, 2005 (the "Audited Financial Statements"). In addition, we have discussed with KPMG LLP, the independent registered public accounting firm for the Company, the matters required by Statement on Auditing Standards No. 61, as amended. The Committee also has received the written disclosures from KPMG LLP required by Independence Standards Board Standard No. 1, and we have discussed with that firm its independence from the Company. We also have discussed with the management of the Company, including internal audit, and KPMG LLP such other matters and received such assurances from them as we deemed appropriate. Based on the foregoing review and discussions and relying thereon, we have recommended to the Company's Board of Directors the inclusion of the Audited Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2005. The Committee appointed KPMG LLP to act as the Company's independent registered public accounting firm for 2006, subject to agreement on fees.¹

AUDIT COMMITTEE

Thomas A. Gildehaus, Chairman

Valerie B. Jarrett

Peter B. Pond

Samuel K. Skinner

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- ¹ Pursuant to regulations promulgated by the Securities and Exchange Commission, neither the "Audit Committee Report," the "Compensation Committee Report on Executive Compensation" nor the material under the caption "Shareholder Return Performance Graph" shall be deemed to be soliciting material or to be filed with the Securities and Exchange Commission for purposes of the Securities Exchange Act of 1934, as amended, nor shall such report or such material be deemed to be incorporated by reference in any past or future filing by the Company under that Act or the Securities Act of 1933, as amended.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

The Committee monitors and reviews new SEC rules and NYSE corporate governance standards as they are proposed, revised and adopted. The Committee approved corporate guidelines and committee charters that are intended to ensure compliance with the SEC rules and NYSE listing standards. Copies of these guidelines and charters are posted on the Company's website, www.navigantconsulting.com. In addition, the Committee approved a Code of Business Standards and Ethics (the "Code"), which is also posted on the Company's website.

The Committee reviews and makes recommendations to the Board as to whether individual directors are "independent" for purposes of applicable SEC corporate governance rules and NYSE listing standards. The Committee's review is based on all relevant facts and circumstances, as well as applicable criteria set forth in applicable SEC rules and NYSE listing standards. In addition, the Committee has developed certain "categorical standards" describing certain relationships that are considered immaterial and do not preclude a finding of "independence."

The following relationships are considered immaterial and do not preclude a finding of "independence":

1. The Director is affiliated with or employed by a company, partnership or other entity that receives payments from the Company for services in an amount which, in the current fiscal year, does not exceed the greater of (a) \$1 million or (b) two percent of such other company's consolidated gross revenues, provided, however, that solely for purposes of determining "audit committee independence," a director may not accept, directly or indirectly, a consulting, advisory or other compensatory fee from the Company in any amount (other than Director's and committee fees).
2. The Director is an employee, officer or director of a foundation, university or other non-profit organization to which the Company gives directly, or indirectly through the provision of services, less than \$250,000 during the year in question.
3. In addition, in any cases where payments are made by the Company "indirectly" to an immediate family member, as for example fees paid to a law firm in which such immediate family member is a partner, if such immediate family member disclaims and does not accept any share of such Company payments, the Board will not consider that such payments preclude the Director from being considered "independent" for all purposes, including service on the Company's Audit Committee.

A copy of these categorical standards is posted on the Company's website. Based on this review, the Committee has found and the Board has affirmed that all of the Company's current Directors except for Mr. Goodyear are "independent" within the meaning of the NYSE listing standards, and that all of the members of the Company's Audit Committee meet the SEC's more stringent standards for audit committee independence.

In February 2006, the Committee recommended to the Board that Mr. Gildehaus and Mr. Pond be reelected to the Company's Board of Directors to serve a term of three years. In considering the qualifications of future candidates for election to the Board of Directors, the Committee will consider all relevant factors, including judgment, character, reputation, education and experience, in relation to the qualifications of any alternate candidates and in relation to the particular needs of the Board, its committees and the Company as they exist at the time such candidates are considered. The Committee values diversity, including gender and race. The Committee will also consider each candidate's relationships, if any, with the Company, its Directors, officers, employees and shareholders, as well as any applicable criteria set forth in SEC rules, NYSE listing standards, and Delaware law. The Committee has not paid a fee to any third party to identify or evaluate potential nominees. The Committee will consider nominees for director recommended by shareholders on the same basis as candidates identified by the Committee, provided that the nominations are received by the Committee within the time frame established by the Company's By-laws for nominations by shareholders of director candidates

described under "Shareholder Proposals for the 2006 Proxy Statement." Recommendations should be sent to Navigant Consulting, Inc., 615 North Wabash Avenue, Chicago, Illinois 60611, Attention: Corporate Secretary.

**NOMINATING AND GOVERNANCE
COMMITTEE**

Valerie B. Jarrett, Chairman
Thomas A. Gildehaus
Samuel K. Skinner

PROPOSAL 2:

APPROVAL OF THE EMPLOYEE STOCK PURCHASE PLAN

Exhibit A to this proxy statement contains a proposed new Employee Stock Purchase Plan (the "ESPP"). If shareholder approval is received, the ESPP will be adopted by the Company. The following is a summary of the ESPP and is qualified in its entirety by reference to the full text of Exhibit A.

The Company's current employee stock purchase plan will expire on March 14, 2007. The Board of Directors believes that the replacement of the current plan with a new employee stock purchase plan is in the best interests of the Company and its shareholders. The ESPP will help give the Company the ongoing ability to attract and retain the employee and management talent necessary for the Company's continued success.

Description of the ESPP

Our current employee stock purchase plan was adopted by our Board of Directors on March 14, 1997 and was approved by the Company's shareholders on May 21, 1997. The plan was amended from time to time and will expire by its terms on March 14, 2007, ten years after its adoption by the Board. The replacement of the current plan with the new ESPP will enable eligible employees to continue to acquire a proprietary interest in the Company by purchasing shares of the Company's common stock through payroll deductions.

The new ESPP was adopted by our Board of Directors on February 21, 2006 and, if approved by shareholders, will become effective on January 1, 2007. The new ESPP will expire on the date that all of the shares available under the ESPP are issued to employees.

The maximum number of shares of our common stock that can be issued under the ESPP is 2,500,000 shares, subject to adjustment as described in the next sentence. In the event the Company pays a stock dividend or makes a distribution of shares, or splits up, combines, reclassifies or substitutes other securities for its outstanding shares of common stock, the Compensation Committee of the Board of Directors (the "Committee") will make an appropriate adjustment to the number of shares that may be purchased under the ESPP.

The ESPP will be administered by the Committee, which will have full power to construe and interpret the ESPP, and to establish and amend rules and regulations for its administration. The Committee also will have full authority to correct any defect or reconcile any inconsistency in the ESPP, and its decisions are final, conclusive and binding.

All employees of the Company and, if designated by the Board of Directors, its subsidiaries whose customary employment exceeds twenty hours per week are eligible to participate in the ESPP. An employee may not purchase common stock under the ESPP if after that purchase the employee would own 5% or more of the combined voting power or value of all classes of stock of the Company or any of its subsidiaries. In addition, no employee may acquire rights to purchase common stock under the ESPP at a rate which exceeds \$25,000 of fair market value of such common stock during a calendar year, to be determined in the manner provided by the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code").

An eligible employee may become a participant in the ESPP by authorizing a payroll deduction on a form provided by the Committee. A request for payroll deductions by a participant will be effective the next Offering Date following the delivery of the authorization form to the Committee, provided that if the authorization form is delivered to the Committee less than 15 days prior to the Offering Date, it will become effective on the next Offering Date that is 15 or more days following delivery of the authorization form to the Committee. For purposes of the ESPP, "Offering Date" is defined as the date on which the Committee grants an eligible employee the right to purchase shares of common stock. A participant may elect to have deductions made from his or her pay on each payday at a whole number percentage rate between 1% and 15% of the compensation that he or she is entitled to receive. The deduction rate may be reduced or increased at any time during any "Offering Period" (the period between the Offering Date and the date on which the shares of common stock are to be purchased) by filing an authorization form with the Committee. Regardless of the level of deductions an employee elects, an employee may not purchase more than 7,000 shares of common stock during any Offering Period.

Unless the Committee otherwise determines, the amount withheld from the compensation of each participant during any payroll period will be forwarded to an agent appointed by the Committee. The agent will then purchase the Company's common stock periodically, and any shares so purchased will be held by the agent, subject to a participant's withdrawal or termination as discussed below. Cash dividends that are paid on common stock held by the ESPP will be used to purchase additional shares of the company's common stock. Any administrative or commission expenses incurred, or fees charged, by the agent will be paid by the Company. The purchase price of the common stock to be purchased with participants' payroll deductions will be equal to 85% of the fair market value of the common stock on the date the common stock is purchased. The fair market value of the common stock on a given date will be determined by the Committee based upon the reported closing sales price of the common stock on such date.

If the limit on the number of shares of common stock available to be purchased under the ESPP is reached, then the last purchase of common stock will be allocated among the participants pro rata based upon the number of shares that would have been purchased under the ESPP without the limitation.

A participant may elect to withdraw his or her shares or any cash credited to his or her account at any time. All of the cash deposits returned to the participant will be paid to him or her promptly after receipt of the notice of the withdrawal, without interest. Shares of common stock to be delivered to the participant will be registered in his or her name, or if the participant directs in writing to the Committee, in the name of the participant and the person designated by the participant, and will be delivered to the participant as soon as practicable after the request for withdrawal. If the participant wishes to sell shares of the common stock in his or her account, he or she may notify the Committee to sell the same, in which event all commission costs incurred in connection with the sale of the shares of common stock will be paid by the participant.

A participant may elect to stop participating in the ESPP at any time by notifying the Committee. As soon as practicable after the notice is received by the Committee, the participant will receive a distribution of all of his or her accumulated payroll deductions, without interest. If the participant stops participating in the ESPP, no further payroll deductions will be made on his or her behalf, except upon the filing of a new authorization form. Upon ceasing participation in the ESPP, a participant may reenter the ESPP on any subsequent Offering Date.

An employee must be employed by the Company or a subsidiary on the date the common stock is purchased in order to participate in the purchase for that Offering Period. If a participant becomes ineligible to participate in the ESPP at any time, all payroll deductions made on his or her behalf that have not been used to purchase shares of common stock will be returned to the participant as soon as practicable. After ceasing participation in the ESPP, a participant may reenter the ESPP no earlier than the first Offering Date on which the participant is again eligible to participate in the ESPP.

The Committee may amend the ESPP in any respect except that the maximum number of shares available for purchase may not be increased (except upon stock splits and dividends, combinations and similar events) and the class of corporations whose employees are eligible to participate may not be modified without shareholder approval. The Committee may terminate the ESPP at any time.

Federal Income Tax Consequences

The following provides a general summary of the federal income tax consequences to the Company of the ESPP. The discussion is general in nature and does not take into account a number of considerations which may apply in light of the circumstances of a particular participant under the ESPP. The income tax consequences under applicable state and local tax laws may not be the same as under federal income tax laws.

The ESPP is designed to qualify as an employee stock purchase plan under Section 423 of the Code. As a result, a participant in the ESPP will not recognize income and the Company will not be entitled to a deduction either at the time the participant elects to participate in the ESPP or at the time that the participant purchases common stock under the ESPP. When a participant sells or otherwise disposes of the common stock, the participant will recognize income. The character and amount of such income depends generally on the length of time such stock was held by the participant.

If an employee disposes of the common stock acquired under the ESPP after two years from the Offering Date and one year from the date the common stock was purchased, then the employee must treat as ordinary income the lesser of (i) the amount, if any, by which the fair market value of the common stock at the time of disposition exceeds the purchase price paid, or (ii) 15% of the fair market value of the common stock on the Offering Date. Any additional gain will be treated as long-term capital gain. The Company will not be allowed a deduction if the holding period requirements described in this paragraph are satisfied.

If an employee disposes of the common stock within two years from the Offering Date and one year from the date of purchase, then the employee must treat as ordinary income the excess of the fair market value of the common stock on the date of purchase over the purchase price. Any additional gain will be treated as long-term or short-term capital gain, depending upon whether the common stock was held for more than one year after the date of purchase. The Company will be entitled to a deduction equal to the ordinary income recognized by the employee.

