

Exhibit B

Certificate of Compliance

Company: The Advisory Board Company

Reporting Year: January 1 through December 31, 2012 Year # 2 of 10

1.0 Investment

- 1.1 §1.01 of the Agreement requires that after the Effective Date of the Agreement and before December 31, 2017, The Advisory Board Company shall ensure that the Company or its lessor, or landlord, or owner of the real property at which the Software Center is located, has invested at least \$8,100,000 in the making of leasehold improvements to the Company's Austin-based Software Center.
- a. To date the City has not verified The Advisory Board Company's investment in leasehold improvements.
- b. \$ 0 has been invested in leasehold improvements to The Advisory Board Company's Software Center located at 12357-C Riata Trace Parkway during the year ended December 31, 2012.

2.0 Employment

- 2.1 §1.02(a) and 1.02(b) of the Agreement require The Advisory Board Company to create 239 New Full-time Jobs by December 31, 2015, while retaining the existing 91 Full-time Jobs for the entire term of this Agreement. The job creation and retention schedule is as follows:
- 50 New & 91 Retained Full-time Jobs before December 31, 2011;  
109 New & 91 Retained Full-time Jobs before December 31, 2012;  
159 New & 91 Retained Full-time Jobs before December 31, 2013;  
209 New & 91 Retained Full-time Jobs before December 31, 2014;  
239 New & 91 Retained Full-time Jobs before December 31, 2015;  
239 New & 91 Retained Full-time Jobs before December 31, 2016;  
239 New & 91 Retained Full-time Jobs before December 31, 2017;  
239 New & 91 Retained Full-time Jobs before December 31, 2018;  
239 New & 91 Retained Full-time Jobs before December 31, 2019; and  
239 New & 91 Retained Full-time Jobs before December 31, 2020.
- 2.2 Jobs Created and Retained:
- a. Number of New Full-time Jobs created as of December 31, 2012: 109
- b. Number of Retained Full-time Jobs through December 31, 2012: 91
- 2.3 Did the average annual wages of all New Full-Time Jobs, excluding health insurance and retirement benefits, during the year ended December 31, 2012 equal at least \$90,000 as required by §1.02(c) of the Agreement?
- Yes  No
- 2.4 As of December 31, 2012 did the number of Full-time Jobs and created and retained fall below the numbers required under §1.02(a) of the Agreement?
- Yes  No

If not, skip to Section 3.

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2.5 Did the Company re-establish the required numbers of Full-time Jobs created and retained within 90 days after December 31, 2012, as required by §1.02(d) of the Agreement?

Yes

No

2.6 Jobs Created and Retained:

a. Number of New Full-time Jobs created as of March 31, 2013: \_\_\_\_\_

b. Number of Retained Full-time Jobs through March 31, 2013: \_\_\_\_\_

2.7 Did the average annual wages of all New Full-Time Jobs, excluding health insurance and retirement benefits, during the year ended March 31, 2013 equal at least \$90,000 as required by §1.02(c) of the Agreement?

Yes

No

**3.0 Recruitment**

3.1 §1.03 of the Agreement requires The Advisory Board Company to:

- a. Make commercially reasonable efforts to work with non-profit organizations such as the Austin Asian American Chamber of Commerce, the Capital City African American Chamber of Commerce, the Career Expo for People with Disabilities, the Greater Austin Hispanic Chamber of Commerce, the National Society of Black Engineers, the Out and Equal Summit, the Society of Hispanic Professional Engineers, and other appropriate organizations, to expand its pool of diverse candidates in hiring recruitment efforts for the jobs at the Software Center;
- b. Adhere to its Fair Employment Policies and Practices attached as Exhibit "A"; and
- c. Make commercially reasonable efforts to employ residents of the Austin-Round Rock Metropolitan Statistical Area for its New Full-Time Jobs.