The foregoing general tax discussion is intended for the information of shareholders considering how to vote with respect to this proposal and not as tax guidance to employees who participate in the ESPP. Employees are strongly urged to consult their own tax advisors regarding the federal, state, local, foreign and other tax consequences to them of participating in the ESPP.

Vote Required; Directors' Recommendation

The holders of a majority of the shares of common stock present in person or by proxy at the meeting must vote in favor of the proposed ESPP for it to be approved. The Board recommends that you vote "FOR" the approval of the ESPP.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

This report of the Compensation Committee describes the philosophy that underlies the cash and equity-based components of our executive compensation program. It also describes the details of each element of the program and the rationale for compensation paid to our Chief Executive Officer and other officers and key employees in general.

Compensation Philosophy and Objectives

The Committee believes that the compensation offered to the Company's Chief Executive Officer, other officers and key employees must be sufficient to attract, retain and fairly compensate highly qualified individuals. Executive compensation should be competitive and based on overall financial results, individual contributions and teamwork, with the objective that a fair relationship exists between executive pay and the creation of shareholder value. The Committee, among other things, considers the performance of the Company's operations, the compensation of officers and key employees of competitors and other companies, salary surveys of industry-related positions or positions at comparably sized companies and the salary history of the particular individual and other compensation then in place, including outstanding equity based awards.

The Committee determines compensation by using its subjective judgment and taking into account both qualitative and quantitative factors. No weights are assigned to such factors with respect to any compensation component. There is no singular objective formula by which compensation is determined and the decisions are ultimately subjective.

Annual Compensation

The compensation program has three elements:

- annual base salary;
- annual incentive compensation, which is based on certain performance objectives; and
- equity awards under the Company's incentive plans, which are based on both Company performance and individual performance.

Base Salary. Base salaries for the Chief Executive Officer, other officers and key employees are established based on the scope of the duties and responsibilities of each individual's position. The base salary of the Chief Executive Officer is reviewed annually in accordance with his employment agreement. Mr. Goodyear's employment agreement is described below in the section entitled "Management Compensation." Typically, other officers and key employees also have employment agreements specifying base salaries that are reviewed annually.

Annual Incentive Compensation. The Board has previously approved a compensation program based on certain financial performance criteria, including revenue growth, profitability and percentage performance of target goals. After a review of the Company's and individual performance, incentive compensation, if any, is paid to officers and employees in cash or restricted stock for the calendar year in which it was earned on or before March 15th of the following year. The incentive compensation is forfeited if an individual is not an active employee on the date incentive compensation is paid.

In 2004 the Company instituted a stock incentive program pursuant to which officers and senior employees will receive a specified portion of their annual incentive compensation in restricted stock in lieu of cash. The restricted stock is granted pursuant to the long-term incentive plan described below. Corporate officers, including the Chief Executive Officer, will receive 25% of their annual incentive compensation in the form of restricted stock with the option to take an additional 5% to 20% of their annual incentive compensation in restricted stock. The Company will grant an additional amount of restricted stock equal to a percentage of the value of the incentive compensation paid in restricted stock in lieu of cash. The Company has also established ownership guidelines for officers and senior employees as well as associated time periods for compliance.

Long-Term Incentive Plan. The Committee believes that equity compensation is an important component of the compensation offered by the Company and promotes long-term retention of its key employees, motivates high levels of performance and recognizes a key employee's contributions to the success of the Company. In addition, equity compensation aligns management's interests with those of our shareholders on a long-term basis.

The Committee recognizes that the Company conducts its business in an increasingly competitive environment. In order to remain competitive, it must employ the best and most talented key employees who possess demonstrated skills and experience. The Committee believes that equity compensation may give the Company an advantage in attracting and retaining such employees. The Committee also believes that the Company's long-term incentive plan is an important feature of the Company's executive compensation package. Under the plan, options, restricted stock and other forms of equity compensation may be granted to the Chief Executive Officer, other officers and key employees who are expected to make important contributions to the Company's future success. In reviewing the size of such equity grants, the Committee focuses primarily on the Company's performance and the perceived role of each person in accomplishing the Company's performance objectives, as well as the satisfaction of individual performance objectives.

Policy on Deductibility of Compensation

Code Section 162(m) prohibits us from deducting for federal income tax purposes any amount paid in excess of \$1,000,000 per year to our Chief Executive Officer or any of our four most highly paid executive officers, except that compensation above \$1,000,000 may be deducted if it is "performance-based compensation" within the meaning of the Code. The Committee believes that the Company's current compensation arrangements, which are primarily based on performance, are appropriate and in the Company's and its shareholders' best interests, without regard to tax considerations. Thus, if the tax laws or their interpretation change or other circumstances occur which might make some portion of the executive compensation non-deductible for federal tax purposes, the Committee does not plan to make significant changes in the basic philosophy and practices reflected in the Company's executive compensation program.

Chief Executive Officer's Compensation

The total compensation of Mr. Goodyear under his employment agreement and his annual incentive bonus approved by the Committee for 2005 are consistent with the compensation objectives described above. In particular, Mr. Goodyear's annual incentive compensation for 2005 was determined by the Committee based on its review of the Company's and Mr. Goodyear's performance during 2005 and certain benchmarking information and recommendations provided by its compensation consultant. Mr. Goodyear's employment agreement is described in detail in the section below entitled, "Management Compensation."

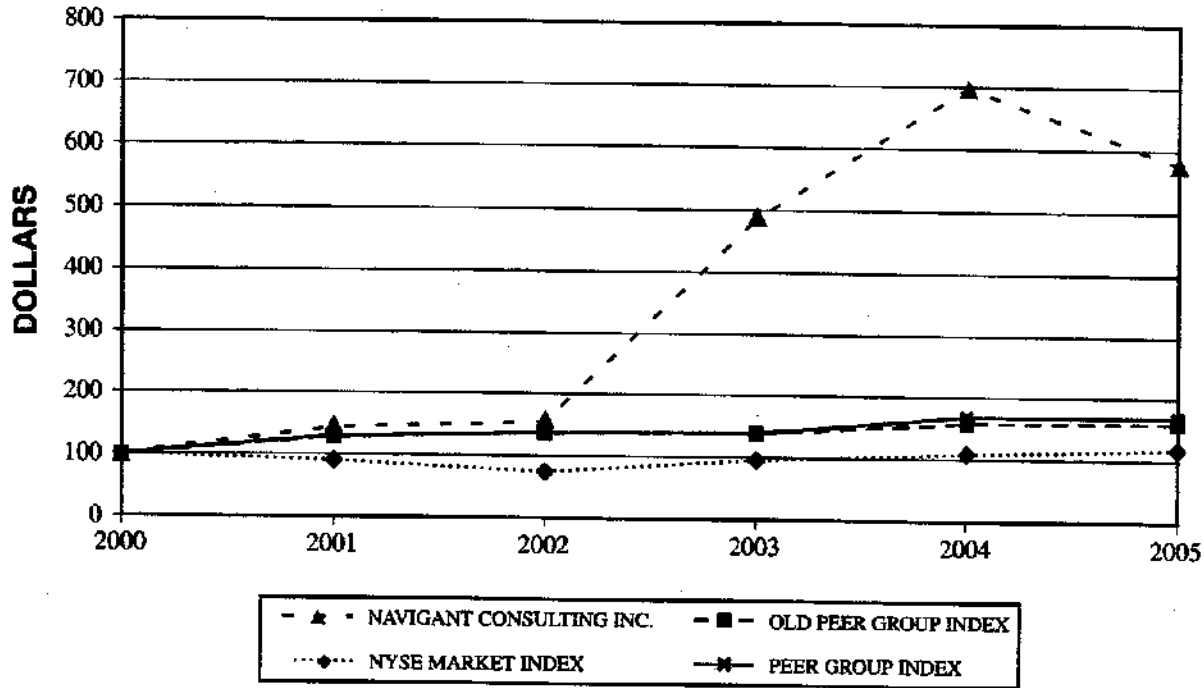
COMPENSATION COMMITTEE

Samuel K. Skinner, Chairman
Thomas A. Gildehaus
Valerie B. Jarrett
Peter B. Pond

SHAREHOLDER RETURN PERFORMANCE GRAPH

The following graph compares the percentage change in the cumulative total shareholder return on our common stock against the New York Stock Exchange Market Index (the "NYSE Index"), the Peer Group described below and the peer group reported in our last proxy statement (the "Old Peer Group"). The graph assumes that \$100 was invested on December 31, 2000 in each of our common stock, the NYSE Index, the Old Peer Group and the Peer Group. The graph also assumes that all dividends, if paid, were reinvested.

Note: The stock price performance shown below is not necessarily indicative of future price performance.



Measured Period	NYSE Index	Peer Group (a)	Old Peer Group (b)	Navigant Consulting, Inc.
FYE 12/31/00	\$100.00	\$100.00	\$100.00	\$100.00
FYE 12/31/01	91.09	130.15	129.35	144.24
FYE 12/31/02	74.41	136.69	138.07	154.73
FYE 12/31/03	96.39	139.58	139.18	494.62
FYE 12/31/04	108.85	168.63	158.56	697.61
FYE 12/31/05	117.84	168.99	159.84	576.45

Notes:

(a) The Peer Group consists of the following companies: ChoicePoint, Inc., CRA International Inc. (formerly known as Charles River Associates, Inc.), Gartner Group, Inc., FTI Consulting, Inc., Huron Consulting Group Inc., LECG Corporation and Resources Connection, Inc. The Peer Group and the Old Peer Group are weighted by market capitalization.

(b) The Old Peer Group consists of the same companies above, except that it does not include Resources Connection, Inc. In addition, the Old Peer Group includes META Group, Inc., which was acquired by Gartner Group, Inc. in 2005.

MANAGEMENT COMPENSATION

General

The following table sets forth compensation awarded or earned by the Chief Executive Officer and three other executive officers who earned more than \$100,000 for 2005 (collectively, the "Executive Officers").

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation		Long-Term Compensation		All Other Compensation (\$)(8)
		Salary (\$)	Bonus (\$)(5)	Restricted Stock Award(s) \$(6)	Securities Underlying SARs/ Options #(7)	
William M. Goodyear Chairman and Chief Executive Officer (1)	2005	676,346	330,000	364,489	0	8,305
	2004	561,539	715,000	1,689,778	21,874	7,730
	2003	500,000	440,000	485,997	0	7,422
Julie M. Howard President and Chief Operating Officer (2)	2005	442,116	337,500	151,885	0	5,568
	2004	396,154	325,000	1,076,734	10,937	5,513
	2003	278,846	165,000	182,241	0	5,375
Ben W. Perks Executive Vice President and Chief Financial Officer (3)	2005	384,346	123,750	136,691	0	7,747
	2004	378,269	202,125	523,266	7,291	7,688
	2003	350,000	178,750	197,437	0	7,476
Philip P. Steptoe Vice President, General Counsel and Secretary (4)	2005	275,135	14,250	6,401	0	5,721
	2004	270,192	82,500	166,136	1,823	5,704
	2003	250,000	125,000	0	0	5,652