3.2 Did the Company comply with the requirements in §1.03 during the year ended December 31, 2012?

Yes

No

**4.0 Local Business Participation**

4.1 §1.04(a) of the Agreement requires The Advisory Board Company to:

- a. Use commercially reasonable efforts to provide local minority-owned, women-owned and veteran-owned businesses an equal opportunity to participate as suppliers for materials and services purchased by the Company exclusively for use at the Software Center;
- b. Develop and submit to the City a reasonable supplier diversity policy regarding the Company's procurement of materials and services to be used exclusively at the Software Center within 90 days of the effective date of the Agreement; and

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c. Adhere to its supplier diversity policy for the procurement of materials and services at the Software Center.

4.2 Did The Advisory Board Company comply with the local business participation requirements in §1.04(a) of the Agreement during the year ended December 31, 2012?

Yes  No

4.3 Was there any design or construction work at The Advisory Board Company's Software Center during the year ended December 31, 2012?

Yes  No

If not, skip to Section 5.0.

4.4 §1.04(b) of the Agreement requires The Advisory Board Company to comply with the applicable standards and principles of Chapters 2-9A through 2-9D of the City Code regarding minority-owned and women-owned business enterprises ("M/WBE Program Ordinance") in the design and construction of all facilities, including, but not limited to, leasehold improvements.

4.5 §1.04(c) of the Agreement requires that with respect to any design or construction projects including, but not limited to, construction of any leasehold improvements for the Software Center, the Company, its architect and its general contractor must meet the following ethnic-specific participation goals:

	Professional Services Participation Goals	Construction Participation Goals
African-American-owned Business Enterprises	1.9%	1.7%
Hispanic-owned Business Enterprises	9.0%	9.7%
Asian-American and Native American-owned Business Enterprises	4.9%	2.3%
Women-owned Business Enterprises	15.8%	13.8%

In the event that the Company enters into a build-to-suit lease or turn-key tenant improvement lease for the Software Center, it is the Company's responsibility to ensure that the landlord complies with this Section for all construction and design projects relating to the Company's move-in. If the Company, the landlord (in the event the Company has entered into a build-to-suit lease or turn-key tenant improvement lease), the architect and the general contractor fail to meet each of these goals, the Company must submit documentation demonstrating its own, the landlord's, the architect's and the general contractor's good faith efforts to meet the goals. Good faith efforts are those efforts described in the City's M/WBE Program Ordinance.

4.6 §1.04(e) of the Agreement requires that during design and construction of the Software Center, the Company shall provide monthly reports to the City's Small and Minority Business Resources Department (SMBR) to track (i) the utilization on a percentage basis

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of M/WBE firms in the design and construction of buildings or improvements; and (ii) a summary of the Company's efforts to implement the standards and principles of the City's M/WBE Program Ordinance. SMBR shall provide the forms to be used by the Company in submitting such reports.

4.7 Did the Company comply with the requirements in §1.04(b), 1.04(c), 1.04(d) and §1.04(e) of the Agreement during the year ended December 31, 2012?

Yes

No

**5.0 Additional Covenants**

5.1 Did the Company comply with the other provisions of the Agreement?

Yes

No

**6.0 Incentive Payment Request**

6.1 §2.01 and 2.02 of the Agreement require economic development incentive payments not to exceed \$372,590 over the term.

6.2 For The Advisory Board Company obligations performed during calendar years 2011 through 2020, the City shall pay \$190.00 for each New Full-Time Job created and retained as of December 31<sup>st</sup> of the applicable year and for each New Full-Time Job created during a prior year during the term of this Agreement and retained for the entire applicable year if the Company has complied with all of its obligations under this Agreement.

6.3 To date the City has paid \$9,500.00 in economic development incentive payments to The Advisory Board Company.

6.4 Number of New Full-time Jobs from §2.2.a (or §2.6.a) above: 109

6.5 Total Request for year ended December 31, 2012: 20,710

I, the authorized representative for The Advisory Board Company, hereby certify that the above information is correct and accurate pursuant to the terms of the Agreement. I further certify that The Advisory Board Company complied fully with the Chapter 380 Economic Development Agreement during the year ended December 31, 2012, including Section 1.05 regarding Compliance with City Regulations and Section 1.07 regarding Texas Government Code Chapter 2264.

Signature: 

Printed Name: Pete Macleod

Title (Chief Financial Officer or equivalent): Associate General Counsel

Date: 3/26/2013