- (1) See the discussion of Mr. Goodyear's employment agreement under "Employment Agreements" below.
- (2) See the discussion of Ms. Howard's employment agreement under "Employment Agreements" below.
- (3) See the discussion of Mr. Perks' employment agreement under "Employment Agreements" below.
- (4) See the discussion of Mr. Steptoe's employment agreement under "Employment Agreements" below.
- (5) Mr. Goodyear's 2005 bonus was \$600,000, which consisted of \$330,000 in cash plus 18,735 shares of restricted stock. Ms. Howard's 2005 bonus was \$450,000 which consisted of \$337,500 in cash plus 7,807 shares of restricted stock. Mr. Perks' 2005 bonus was \$225,000 which consisted of \$123,750 in cash plus 7,026 shares of restricted stock. Mr. Steptoe's 2005 bonus was \$19,000, which consisted of \$14,250 in cash plus 329 shares of restricted stock. For each of the Executive Officers, the portion of the bonus paid in cash is included under the "Bonus" column above and the portion of the bonus paid in shares of restricted stock is included under the "Restricted Stock Award(s)" column above.
- (6) For each of the Executive Officers, the portion of the bonus paid in shares of restricted stock is included in the "Restricted Stock Award(s)" column. This column includes for 2005 (i) 13,878, 5,783, 5,204, and 244 shares of restricted stock for Mr. Goodyear, Ms. Howard, Mr. Perks, and Mr. Steptoe respectively, which will vest six months after the March 15, 2006 date of grant; (ii) 4,857, 2,024, 1,822, and 85 shares of restricted stock for Mr. Goodyear, Ms. Howard, Mr. Perks, and Mr. Steptoe respectively, one third of which will vest every six months after the March 15, 2006 date of grant. This column includes for 2004 (i) 22,522, 6,367, 6,737 and 2,599 shares of restricted stock for Mr. Goodyear, Mr. Perks, Ms. Howard and Mr. Steptoe, respectively, which vested six months after the March 1, 2005 date of grant, (ii) 7,883, 2,228, 2,358 and 910 shares of restricted stock for Mr. Goodyear, Mr. Perks, Ms. Howard and Mr. Steptoe, respectively, one-third of which vested or will vest every six months after the March 1, 2005 date of grant, (iii) 34,649, 11,550, 17,324 and 2,887 shares of restricted stock for Mr. Goodyear, Mr. Perks, Ms. Howard and Mr. Steptoe, respectively, one-fourth of which vested or will vest every year after the March 1, 2005 date of grant, and (iv) 20,000 shares of restricted stock for Ms. Howard, which vested six months after the March 1,

2004 grant date. This column includes for 2003 (i) 18,438, 7,490 and 6,914 shares of restricted stock for Mr. Goodyear, Mr. Perks and Ms. Howard, respectively, which vested six months after the March 1, 2004 date of grant and (ii) 6,453, 2,622 and 2,420 shares of restricted stock for Mr. Goodyear, Mr. Perks and Ms. Howard, respectively, one-third of which vested every six months after the March 1, 2004 date of grant. In each of February 2004, February 2005 and March 2005 the Compensation Committee determined that corporate performance targets had been met and therefore accelerated the vesting of twenty-five percent of the restricted stock award for each Executive Officer. At December 31, 2005 Mr. Goodyear held 84,905 restricted shares, which were valued at \$1,866,212 at December 31, 2005; Mr. Perks held 35,536 restricted shares, which were valued at \$781,081 at December 31, 2005; Ms. Howard held 41,396 restricted shares, which were valued at \$909,884 at December 31, 2005; and Mr. Steptoe held 14,744 restricted shares, which were valued at \$324,703 at December 31, 2005.

- (7) The stock options listed above vest in four equal annual installments.
- (8) For each of the executive officers, \$5,100 of the amounts reflected in this column represents matching payments under the Company's 401(k) plan. The remaining amounts represent earnings associated with group life insurance.

Executive Option Grants

The following table sets forth the stock option grants we made to each of the Executive Officers in 2005.

Options Grants in 2005

Individual Grants

<u>Name</u>	<u>Number of Securities Underlying Options/SARs Granted (#)(1)</u>	<u>Percent of Total Options/SARs Granted to Employees in Fiscal Year 2005</u>	<u>Exercise Price Per Share</u>	<u>Expiration Date</u>	<u>Grant Date Value (2)</u>
William M. Goodyear	21,874	33.9%	\$25.97	3/1/11	\$306,196
Julie M. Howard	10,937	16.9%	\$25.97	3/1/11	\$153,098
Ben W. Perks	7,291	11.3%	\$25.97	3/1/11	\$102,060
Philip P. Steptoe	1,823	2.8%	\$25.97	3/1/11	\$ 25,518

- (1) The options were granted on March 1, 2005 with exercise prices equal to the fair market value of common stock on that date in accordance with the 2004 Incentive Compensation Stock Program. The options will vest 25% per year on March 1, 2006, 2007, 2008 and 2009.
- (2) The fair value of the option grant is estimated as of the date of grant using the Black-Scholes option pricing model. The following assumptions were used:

Expected Volatility	64%
Risk-free interest rate	4.3%
Dividend yield	0%
Expected life	4.2 years

Option and SAR Exercises and Holdings

The following table sets forth the exercise of options and stock appreciation rights during 2005 by the Executive Officers and the number of options and stock appreciation rights and approximate values for in-the-money options and stock appreciation rights at December 31, 2005.

Aggregated Option/SAR Exercises in 2005 and Year End Option/SAR Values

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Shares Underlying Unexercised Options/SARs at Year End (#)		Value of Unexercised In-The-Money Options/ SARs at Year End (\$)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
William M. Goodyear	66,666	1,386,652	315,250	44,374	5,501,504	358,425
Julie M. Howard	23,292	520,382	34,976	22,187	559,758	179,213
Ben W. Perks	50,000	1,098,738	98,750	18,541	1,710,400	179,213
Philip P. Steptoe	0	0	156,875	7,448	2,291,631	89,606

Employment Agreements

Effective January 1, 2003, the Company entered into an amended and restated employment agreement with its Chairman and Chief Executive Officer, Mr. Goodyear. The term of the employment agreement is indefinite. The employment agreement provides for an annual base salary, which is subject to adjustment from time to time, and does not limit Mr. Goodyear's bonus. The employment agreement provides, among other things, that if the Company terminates the executive for other than good cause (as defined in the agreement) or Mr. Goodyear terminates his employment for good reason (as defined in the agreement), then the Company will pay to Mr. Goodyear an amount equal to the sum of two times his base salary and two times his average annual bonus for the immediately preceding three years. However, if Mr. Goodyear terminates his own employment other than for good reason, the Company would have no further obligation to Mr. Goodyear other than the obligation to pay him his base salary through the date of termination and any other compensation and benefits then due. In the event of Mr. Goodyear's termination of employment following a change in control (as defined in the agreement) for any reason, the Company shall pay to Mr. Goodyear an amount equal to three times the sum of (a) his base salary and (b) his average annual bonus for the immediately preceding three years.

The employment agreement with Ms. Howard, our President and Chief Operating Officer, is for a rolling one-year period, such that the remainder of the term shall always be one full year, provides for an annual base salary, which is subject to adjustment from time to time, and an annual bonus opportunity. The employment agreement provides, among other things, that if the Company terminates Ms. Howard for other than cause (as defined in the agreement) or Ms. Howard terminates her employment for good reason (as defined in the agreement), then the Company will pay to Ms. Howard an amount equal to the sum of her base salary and the average of her annual bonus for the immediately preceding three years. However, if Ms. Howard terminates her own employment other than for good reason, the Company would have no further obligation to Ms. Howard other than the obligation to pay her base salary through the date of termination and any other compensation and benefits then due. The agreement also provides that if Ms. Howard's employment is terminated for any reason during the one year period following a change in control (as defined in the agreement), or if such employment is terminated by Ms. Howard for any reason during the period beginning six months and ending twelve months following a change in control (as defined in the agreement), then the Company shall pay to Ms. Howard an amount equal to two times the sum of (a) her base salary and (b) her average annual bonus for the immediately preceding three years.

The employment agreement with Mr. Perks, our Executive Vice President and Chief Financial Officer, is for a rolling two-year period, such that the remainder of the term shall always be two full years, provides for an

annual base salary, which is subject to adjustment from time to time, and an annual bonus opportunity. The employment agreement provides, among other things, that if the Company terminates Mr. Perks for other than cause (as defined in the agreement), or Mr. Perks terminates his employment for good reason (as defined in the agreement), then the Company will pay to Mr. Perks an amount equal to the sum of 1.5 times his base salary plus the annual bonus most recently paid to him and a pro rata bonus for the calendar year of termination. However, if Mr. Perks terminates his own employment other than for good reason, the Company would have no further obligation to Mr. Perks other than the obligation to pay his base salary through the date of termination and any other compensation and benefits then due. The agreement also provides that if Mr. Perks' employment is terminated for any reason during the one year period following a change in control (as defined in the agreement) or if such employment is terminated by Mr. Perks for any reason during the period beginning six months and ending twelve months following a change in control (as defined in the agreement), then the Company shall pay to Mr. Perks an amount equal to two times the sum of (a) his base salary and (b) his average annual bonus for the immediately preceding three years.

The employment agreement with Mr. Steptoe, our Vice President, General Counsel and Secretary, is for a rolling one-year period, such that the remainder of the term shall always be one full year, provides for an annual base salary, which is subject to adjustment from time to time, and an annual bonus opportunity. The employment agreement provides, among other things, that if the Company terminates Mr. Steptoe for other than cause (as defined in the agreement) or Mr. Steptoe terminates his employment for good reason (as defined in the agreement), then the Company will pay to Mr. Steptoe an amount equal to the sum of his base salary and the average of his annual bonus for the immediately preceding three years. However, if Mr. Steptoe terminates his own employment other than for good reason, the Company would have no further obligation to Mr. Steptoe other than the obligation to pay him his base salary through the date of termination and any other compensation and benefits then due. The agreement also provides that if Mr. Steptoe's employment is terminated for any reason during the one year period following a change in control (as defined in the agreement), or if such employment is terminated by Mr. Steptoe for any reason during the period beginning six months and ending twelve months following a change in control (as defined in the agreement), then the Company shall pay to Mr. Steptoe an amount equal to two times the sum of (a) his base salary and (b) his average annual bonus for the immediately preceding three years.

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes the number of outstanding options, warrants and rights granted to employees and Directors, as well as the number of securities remaining available for future issuance, under the Company's compensation plans as of December 31, 2005.

<u>Plan category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)</u>
Equity compensation plans approved by shareholders	2,138,166	\$ 7.75	4,999,732
Equity compensation plans not approved by shareholders	251,049	\$12.19	167,436
Total	2,389,215	\$ 8.22	5,167,168

**STOCK OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS
AND PRINCIPAL HOLDERS**

The following table sets forth certain information regarding the beneficial ownership of our common stock as of March 13, 2006 by: (i) each of our Directors and nominees; (ii) each of the Executive Officers; (iii) all of our Directors and Executive Officers as a group and (iv) each person who beneficially owns more than 5% of the outstanding shares of our common stock, based on filings with the SEC. We believe that, except where noted otherwise, each person named below has sole voting and investment power with respect to all shares of common stock shown as beneficially owned by such person, subject to community property laws where applicable. Except as noted below, the address of each person named below is in care of our principal executive offices.

<u>Officers, Directors and 5% Shareholders</u>	Shares Beneficially Owned (1)	
	Number	Percent
FMR Corp. (2)	5,886,100	11.5
Westfield Capital Management Co. LLC (3)	2,946,963	5.7
William M. Goodyear (4)	778,846	1.5
Julie M. Howard (5)	130,969	*
Ben W. Perks (6)	169,640	*
Philip P. Steptoe (7)	235,500	*
Thomas A. Gildehaus (8)	52,722	*
Valerie B. Jarrett (9)	42,446	*
Peter B. Pond (10)	158,304	*
Samuel K. Skinner (11)	20,000	*
James R. Thompson (12)	145,840	*
All Directors and Executive Officers as a group (9 persons) (13)	10,567,330	20.6

* Less than 1%

- (1) Applicable percentage of ownership as of March 13, 2006 is based upon approximately 51,386,000 shares of common stock outstanding. Beneficial ownership is a technical term determined in accordance with the rules of the SEC. Beneficial ownership generally means that a shareholder has sole or shared power to vote or dispose of the stock either directly or indirectly or the right to acquire the shares within 60 days.
- (2) Based on information provided in the Schedule 13G/A filed by FMR Corp. with the SEC on February 14, 2006. Of the 5,886,100 shares reported on the Schedule 13G/A, FMR Corp. reported sole voting power with respect to 1,384,400 shares and sole dispositive power with respect to all 5,886,100 shares. The address of FMR Corp. is 82 Devonshire Street, Boston, MA 02109.
- (3) Based on information provided in the Schedule 13G filed by Westfield Capital Management Co. LLC with the SEC on February 10, 2006. Of the 2,946,963 shares reported on the Schedule 13G, Westfield reported sole voting power with respect to 1,958,763 shares and sole dispositive power with respect to all 2,946,963 shares. The address of Westfield Capital Management Co, LLC is Residence One Financial Center, Boston, MA 02111.
- (4) Includes 320,718 shares of common stock subject to options that are or become exercisable within 60 days of March 13, 2006.
- (5) Includes 37,710 shares of common stock subject to options that are or become exercisable within 60 days of March 13, 2006.
- (6) Includes 100,572 shares of common stock subject to options that are or become exercisable within 60 days of March 13, 2006.
- (7) Includes 157,330 shares of common stock subject to options that are or become exercisable within 60 days of March 13, 2006.
- (8) Includes 36,500 shares of common stock subject to options that are or become exercisable within 60 days of March 13, 2006.

- (9) Includes 34,186 shares of common stock subject to options that are or become exercisable within 60 days of March 13, 2006.
- (10) Includes 146,962 shares of common stock subject to options that are or become exercisable within 60 days of March 13, 2006.
- (11) Includes 6,500 shares of common stock subject to options that are or become exercisable within 60 days of March 13, 2006.
- (12) Includes 141,840 shares of common stock subject to options that are or become exercisable within 60 days of March 13, 2006.
- (13) Includes 982,318 shares of common stock subject to options that are or become exercisable within 60 days of March 13, 2006.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and any persons who beneficially own more than 10% of our common stock, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock. To our knowledge and except as noted below, based solely on a review of the copies of such reports sent to us and representations received by our directors and officers, we believe that during the year ended December 31, 2005, our directors, executive officers and 10% shareholders complied with their Section 16(a) filing requirements except that each of Mr. Gildehaus and Governor Thompson had one late report relating to one transaction.

SHAREHOLDER PROPOSALS FOR THE 2006 PROXY STATEMENT

If you wish to submit a proposal to be included in the proxy statement for our Annual Meeting of Shareholders in 2007, you must submit the proposal in writing to the Secretary, Navigant Consulting, Inc., at 615 North Wabash Avenue, Chicago, Illinois 60611. We must receive a proposal by November 30, 2006 in order to consider it for inclusion in the proxy statement for the 2007 Annual Meeting of Shareholders.

In addition, our By-laws provide that for business to be properly brought before an Annual Meeting by a shareholder, the shareholder must deliver written notice to, or mail such written notice so that it is received by the Secretary of the Company at the principal executive offices of the Company, not less than one hundred twenty nor more than one hundred fifty days prior to the first anniversary of the date of our proxy statement released to shareholders in connection with the previous year's election of directors or meeting of shareholders, except that if no annual meeting of shareholders or election by consent was held in the previous year, a proposal must be received by the Company within ten days after the Company has publicly disclosed the date of the meeting in the manner provided in our By-laws. Our By-laws provide that nominations by shareholders for persons for election as directors must be made by written notice delivered to, or mailed and received by the Secretary of the Company at the principal executive offices of the Company not less than one hundred twenty nor more than one hundred fifty days prior to the meeting, except that if the Company has not publicly disclosed in the manner provided in the By-laws the date of the meeting at least seventy days prior to the meeting date, notice may be given by a shareholder if received by the Secretary of the Company not later than the close of business on the tenth day following the day on which the Company publicly disclosed the meeting date. The By-laws contain provisions regarding information that must be set forth in the shareholder's notice or otherwise provided in connection with shareholder nominations or other business to be brought by shareholders.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP, the Company's independent registered public accounting firm, audited our financial statements as of and for the year ended December 31, 2005. The following table presents fees for professional audit services rendered by KPMG LLP for the audit of the Company's annual financial statements for 2004 and 2005 and fees billed for other services rendered by KPMG LLP. The Audit Committee reviewed the provision of the services provided by KPMG LLP with respect to such fees and concluded that such services were compatible with

maintaining KPMG LLP's independence. The Audit Committee has authorized management to use, when appropriate, the Company's independent registered public accounting firm for non-audit, tax-related services, provided the cost of such services does not exceed \$25,000 per quarter.

	2004	2005
Audit fees	\$ 905,000	\$ 915,000
Audit-related fees (1)	\$ 90,000	\$ 98,000
Audit and audit-related fees	\$ 995,000	\$1,013,000
Tax fees (2)	\$ 15,000	\$ 7,000
All other fees	0	0
Total fees	\$1,010,000	\$1,020,000

- (1) Audit-related fees consist principally of fees for a report on the Company's controls as a service organization under Statement on Auditing Standards No. 70, performed at the request of certain clients.
(2) Tax fees consist of fees for tax consultation and tax compliance services.

PROPOSAL 3:

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders will be asked to ratify the appointment by the Audit Committee of KPMG LLP as the Company's independent registered public accounting firm for the year 2006, subject to the Audit Committee's subsequent agreement with KPMG LLP regarding fees. Fee negotiations have not yet begun and the Audit Committee has no reason to expect that it will be unable to reach satisfactory agreement with KPMG LLP on this issue.

The Board of Directors and the Audit Committee recommend that shareholders vote "FOR" the ratification of the appointment of KPMG LLP.

Representatives from KPMG LLP are expected to be present at the Annual Meeting and will be available to respond to appropriate questions. The KPMG LLP representatives will be given an opportunity to make a statement if they desire.

OTHER INFORMATION

If you would like to contact the Company's Presiding Director or the non-management Directors as a group, please write to:

Governor James R. Thompson
Winston & Strawn
35 W. Wacker Drive
Chicago, IL 60601

All communications will be reviewed by the Presiding Director, who will determine whether each communication will be distributed to all non-management Directors.

If you would like a copy of our Annual Report on Form 10-K that we filed with the SEC for the year ended December 31, 2005 (excluding exhibits), our corporate governance guidelines, board committee charters or our Code of Conduct, we will send you one without charge. Please write to:

Ms. Mary E. Rosinski
Investor Relations Senior Manager
Navigant Consulting, Inc.
615 North Wabash Avenue
Chicago, Illinois 60611

NAVIGANT CONSULTING, INC.
EMPLOYEE STOCK PURCHASE PLAN
(EFFECTIVE JANUARY 1, 2007)

I. PURPOSE

The purpose of the Navigant Consulting, Inc. Employee Stock Purchase Plan is to provide eligible Employees of Navigant Consulting, Inc. and its Affiliates with an opportunity to acquire a proprietary interest in the Company through the purchase of Common Stock of the Company on a payroll deduction basis. It is believed that participation in the ownership of the Company will be to the mutual benefit of the eligible Employees and the Company. This Navigant Consulting, Inc. Employee Stock Purchase Plan, effective January 1, 2007 (the "Plan"), replaces the Navigant Consulting, Inc. Employee Stock Purchase Plan effective March 14, 1997 which terminates by its terms on March 14, 2007. It is intended that this Plan will constitute an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code of 1986, as amended. The provisions of the Plan will, accordingly, be construed so as to extend and limit participation in a manner consistent with the requirements of Code Section 423.

II. DEFINITIONS

Unless otherwise specified or unless the context otherwise requires, the following terms, as used in this Plan, have the following meanings. Wherever appropriate, words used in the singular will be deemed to include the plural and vice versa, and the masculine gender will be deemed to include the feminine gender.

(a) **Account** means the funds accumulated with respect to an Employee as a result of deductions from his paycheck for the purpose of purchasing Common Stock under the Plan. The funds allocated to an Employee's Account will remain the property of the Employee at all times prior to the purchase of the Common Stock, but may be commingled with the assets of the Company and used for general corporate purposes. No interest will be paid or accrued on any funds accumulated in the Accounts of Employees.

(b) **Affiliate** means a corporation, as defined in Section 424(f) of the Code, that is a parent or subsidiary of the Company, direct or indirect.

(c) **Board** means the Board of Directors of the Company.

(d) **Code** means the Internal Revenue Code of 1986, as amended.

(e) **Committee** means the committee to which the Board delegates the power to act under or pursuant to the provisions of the Plan, or the Board if no committee is selected.

(f) **Common Stock** means the shares of common stock of the Company, \$.001 par value.

(g) **Company** means Navigant Consulting, Inc., a Delaware corporation, and any successor thereto.

(h) **Compensation** means the compensation paid to an Employee by the Company during a payroll period for federal income tax purposes, as reported on an Employee's Form W-2 (or comparable reporting form) for income tax withholding purposes.

(i) **Effective Date** means January 1, 2007, subject to the limitations of Section 16.

(j) **Employee** means any person who is employed by an Employer on a regular full-time basis. A person will be considered employed on a regular full-time basis if he is customarily employed for more than twenty (20) hours per week. For purposes of this definition of "Employee," and notwithstanding any other provisions of the Plan to the contrary, individuals who the Company does not classify, in its discretion, as employees under Section 3121(d) of the Code (including, but not limited to, individuals the Company classifies as independent contractors and non-employee consultants) and individuals who the Company classifies, in its discretion, as employees of any entity other than the Company or an Affiliate do not meet the definition of "Employee" and are ineligible for benefits under the Plan, even if the Company's classification is determined to be erroneous, or is revised retroactively. In the event the classification of an individual who is excluded from the definition of "Employee" under the preceding sentence is determined to be erroneous or is revised retroactively, the individual nonetheless shall continue to be excluded from the definition of "Employee" and to be ineligible for benefits for all periods prior to the date the Company determines its classification of the individual is erroneous or should be revised.

(k) **Employer** means the Company or an Affiliate that has adopted the Plan with the consent of the Board.

(l) **Fair Market Value** means the closing sales price of the Common Stock on the largest national securities exchange on which the Common Stock is listed at the time the Common Stock is to be valued. If the Common Stock is not then listed on any national securities exchange, fair market value will be the closing sales price, if it is reported, or if it is not, the mean between the closing "Bid" and the closing "Ask" prices, if any, as reported in the National Association of Securities Dealers Automated Quotation System ("NASDAQ") for the date of valuation, or if none, on the most recent trade date thirty days or less prior to the date of valuation for which those quotations are reported. If the Common Stock is not then listed on any national securities exchange or quoted in NASDAQ, the fair market value will be the mean between the average of the "Bid" and the average of the "Ask" prices, if any, as reported in the National Daily Quotation Service for the date of valuation, or, if none, for the most recent trade date thirty days or less prior to the date of valuation for which such quotations are reported. If the fair market value cannot be determined under the preceding three sentences, it will be determined in good faith by the Committee.

(m) **Offering Date** means the date on which the Committee grants Employees the option to purchase shares of Common Stock.

(n) **Offering Period** means the period between the Offering Date and the Purchase Date.

(o) **Purchase Date** means the date on which the Committee purchases the shares of Common Stock, which date will be the last day of an Offering Period.

(p) **Participant** means an Employee who elects to participate in the Plan, and whose participation has not yet ceased under Section 9.

(q) **Plan** means the Navigant Consulting, Inc. Employee Stock Purchase Plan.

III. ELIGIBILITY

All individuals who are Employees on the Effective Date, will be eligible to participate in the Plan on the Effective Date. Subject to the enrollment limitations of Section 6, each individual who becomes an Employee after the Effective Date will be eligible to participate on the Offering Date coincident with or next following the day the individual becomes an Employee.

IV. ADMINISTRATION

The Plan will be administered by the Committee, which must consist of at least two members of the Board. Subject to the provisions of the Plan, the Committee will be vested with full authority to make, administer, and

interpret rules and regulations that it deems necessary to administer the Plan, and any determination, decision, or action of the Committee in connection with the construction, interpretation, administration, and application of the Plan will be final, conclusive, and binding upon all Participants and upon any and all persons claiming under or through any Participant. Notwithstanding anything to the contrary in the Plan, the Committee will have the discretion to modify the terms of the Plan with respect to Participants who reside outside of the United States or who are employed by a subsidiary of the Company that has been formed under the laws of any foreign country, as and to the extent necessary to conform those terms to the requirements of local laws.

V. STOCK

(a) The Common Stock to be sold to Participants under the Plan may, at the election of the Company, be either treasury shares, shares acquired on the open market, or shares originally issued for sale under the Plan. The aggregate number of shares of Common Stock available for purchase under the Plan is 2,500,000 shares of Common Stock. Notwithstanding the foregoing, the aggregate number of shares of Common Stock available will be subject to adjustment upon changes in capitalization of the Company as provided in subparagraph (b) below. If the total number of shares that otherwise would have been acquired under the Plan on any Purchase Date exceeds the number of shares of Common Stock then available under the Plan, the Company will make a pro rata allocation of the shares remaining available in as nearly a uniform manner as is practicable and as it determines to be equitable. In such an event, the payroll deductions to be made pursuant to the Participants' authorizations will be reduced accordingly, or refunded to the Participants, as the case may be, and the Company will give written notice of the reduction or refund to each affected Participant.

(b) In order to give effect to any mergers, consolidations, acquisitions, reorganizations, stock splits, stock dividends, or other relevant changes in the capitalization of the Company occurring after the Effective Date, the Committee will make appropriate adjustments in the aggregate number of shares of Common Stock available for purchase under the Plan. The establishment of the Plan will not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell, or otherwise transfer all or any part of its business or assets. The Committee will have the sole discretion to make adjustments under this Section 5, and its decision will be binding and conclusive on all persons.

(c) A Participant will not have any interest in shares covered by his authorized payroll deduction until shares of Common Stock are acquired for his Account.

VI. PARTICIPATION

(a) Each Employee may become a Participant in the Plan by authorizing a payroll deduction on a form provided by the Committee. The authorization will become effective on the next Offering Date that is at least fifteen days after the date the Committee receives it; so long as the Employee is then still an Employee. Notwithstanding the foregoing, the Committee may adopt rules that permit certain Employees' payroll deduction authorizations to become effective at a selected time or times during an Offering Period, so long as the Committee applies those rules uniformly to all similarly situated Employees.

(b) An Employee's authorization for a payroll deduction will apply to each paycheck that he receives and will remain in effect until the Participant files a new authorization, withdraws from the Plan or otherwise becomes ineligible to participate in the Plan. Authorized payroll deductions may range from a minimum of one percent to a maximum of fifteen percent of the Participant's Compensation. The Participant may, at any time during any Offering Period, reduce his rate of payroll deduction by filing an authorization form with the Committee, and the Participant may, at any time during any Offering Period, increase the rate of his payroll deduction by filing an authorization form with the Committee. New deduction rates will become effective as soon as practicable after the authorization form is filed with the Committee.

(c) All Compensation deductions made for a Participant will be credited to his Account. Except as may otherwise be provided by the Committee under Section 4, a Participant may not make any separate cash payment into his Account.

VII. PURCHASE OF SHARES

(a) On the date when a Participant's authorization form for a deduction becomes effective, and on each Offering Date thereafter, he will be deemed to have been granted an option to purchase as many full shares of Common Stock as he will be able to purchase with the Compensation deductions credited to his Account during the payroll periods within the Offering Periods for which the Compensation deductions are made, subject to the limit set forth in Subsection (i) of Section 15. In addition, any cash dividends paid on shares of Common Stock held in the Participant's Account will be added to the Account, and used to purchase Common Stock as otherwise provided in the Plan.

(b) The per share purchase price for the Common Stock to be purchased with payroll deductions from the Participant will equal eighty-five percent of Fair Market Value on the Purchase Date.

VIII. TIME OF PURCHASE

From time to time, the Committee will grant each Participant an option to purchase shares of Common Stock in an amount equal to the number of shares of Common Stock that the accumulated payroll deductions to be credited to his Account during the Offering Period may purchase at the applicable purchase price, subject to the limit set forth in Subsection (i) of Section 15. The Committee will specify the duration of each Offering Period, but in no event will an Offering Period be shorter than one month or longer than twenty-seven months. Each Participant who elects to purchase shares of Common Stock hereunder will be deemed to have exercised his option automatically on the Purchase Date that ends each Offering Period. The Company will pay administrative and commission costs on purchases. The Committee will cause to be delivered periodically to each Participant a statement showing the aggregate number of shares of Common Stock in his Account, the number of shares of Common Stock purchased for him in the preceding Offering Period, his aggregate Compensation deductions for the preceding Offering Period, the price per share paid for the shares of Common Stock purchased for him during the preceding Offering Period, and the amount of cash, if any, remaining in his Account at the end of the preceding Offering Period.

A Participant may request delivery to him of the cash in his Account or of the shares of Common Stock held in his Account at any time (subject to any limitations imposed by Section 16(b) of the Securities Exchange Act of 1934). The Company or its transfer agent will determine the regular time for delivery of any cash or shares of Common Stock. If a Participant requires delivery at a time other than the normal transfer date set by the Company or its transfer agent, the Participant will pay the costs of delivery. The Company will pay all of the cash deposits in a Participant's Account promptly after the Company receives notice of withdrawal, without interest. Shares of Common Stock to be delivered to a Participant under the Plan will be registered in the name of the Participant or, if the Participant so directs in writing to the Committee, in the name of the Participant and any person(s) designated by the Participant, to the extent permitted by applicable law, and delivered to the Participant as soon as practicable after the request for a withdrawal. If a Participant wishes to sell the shares of Common Stock in his Account, he may notify the Committee to sell them and distribute the proceeds to him, net of all commission costs incurred in connection with the sale of Common Stock. The Company will pay administrative costs associated the sale of Common Stock in a Participant's Account, other than costs arising from a sale occurring at a time different from the prearranged dates set by the Company or its transfer agent for making a sale of Common Stock.

IX. CESSATION OF PARTICIPATION

A Participant may stop participating in the Plan at any time by notifying the Committee in writing of his intent to do so. The Company will distribute to the Participant all of his accumulated payroll deductions, without

interest, as soon as practicable after the Committee receives notice of his intent to stop participating. No further Compensation deductions will be made on behalf of a Participant after the effective date of his cessation of participation, except in accordance with a new authorization form filed with the Committee as provided in Section 6. Notwithstanding anything herein contained to the contrary, if a Participant stops participating in the Plan, he will not be eligible to participate in the Plan again until the next Offering Date following the date his participation ceased.

X. INELIGIBILITY

An Employee must be employed by an Employer on the Purchase Date in order to participate in the purchase for that Offering Period. If an option expires without first having been exercised, all funds credited to the Participant's Account will be refunded without interest. If a Participant becomes ineligible to participate in the Plan at any time, the Company will pay him, as soon as practicable, all Compensation deductions made on his behalf but not yet used to purchase shares of Common Stock. After ceasing participation in the Plan, a Participant may reenter the Plan no earlier than the Offering Date that is coincident with or next follows the date he is again eligible to participate in the Plan.

XI. DESIGNATION OF BENEFICIARY

A Participant may name a beneficiary or beneficiaries to receive any shares of Common Stock (or remaining Compensation deductions) credited to the Participant's Account under the Plan at the Participant's death. To name a beneficiary, a Participant must file the beneficiary designation form prescribed by the Committee with the Company, in the manner and at the time specified by the Committee. A Participant may change a beneficiary designation by filing a new one with the Committee. If one or more beneficiaries properly designated by the Participant are alive at the Participant's death, the Company will pay any Common Stock and cash in the Participant's Account at his death to that beneficiary or beneficiaries. If the Participant dies without having named a beneficiary, or if all the Participant's beneficiaries predecease the Participant, the Company will pay any Common Stock and cash in the Participant's Account at his death to the executor or administrator of the Participant's estate, or if no executor or administrator has been appointed, the Company, in its sole discretion, may deliver the shares and cash to the Participant's spouse or to any one or more dependents or relatives of the Participant, or to another person or persons the Company designates on behalf of the Participant's estate.

XII. TRANSFERABILITY

Neither Compensation deductions credited to a Participant's Account nor any rights with regard to Plan participation or the right to purchase shares of Common Stock under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way by a Participant other than by will or the laws of descent and distribution. Any attempted assignment, transfer, pledge, or other disposition will be void and without effect.

XIII. AMENDMENT OR TERMINATION

The Committee may, without further action on the part of the stockholders of the Company, at any time amend the Plan in any respect, or terminate the Plan, except that the Committee may not, without consent of the stockholders:

- (a) permit the sale of more shares of Common Stock than are authorized under Section 5;
- (b) change the class of Affiliates to whose Employees are eligible to participate in the Plan; or
- (c) effect a change inconsistent with Section 423 of the Code or the regulations issued thereunder.

XIV. NOTICES

All notices or other communications by a Participant under or in connection with the Plan will be deemed to have been duly given when received in writing by the person designated by the Committee or when received in the form specified by the Committee at the location and by the person designated by the Committee for the receipt thereof.

XV. LIMITATIONS

Notwithstanding any other provisions of the Plan, the provisions of the following subsections will apply:

(a) The Company intends that this Plan will constitute an employee stock purchase plan within the meaning of Section 423 of the Code. Any provisions required to be included in the Plan under Section 423, and under regulations issued thereunder, are hereby included as though set forth in the Plan at length.

(b) No Employee will be entitled to participate in the Plan if, immediately after the grant of an option hereunder, the Employee would own stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or an Affiliate. For purposes of this Section 15, stock ownership will be determined under the rules of Section 424(d) of the Code and stock that the Employee may purchase under outstanding options will be treated as stock owned by the Employee.

(c) No Employee will be permitted to purchase Common Stock hereunder if his right and option to purchase Common Stock under this Plan and under all other employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any Affiliates would result in an entitlement to purchase Common Stock in any one calendar year in excess of a fair market value of \$25,000 (determined at the time of grant).

(d) All Employees will have the same rights and privileges under the Plan, except that the amount of Common Stock that may be purchased pursuant to the Plan will bear a uniform relationship to an Employee's Compensation. All rules and determinations of the Committee will be uniformly and consistently applied to all persons in similar circumstances.

(e) Nothing in the Plan will confer upon any Employee the right to continue in the employment of the Company or any Affiliate or affect the right that the Company or any Affiliate may have to terminate the employment of any Employee.

(f) No Participant will have any right as a stockholder unless and until certificates for shares of Common Stock are issued to him or allocated to his Account.

(g) The Plan is intended to provide shares of Common Stock for investment and not for resale. The Company does not, however, intend to restrict or influence any Participant in the conduct of his own affairs. A Participant, therefore, may sell shares of Common Stock purchased under the Plan at any time he chooses, subject to compliance with any applicable federal or state securities laws or any applicable Company restriction periods. Notwithstanding the foregoing, because of certain federal tax requirements, each Participant agrees, by entering the Plan:

(i) promptly to give the Company notice of any shares of Common Stock disposed of within two years after the date of grant of the applicable option, or within one year after the Purchase Date, and the number of any shares disposed of (a "disqualifying disposition");

(ii) that the Company may withhold, pursuant to Code §§3102, 3301, and 3402, from his wages and other cash compensation paid to him in all payroll periods following in the same calendar year, any additional taxes for which the Company may become liable in respect of amounts includable in his income as additional compensation as a result of a disqualifying disposition, or as a result of the acquisition of Common Stock under the Plan; and

(iii) that he will repay the Company the amount of additional taxes for which the Company may become liable in respect of amounts includable in the Participant's income as additional compensation as a result of a disqualifying disposition, or as a result of the acquisition of Common Stock under the Plan, that cannot be satisfied by withholding from the wages and other cash compensation paid to him by the Company.

(h) This Plan is intended to comply in all respects with applicable law and regulations, including Rule 16b-3 of the Securities and Exchange Commission. In case any one or more provisions of this Plan is held invalid, illegal, or unenforceable in any respect under applicable law and regulation (including Rule 16b-3), the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired thereby and the invalid, illegal, or unenforceable provision will be deemed null and void. Notwithstanding the foregoing, to the extent permitted by law, any provision that could be deemed null and void will first be construed, interpreted, or revised retroactively to permit this Plan to be construed in compliance with all applicable law (including Rule 16b-3), so as to further the intent of this Plan. Notwithstanding anything herein to the contrary, if necessary to comply with the rules promulgated under Section 16(b) of the Securities Exchange Act of 1934, as amended from time to time, Participants who are officers and directors for purposes of that Section 16(b) and those rules will not be permitted to direct the sale of any Common Stock purchased hereunder until at least six months have elapsed from the date of a purchase hereunder, unless the Committee determines that the sale of the Common Stock otherwise satisfies the then current Rule 16b-3 requirements.

(i) Notwithstanding anything contained herein to the contrary, the maximum number of shares of Common Stock that may be purchased by any Employee during any Offering Period must not exceed 7,000, subject to adjustment in the manner described in Subsection (b) of Section 5. If the maximum number of shares of Common Stock is purchased by an Employee during any Offering Period and cash remains credited to the Employee's Account, the cash will be delivered as soon as practicable to that Employee.

XVI. EFFECTIVE DATE AND APPROVALS

The Plan will become effective as of January 1, 2007, provided that the Plan has been adopted by the Board on or prior to such date. Notwithstanding the foregoing, the Plan must be approved by the holders of a majority of the outstanding shares of Common Stock of the Company, which approval must occur within twelve months before or after the date the Plan is adopted by the Board. In the event stockholder approval is not obtained, the Plan will terminate and have no further force or effect, and all amounts collected from the Participants during any initial Offering Period(s) hereunder will be refunded.

XVII. APPLICABLE LAW

All questions pertaining to the validity, construction, and administration of the Plan will be determined in conformity with the laws of Illinois, to the extent not inconsistent with Section 423 of the Code and the regulations thereunder.

Adopted the day of , 2006.

**EXHIBIT C
POLICIES CONCERNING MBE AND WBE**

**MOZART SCHOOL CAMPUS PARK
CHICAGO, ILLINOIS**

**(COMMISSION'S RESOLUTION CONCERNING PARTICIPATION
OF
MINORITY BUSINESS ENTERPRISES
AND
WOMEN BUSINESS ENTERPRISES**

OCTOBER 1, 2004.)

Special Conditions Regarding Remedial Program for
Utilization of Minority Business Enterprise ("MBE"),
Women Business Enterprise ("WBE") and
Economically Disadvantaged Firms

SECTION 1

INTRODUCTION

SECTION 1.1 In February 1992 the Board of Commissioners (the "Board") of the Public Building Commission of Chicago (the "Commission") adopted a Remedial Program for Utilization of MBE and WBE firms (the "Program") as a means of providing open access to the award of Commission Contracts and to remedy the effects of racial and sexual discrimination which have placed such firms at a competitive disadvantage in the award of Commission Contracts.

SECTION 1.2 In 2003, District Judge James B. Moran in the case *Builders Association of Greater Chicago v. City of Chicago*, No. 96 C 1122 (N.D. Ill.) held that the evidence introduced at trial demonstrated that past and current discriminatory practices continue to place MBE and WBE firms at a competitive disadvantage in the award of governmental contracts and such practices have and continue to impede the growth and success of MBE and WBE firms.

SECTION 1.3 The Commission has a compelling interest in preventing public funds from perpetuating the past and current discrimination against MBE and WBE firms which currently exist in the market.

SECTION 1.4 The February 1992 Program adopted by the Commission has not been sufficient to ameliorate the effects of racial and gender discrimination in the marketplace.

SECTION 1.5 The remedies adopted herein by the Commission will not overly burden non-MBE and non-WBE firms in the award of Commission Contracts.

SECTION 1.6 The Commission will periodically review MBE and WBE participation on contracts awarded by the Commission to insure that the Commission continues to have a compelling interest in remedying discrimination against MBE and WBE firms in the award of Commission Contracts and that the measures adopted herein remain narrowly tailored to accomplish that objective.

SECTION 2

POLICY STATEMENT

SECTION 2.1 It is the policy of the Commission to ensure competitive business opportunities for MBE and WBE firms in the performance of Contracts, to prohibit discrimination in the award of or participation in Contracts, and to abolish arbitrary barriers to full participation in Contracts by all persons, regardless of race, sex or ethnicity. Therefore, during the performance of this Contract, the Contractor must agree that it shall not discriminate against any person or business on the basis of race, color, religion, ancestry, age, marital status, physical or mental handicap, unfavorable discharge from military service, parental status, sexual orientation, national origin or sex, in the solicitation or the purchase of goods and services or the subcontracting of work in the performance in this Contract.

SECTION 2.2 The Commission shall require the Contractor also agrees to take affirmative action to ensure that MBE and WBE firms shall have the maximum opportunity to compete for and perform subcontracts with respect to this Contract.

SECTION 3

SECTION 3.1 For purposes of this Special Condition, the following definitions shall apply:

(a) "Affiliate" of a person or entity means a person or entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the person or entity. In determining whether persons or entities are affiliates, the Commission shall consider all appropriate factors including common ownership, common management and contractual relationships. Affiliates shall be considered together in determining whether a firm is a Small Business Enterprise.

(b) "Broker" means a person or entity that fills orders by purchasing or receiving supplies from a third party supplier rather than out of existing inventory and provides no commercially useful function other than acting as a conduit between a supplier and a customer.

(c) "Certification" or "Certified" shall mean a person or entity qualified or granted certification as a Minority Business Enterprise (MBE) or Woman Business Entity (WBE) by the City of Chicago.

(d) "Commercially useful function" means responsibility for the execution of a distinct element of the work of the contract which is carried out by actually performing, managing and supervising the work involved or fulfilling responsibilities as a joint venture.

(e) "Construction Contract" means a contract for the construction, repair, alteration, renovation or improvement of any building, facility or other structure.

(f) "Contract" means any contract awarded by the Commission which is to be paid from funds belonging to or administered by the Commission regardless of source.

(g) "Contract Specific Goals" means the subcontracting goals for MBE and WBE participation established for a particular contract based upon the availability of MBEs and WBEs to perform and anticipated scope of work of the contract and the Commission's progress towards meeting the aspirational goals.

(h) "Contractor" means any person or business entity that seeks to enter into a Construction Contract with the Commission and includes all partners, affiliates and joint ventures of such person or entity.

(i) "Economically disadvantaged" means an individual whose personal net worth is less than \$750,000, indexed annually for the Chicago Metro Area Consumer Price Index published by the U.S. Department of Labor, Bureau of Labor Standards, beginning January, 1999.

(j) "Executive Director" means the Executive Director of the Commission or his duly designated representative as appointed in writing.

(k) "Good faith efforts" means actions undertaken by a Contractor to achieve a Contract Specific Goal that by their scope, intensity and appropriations to the objective can reasonably be expected to fulfill the Program's requirements.

(l) "Joint venture" means an association of two or more persons or entities or any combination of two or more business enterprises and persons numbering two or more, proposing to perform a single for-profit business enterprise, in which each joint venture partner contributes property, capital, efforts, skill and knowledge, and in which the MBE or WBE is responsible for a distinct, clearly-defined portion of the work of the contract and whose share in the capital contribution, control, management, risks and profits of the joint venture is equal to its ownership interest. Joint ventures must have an agreement in writing specifying the terms and conditions of the relationships between the parties and their relationship and responsibilities to the contract.

(m) "Local business enterprise" means, for purposes of Certification, a business entity located within the counties of Cook, DuPage, Kane, Lake, McHenry or Will in the State of Illinois (the "Six County Region"), which has the majority of its regular, full time work force located within the Six County Region.

(n) "Minority" means:

(i) Any individual in the following racial or ethnic groups, members of which are rebuttably presumed to be socially disadvantaged:

(A) African-Americans or Blacks, which includes persons having origins in any of the Black racial groups of Africa;

(B) Hispanics, which includes persons of Spanish culture with origins in Mexico, South or Central America or the Caribbean Islands, regardless of race; and

(ii) Individual members of other groups, including but not limited to Asian-Americans, Arab-Americans and Native-Americans, found by the Commission to be socially disadvantaged by having suffered racial or ethnic prejudice or cultural bias within American society, without regard to individual qualities, resulting in decreased opportunities to compete in Chicago area markets or to do business with the Commission.

(n) "Minority-owned business enterprise" or "MBE" means a small local business enterprise which is at least 51 percent owned by one or more economically disadvantaged minority persons, or in the case of a publicly held corporation at least 51 percent of all classes of the stock of which is owned by one or more economically disadvantaged minority persons whose management, policies, major decisions and daily business operations are independently managed and controlled by one or more economically disadvantaged minority persons.

(o) "Owned" means having all of the customary incidents of ownership, including the right of disposition and sharing in all of the risks, responsibilities and profits commensurate with the degree of ownership.

(p) "Personal net worth" means the net value of the assets of an individual after total liabilities are deducted. An individual's personal net worth does not include the individual's ownership interest in an applicant or other certified MBE or WBE or the individual's equity in his or her primary place of residence. As to

assets held jointly with his or her spouse, an individual's personal net worth includes only that individual's share of such assets. An individual's net worth also includes the present value of the individual's interest in any vested pension plans, Individual Retirement Accounts, 401(K) accounts or other retirement savings or investment programs less the tax and interest penalties that would be imposed if the asset were distributed at the present time.

(q) "Program" means the minority- and women-owned business enterprise construction procurement program established in this special condition.

(r) "Small business enterprise" means a small business as defined by the U.S. Small Business Administration pursuant to the business size standards found in 13 C.F.R Part 121 relevant to the scope(s) of work the firm seeks to perform on Commission contracts. A firm is not an eligible small business enterprise in any fiscal year in which its gross receipts, averaged over the firm's previous five fiscal years, exceed the size standards of 13 C.F.R Part 121.

(s) "Small local business enterprise" means a business that is a small business enterprise and a local business enterprise.

(t) "Woman" means a person of the female gender, who is presumed to be socially disadvantaged.

(u) "Women-owned business enterprise" or "WBE" means a small local business enterprise which is at least 51 percent owned by one or more economically disadvantaged women or in the case of a publicly owned business, at least 51 percent of all classes of the stock of which is owned by one or more economically disadvantaged women, whose management, policies, major decisions and daily business operations are independently managed and controlled by one or more economically disadvantaged women.

SECTION 4

ASPIRATIONAL AND CONTRACT SPECIFIC GOALS

SECTION 4.1 Upon the effective date of these Special Conditions, the bi-annual aspirational goals shall be to award 24 percent of the annual dollar value of all Commission Construction Contracts to certified MBEs and 4 percent of the annual dollar value of all Commission Contracts to qualified WBEs and 25 percent of the annual dollar value of all other Commission Contracts to certified MBEs and 5 percent of the annual dollar value of the all other Commission Contracts to certified WBEs.

The Commission shall establish subsequent bi-annual aspirational goals for the award of Commission Contracts based on the best available evidence. Quotas are hereby prohibited.

SECTION 4.2 As one method to achieve the aspirational goals, the Executive Director is authorized to establish contract specific goals for MBE and WBE participation for each contract let through competitive bidding. Contract specific goals shall be based on normal industry practice, as determined in consultation with other governmental agencies, the scope of work of the contract, the availability of at least three MBEs and three WBEs to perform the functions of those individual contracts, and the Commission's progress to date towards meeting the bi-annual, aspirational goals of Section 4.1. The Executive Director shall implement administrative procedures to establish contract-specific goals.

SECTION 4.3 Each Bidder's commitment to utilization of certified MBE and WBE firms shall be considered as further evidence of the responsibility of the Bidder. Further, the Bidder must agree to use its best efforts to include MBE and WBE firms in any Contract modification work that increases the Contract value of ten (10%) percent of the initial Contract value or fifty thousand (\$50,000) dollars, whichever is less.

SECTION 4.4 Failure to carry out the commitments and policies set forth in this Program shall constitute a material breach of contract and may result in termination of the Contractor or such other remedy as the Commission deems appropriate.

SECTION 5

RACE AND GENDER-NEUTRAL MEASURES

SECTION 5.1 The Commission shall develop and use race and gender-neutral measures to facilitate the participation of small business enterprises in Commission Contracts. Race and gender-neutral measures shall be used to the maximum feasible extent to meet the bi-annual aspirational goals established in Section 4.1. These measures may include, but are not limited to:

- (a) Arranging solicitation times for the presentations of bids, specifications, and delivery schedules so as to facilitate the participation of interested contractors and subcontractors;
- (b) Segmenting contracts so as to facilitate the participation of small business enterprises;
- (c) Providing assistance to businesses in overcoming barriers such as difficulty in obtaining bonding and financing;

- (d) Providing timely informational programs on contracting procedures, bid preparation and specific contracting opportunities;
- (e) Holding pre-bid conferences, where appropriate, to explain the projects and to encourage contractors to use small business enterprises as subcontractors;
- (f) Adopting prompt payment procedures, including requiring by contract that prime contractors pay subcontractors within specified days of receipt of payment from the Commission and where necessary, issuing payments directly to subcontractors in lieu of payments to prime contractors;
- (g) Reviewing bonding, insurance and retainage requirements so as to eliminate unnecessary barriers to and reduce the burdens of contracting with the Commission;
- (h) Expediting payments and advancing payments to cover start-up and mobilization costs, where appropriate;
- (i) Providing information concerning small business loan programs and other programs providing access to capital to small business enterprises;
- (j) Collecting information from all prime contractors on Commission construction contracts detailing the bids received from all subcontractors for Commission construction contracts and the expenditures to subcontractors utilized by prime contractors on Commission construction contracts;
- (k) At the discretion of the Executive Director, letting a representative sample of Commission construction contracts without goals to determine MBE and WBE utilization in the absence of goals;
- (l) Providing a bid preference on construction contracts of 2 percent for firms bidding on prime contracts whose principal place of business is located in the City of Chicago;
- (m) Limiting the self-performance of prime contractors, where appropriate;
- (n) Creating a target market program for bidding on Commission prime construction contracts by small local business enterprises;
- (o) To the extent practicable, awarding contracts requiring the expenditure of funds not exceeding \$5,000 to small local business enterprises; and
- (p) Referring complaints of discrimination against MBEs or WBEs to appropriate authorities, for investigation and resolution.

SECTION 6

CONTRACT PROVISION

SECTION 6.1 Each Commission Contract let through competitive bidding with an estimated value in excess of \$5,000 for which contract specific goals have been established shall contain the following requirements:

- (a) Include with the bid specifications for each competitively bid contract a list of certified MBEs and WBEs that are available to perform the work required by the specifications or otherwise make such a list available to potential contractors.
- (b) A description of this Special Condition and the program including the requirement of an approved compliance plan; the requirements related to achieving the goals and counting MBE or WBE participation towards meeting the goals; if goals are not met, the requirement of documentation of the Contractor's good faith efforts to achieve the goals including the good faith efforts of MBEs and WBEs to achieve the goal for which they do not qualify; and a requirement that the Contractor commit to the expenditure of at least the dollar value of the contract specific goals with one or more MBEs and one or more WBEs or make good faith efforts to do so. This commitment may be met by the contractor's status as a MBE or WBE, a joint venture with one or more MBEs or WBEs as prime contractor (to the extent of the MBE's or WBE's participation in such joint venture), subcontracting a portion of the work to one or more MBEs or WBEs, purchasing materials or services for the work from one or more MBEs or WBEs or by any combination of the foregoing;
- (c) A requirement that prime contractors on Commission construction contracts notify MBEs and WBEs utilized on those contracts about opportunities on contracts without affirmative action contracting goals;
- (d) A requirement that where the Contractor cannot achieve the contract specific goals it must document its good faith efforts to do so. In determining whether the contractor has made such good faith efforts, the performance of other contractors in meeting the goals may be considered. The Executive Director or his designee shall consider, at a minimum, the Contractor's efforts to do the following:
 - (i) Soliciting through reasonable and available means the interest of MBEs or WBEs that have the capability to perform the work of the contract. The contractor must solicit this interest within sufficient time to allow the MBEs or WBEs to respond. The contractor must take appropriate steps to follow up initial solicitations with interested MBEs or WBEs.

- (ii) Provide interested MBEs or WBEs with adequate information about the plans, specifications and requirements of the contract, including addenda, in a timely manner to assist them in responding to the solicitation.
- (iii) Negotiating in good faith with interested MBEs or WBEs that have submitted bids. Documentation of negotiation must include the names, addresses and telephone numbers of MBEs or WBEs that were solicited; the date of each such solicitation; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why agreements could not be reached with MBEs or WBEs to perform the work. That there may be some additional costs involved in solicitation and using MBEs and WBEs is not a sufficient reason for a contractor's failure to meet the goals, as long as such costs are reasonable.
- (iv) Not rejecting MBEs or WBEs as being unqualified without sound reasons based on the thorough investigation of their capabilities. The MBEs' or WBEs' standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations are not legitimate causes for rejecting or not soliciting bids to meet the goals.
- (v) Making a portion of the work available to MBE or WBE subcontractors and suppliers and to select those portions of the work or material consistent with the available MBE or WBE subcontractors and suppliers, so as to facilitate meeting the goals.
- (vi) Making good faith efforts despite the ability or desire of a Contractor to perform the work of a contract with its own organization. A Contractor that desires to self-perform the work of a contract must demonstrate good faith efforts unless the goals have been met.
- (vii) Selecting portions of the work to be performed by MBEs or WBEs in order to increase the likelihood that the goals will be met. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate MBE or WBE participation even when the Contractor might otherwise prefer to perform these work items with its own forces.
- (viii) Making efforts to assist interested MBEs or WBEs in obtaining bonding lines of credit or insurance as required by the Commission or Contractor.
- (ix) Making efforts to assist interested MBEs or WBEs in obtaining necessary equipment, supplies, materials or related assistance or services, including participation in a mentor-protégée program; and

- (x) Effectively using the services of the Commission; minority or women community organizations; minority or women contractors' groups; local, state and federal minority or women business assistance offices; and other organizations to provide assistance in the recruitment and placement of MBEs or WBEs.
- (e) Provide a procedure whereby the Contractor may protest the determination that it did not make good faith efforts.
- (f) Negotiate with any Contractor whose contract is in excess of \$25,000 in value and is not awarded by competitive bidding a commitment, where practicable, to meet at least the aspirational goals as percentages of the dollar value of the contract.
- (g) Include MBEs and WBEs on solicitation mailing lists and encourage that they be solicited for suitable contracts.
- (h) Publicize the Program through appropriate means, in order to attract qualified MBEs and WBEs.

SECTION 6.2 To achieve the contract specific goals, the Executive Director shall undertake, in addition to the other measures provided herein, the following:

- (a) Include uniform provisions permitting the termination of the contract by the Commission upon the disqualification of the Contractor as a MBE or WBE if the contractor's status as MBE or WBE was a factor in the award of the contract and such status was misrepresented by the Contractor;
- (b) Include uniform provisions permitting termination of the contract by the Commission upon the disqualification of any MBE or WBE if the subcontractor's or supplier's status as a MBE or WBE was a factor in the award of the contract and the status of the subcontractor or supplier was misrepresented by the contractor. In the event that the contractor is determined not to have been involved in any misrepresentation of the status of the disqualified subcontractor or supplier, the contractor shall discharge the disqualified subcontractor or supplier and make good faith efforts to engage a qualified MBE or WBE replacement;
- (c) Include uniform provisions allowing the Executive Director access to the Contractor's books and records, including without limitation payroll records, tax returns and records and books of account, to determine the Contractor's compliance with its commitment to MBE and WBE participation and the status of any MBE or WBE performing any portion of the contract. This provision shall be in addition to, and not a substitute for, any other provision allowing inspection of the Contractor's records by the Commission for any purpose;

(d) Review each proposed contract modification request that, by itself or aggregated with previous modification requests, increases the contract value by ten percent of the initial contract value or \$50,000.00, whichever is less, for opportunities to increase participation of MBEs or WBEs. Where the proposed contract modification involves work which can be performed by MBEs or WBEs already performing work on the contract such MBEs and WBEs shall participate in such work specified in the contract modification;

(e) Insert in each contract containing a commitment to MBE and/or WBE participation:

(i) A requirement of periodic reporting by the Contractor to the Executive Director on all expenditures made to achieve compliance with the foregoing provisions. Such reports shall include the name and business address of each subcontractor and supplier actually involved in the contract, a description of the work performed and/or product or service supplied by each such subcontractor or supplier, the date and amount of each expenditure, and such other information as may assist the Executive Director in determining the Contractor's compliance with the foregoing provisions;

(ii) A requirement that the Contractor cannot make changes to its contractual MBE and WBE commitments or substitute such MBE or WBE subcontractors without the prior written approval of the Executive Director. Unauthorized changes or substitutions, including performing the work designated for a subcontractor with the contractor's own forces, shall be a violation of this section and a breach of the contract with the Commission, and may cause termination of the contract for breach, and/or subject the Contractor to contract remedies or other sanctions. The facts supporting the request must not have been known nor reasonably should have been known by the parties prior to entering into the subcontract.

(f) Substitutions of the subcontractor shall be permitted only on the following bases:

(I) Unavailability after receipt of reasonable notice to proceed;

(ii) Failure of performance;

(iii) Financial incapacity;

(iv) Refusal by the subcontractor to honor the bid or proposal price or scope;

(v) Mistake of fact or law about the elements of the scope of work of a solicitation where a reasonable price cannot be agreed;

- (vi) Failure of the subcontractor to meet insurance, licensing or bonding requirements;
- (vii) The subcontractor's withdrawal of its bid or proposal; or
- (viii) Decertification of the subcontractor as MBE or WBE.

Where the Contractor has established the basis for the substitution to the satisfaction of the Executive Director, it must make good faith efforts to substitute with a MBE or WBE subcontractor. If the MBE or WBE contract specific goal cannot be reached and good faith efforts have been made, the Contractor may substitute with a non-MBE or non-WBE. If a Contractor plans to hire a subcontractor on any scope of work that was not previously disclosed within the compliance plan the Contractor must obtain the approval of the Executive Director to modify the compliance plan and must make good faith efforts to ensure that MBEs or WBEs have a fair opportunity to bid on the new scope of work.

SECTION 7

DETERMINING MBE/WBE UTILIZATION

SECTION 7.1 The methodology for determining MBE and WBE utilization shall be determined for purposes of analysis with respect to this contract as follows:

- (a) The total dollar value of the contract awarded to the certified MBE or WBE firm shall be credited to such participation. Only minority business participation may be counted toward MBE participation and only women business participation may be counted toward WBE participation.
- (b) The total dollar value of a contract with a firm owned and controlled by minority women is counted toward either the MBE or WBE goal, but not both. The Contractor employing the firm may choose the goal to which the contract value is applied. Various work done by one and the same subcontractor shall be considered, for the purpose of this principle, as work effectively done under one subcontract only, which subcontractor may be counted toward only one of the goals, not toward both.
- (c) In a firm owned and controlled by both minority males and minority females, if the minority females own and control 51% or more of the business, then the total dollar value of a contract with such firm may be counted toward either MBE participation or WBE participation, but not both. If the minority females, however, own and control less than 51% of the firm, then the firm's participation may be counted only toward MBE utilization.

(d) A Contractor may count toward its MBE or WBE goal the portion of the total dollar value of a contract with an eligible joint venture equal to the percentage of the ownership and control of the MBE or WBE partner in the joint venture. A joint venture seeking to be credited for MBE participation may be formed among certified MBE and WBE firms, or between certified MBE and WBE firms and a non-MBE/WBE firm. A joint venture satisfies the eligibility standards of this Program if the certified MBE or WBE participant of the joint venture:

(i) Shares in the ownership, control, management responsibilities, risks and profits of the joint venture; and

(ii) Is responsible for a clearly defined portion of work to be performed in proportion to the MBE or WBE ownership percentage.

(e) A Contractor may count toward its MBE and WBE goals only expenditures to firms that perform a commercially-useful function in the work of a contract. A firm is considered to perform a commercially-useful function when it is responsible for execution of a distinct element of the work of a contract and carries out its responsibilities by actually performing, managing, and supervising the work involved. To determine whether a firm is performing a commercially-useful function, the Commission shall evaluate the amount of work subcontracted, industry practices and other relevant factors.

(f) Consistent with normal industry practices, a MBE or WBE firm may enter into subcontracts. If a MBE or WBE contractor subcontracts a significantly greater portion of the work of a contract than would be expected on the basis of normal industry practices, the MBE or WBE shall be rebuttably presumed not to be performing a commercially-useful function.

(g) A Contractor may count toward its goals expenditures to MBE or WBE manufacturers (i.e., suppliers that produce goods from raw materials or substantially alters them before resale).

(h) A Contractor may count toward its goals expenditures to MBE or WBE suppliers provided that the supplier performs a commercially-useful function in the supply process.

SECTION 8

SUBMISSION OF BID PROPOSALS

SECTION 8.1 The following schedules and documents constitute the Bidder's MBE/WBE compliance proposal and must be submitted at the time of the bid or proposal or within such extended period as provided in Section VII hereof:

(a) Evidence of Certification/Schedule A: Affidavit of MBE/WBE. A copy of each proposed MBE and WBE firm's Letter of Certification from the certifying agency must be submitted. Where the Bidder's MBE/WBE compliance proposal includes any MBE or WBE firm that is not currently certified (as evidenced by a Letter of Certification), "Schedule A: Affidavit of MBE/WBE" executed by the proposed MBE or WBE must be submitted.

(b) Schedule B: Affidavit of MBE/Non-MBE or WBE/Non-WBE Joint Ventures. Where the Bidder's MBE/WBE compliance proposal includes participation of any MBE or WBE as a joint venture participant on any tier, the Bidder must submit a "Schedule B: Affidavit of MBE/Non-MBE or WBE/Non-WBE Joint Venture" with an attached copy of the joint venture agreement proposed among the parties. The Schedule B and the joint venture agreement must clearly evidence that the MBE or WBE participant will be responsible for a clearly defined portion of the work to be performed and that the MBE or WBE firm's responsibilities are in proportion with its ownership percentage. In order to demonstrate the MBE or WBE participant's share in the ownership, control, management responsibilities, risks and profits of the joint venture, the proposed joint venture agreement should include specific details related to:

- (i) The contributions of capital and equipment;
- (ii) Work items to be performed by the MBE or WBE firm's own forces;
- (iii) Work items to be performed under the supervision of the MBE or WBE participant; and
- (iv) The commitment of management, supervisory and operational personnel employed by the MBE or WBE to be dedicated to the performance of the contract.

(c) Schedule C: Letter of Intent to Perform as a Subcontractor, Subconsultant, or Material Supplier, Schedule C, executed by the MBE/WBE firm (or Joint Venture Subcontractor) must be submitted by the Bidder for each MBE/WBE included on the Schedule D. Schedule C must accurately detail the work to be performed by the MBE or WBE firm and the agreed rates and prices to be paid.

(d) Schedule D: Affidavit of Prime Contractor Regarding MBE or WBE Utilization. A completed Schedule D committing to the utilization of each listed MBE or WBE firm. Unless the Bidder has submitted a completed request for a waiver of participation by MBE/WBE firms (See Request for Waiver procedures in Section VIII hereof), the Bidder must include the specific dollar amount of participation of each MBE/WBE firm listed on its Schedule D. The total dollar commitment to proposed MBE firms must at least equal the MBE goal, and the total dollar commitment to proposed WBE firms must at least

equal the WBE goal. Bidders are responsible for calculating the dollar equivalent of MBE or WBE utilization as percentages of their total base bid.

SECTION 8.2 The submittals must have all blank spaces on the Schedule pages applicable to the contract correctly filled in. Agreements between a Bidder and a MBE/WBE in which the MBE/WBE promises not to provide subcontracting quotations to other Bidders are prohibited.

SECTION 9

EVALUATION OF BID PROPOSALS

SECTION 9.1 During the period between bid opening and contract award, the submitted documentation will be evaluated by the Commission. The Bidder agrees to provide, upon request, earnest and prompt cooperation to the Executive Director or his designee in submitting to interviews that may be necessary, in allowing entry to places of business, in providing further documentation, or in soliciting the cooperation of a proposed MBE or WBE firm in providing such assistance. A bid may be treated as non-responsive by reason of the determination that the Bidder's proposal did not contain a sufficient level of Certified MBE or WBE participation, that the Bidder was unresponsive or uncooperative when asked for further information relative to the proposal, or that false statements were made in the Schedules.

SECTION 9.2 If the Commission's review of a Bidder's proposal concludes that the MBE or WBE proposal was deficient, the Commission shall promptly notify the Bidder of the apparent deficiency and instruct the Bidder to submit (within three (3) business days of such notice given by the Commission) a modification of the MBE or WBE Proposal, in proper format, which remedies the deficiencies cited. Failure to correct all deficiencies cited by the Commission will be cause for rejection of the Bidder's proposal as nonresponsive.

SECTION 9.3 Bidders will not be permitted to modify their MBE/WBE compliance proposal except insofar as directed to do so by the Commission. Therefore, all terms and conditions stipulated for prospective MBE and WBE subcontractors or suppliers should be satisfactorily negotiated prior to the submission to the Commission of the Bidder's MBE/WBE compliance proposal with the bid. If circumstances should arise, however, where a proposed MBE/WBE is no longer available, the process described in Section 6.2(f) should be followed.

SECTION 10

REQUEST FOR WAIVER

SECTION 10.1 If a Bidder is unable to identify qualified MBE and WBE firms to perform sufficient work to fulfill the MBE or WBE percentage goals for this Contract, the bid or proposal must include a written request for waiver. A request for waiver shall set forth the Bidder's

inability to obtain sufficient MBE and WBE firms notwithstanding good faith attempts to achieve such participation.

SECTION 10.2 Examples of such good faith efforts may include, but are not limited to, the following:

- (a) Attendance at the Pre-bid conference;
- (b) The Bidder's general affirmative action policies regarding the utilization of MBE and WBE firms, plus a description of the methods used to carry out those policies;
- (c) Advertisement in trade association newsletters and minority and women-oriented and general circulation media for specific sub-bids;
- (d) Timely notification of specific sub-bids to minority and women contractor assistance agencies and associations;
- (e) Description of direct negotiations with MBE and WBE firms for specific sub-bids, including:
 - (i) The name, address and telephone number of MBE and WBE firms contacted;
 - (ii) A description of the information provided to MBE and WBE firms regarding the portions of the work to be performed; and
 - (iii) The reasons why additional MBE and WBE firms were not obtained in spite of negotiations.
- (f) A statement of the efforts made to select portions of the work proposed to be performed by MBE and WBE firms (such as sub-supplier, transport, engineering, distribution, or any other roles contributing to production and delivery as specified in the contract) in order to increase the likelihood of achieving such participation.
- (g) As to each MBE and WBE contacted which the Bidder considers to be not qualified, a detailed statement of the reasons for the Bidder's conclusion.
- (h) Efforts made by the Bidder to expand its search for MBE and/or WBE firms beyond usual geographic boundaries.
- (i) General efforts made to assist MBE and WBE firms to overcome participation barriers.

SECTION 10.3 The Executive Director, after review and evaluation of the documents provided by the Bidder, may grant a waiver request upon the determination that:

- (a) Sufficient qualified MBE and/or WBE firms capable of providing the goods or services required by the contract are unavailable despite the good faith efforts of the Bidder;
- (b) The Bidder is the sole source for work to be performed under the contract; or
- (c) The price(s) quoted by potential MBE and/or WBE firms for goods or services is above competitive levels to an extent unwarranted by any increased cost of doing business attributable to the present effects of disadvantage or discrimination.

SECTION 11

REPORTING AND RECORD-KEEPING REQUIREMENTS

SECTION 11.1 The Contractor, within five (5) working days of contract award, shall execute a formal subcontract or purchase order in compliance with the terms of the Contractor's bid proposal and MBE/WBE assurances, and submit to the Commission a copy of the MBE and WBE subcontracts or purchase orders, each showing acceptance of the subcontract or purchase order by the MBE and WBE firms. During the performance of the contract, the Contractor shall submit partial and final waivers of lien from MBE and WBE subcontractors and suppliers indicating the current payment amount and the cumulative dollar amount of payments made to date. The Contractor shall file regular MBE and WBE utilization reports on the form entitled "Status Report of MBE and WBE (Sub) Contract Payments" at the time of submitting each monthly payment voucher ("Summary of Estimate"), which reflects the current status of cumulative and projected payments to MBE and WBE firms.

SECTION 11.2 The Contractor shall maintain records of all relevant data with respect to the utilization of MBE and WBE firms, including without limitation payroll records, tax returns and records, and books of account, and retain such records for a period of at least three (3) years after final acceptance of the work. Full access to such records shall be granted to the Commission and/or its designees, on five (5) business days' notice in order for the Commission to determine the Contractor's compliance with its MBE and WBE commitments and the status of any MBE or WBE firm performing any portion of the contract.

SECTION 12

NON-COMPLIANCE AND LIQUIDATED DAMAGES

SECTION 12.1 The Executive Director has the authority to apply suitable sanctions to the Contractor if the Contractor is found to be in non-compliance with the MBE and WBE requirements. Failure to comply with the MBE or WBE terms of this contract or failure to use MBE and WBE firms as stated in the Contractor's assurances constitutes a material breach of the contract, and may lead to the suspension or termination of the contract in part or in whole, disqualification from entering into future contracting arrangements with the Commission, and criminal liability. In some cases, monthly progress payments may be withheld until corrective action is taken.

SECTION 12.2 When the contract is completed, in the event that the Executive Direct has determined that the Contractor did not comply in the fulfillment of the required MBE and/or WBE goals, and a grant of relief of the requirements was not obtained, the Commission will thereby be damaged in the failure to provide the benefit of participation to minority or women business to the degree set forth in this Special Condition. Therefore, in case of such non-compliance, the Commission will deduct as liquidated damages one (1%) percent (or fraction thereof) deficiency toward the MBE goal or WBE goal.

SECTION 13

REVIEW AND SUNSET

SECTION 13.1 These Special Conditions shall be reviewed no later than 5 years from their adoption and shall expire on October 31, 2009 unless the Commission find that its remedial purposes have not been fully achieved and there is a compelling interest in continuing narrowly tailored remedies to redress discrimination against MBEs or WBEs so that the Commission will not function as a passive participant in a discriminatory marketplace.

SECTION 14

SEVERABILITY

SECTION 14.1 In the event that any section, subsection, paragraph, clause, provision or application of these Special Conditions shall be held invalid by any court, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/09/2006

PRODUCER
Aon Risk Services, Inc. of Illinois
200 East Randolph
Chicago IL 60601 USA

PHONE: (866) 283-7122 FAX: (847) 953-5390

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Navigant Consulting, Inc.
615 North Wabash Avenue
ATTN: Wayne M. Koprowski
Chicago, IL 60611 USA

PS-1010

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Arch Specialty Insurance Company	21199
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		

COVERAGES SIR: May Apply

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADDY INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE(MM/DD/YY)	POLICY EXPIRATION DATE(MM/DD/YY)	LIMITS	
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <hr/> GENTL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE	
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION				BODILY INJURY (Per accident)	
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				PROPERTY DAMAGE (Per accident)	
A		OTHER Prof Liability	SPL000419401	01/30/06	01/30/07	AUTO ONLY - EA ACCIDENT	
						OTHER THAN AUTO ONLY: EA ACC AGG	
						EACH OCCURRENCE	
						AGGREGATE	
						WC STATUTORY LIMITS	OTH-ER
						E.L. EACH ACCIDENT	
						E.L. DISEASE-EA EMPLOYEE	
						E.L. DISEASE-POLICY LIMIT	
						Each Claim	\$1,000,000
						Aggregate	\$1,000,000
						SIR/Deductible	\$1,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

11/19/2006 CDS in lieu of Carrie

CERTIFICATE HOLDER

Public Building Commission
Richard J. Daley Center
Room 200
Chicago IL 60602 USA

PS 1009
1010
1011
1012
1030

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Holder Identifier :
Certificate No : 570020137877

