

**APPROVE EXERCISING THE SECOND OPTION TO RENEW THE AGREEMENT WITH PUBLIC CONSULTING GROUP, INC. FOR HEALTH AND SOCIAL SERVICES PROGRAM MANAGEMENT FOR FEDERAL REIMBURSEMENT PROGRAMS**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve exercising the second option to renew the agreement with Public Consulting Group (PCG) to provide administrative services for collection and documentation of data on health and social services programs for Federal reimbursement programs provided by the Chicago Public Schools to its students at a cost for the second option period not to exceed \$2,300,000. A written document exercising this second option is currently being negotiated. No payment shall be made to Consultant during the second option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this second option is stated below.

**CONSULTANT:**

Public Consulting Group, Inc.  
100 West Monroe Street, 12<sup>th</sup> Floor  
Chicago, IL 60603  
Stephen Skinner, Principal  
312-425-0550  
Vendor No. 27249

**USER:**

Office of School Financial Services  
125 S. Clark, 14<sup>th</sup> Floor  
Office of Specialized Services  
125 S. Clark, 8<sup>th</sup> Floor  
Chicago, IL 60603  
Daryl Okrzesik/Renee Grant-Mitchell  
773-553-2727 and 773-553-1804

**ORIGINAL AGREEMENT:** The original Agreement (authorized by Board Report 02-0123-PR29) in the amount not to exceed \$2,500,000 annually is for a term commencing February 1, 2002 and ending January 31, 2004, with the Board having 2 options to renew for 1 year terms. The original agreement was renewed (authorized by Board Report 03-1217-PR27) in the amount not to exceed \$2,300,000 for a term commencing February 1, 2004 and ending January 31, 2005.

**OPTION PERIOD:** The term of this agreement is being extended for 1 year commencing February 1, 2005 and ending January 31, 2006.

**OPTION PERIODS REMAINING:** There are no option periods remaining.

**SCOPE OF SERVICES:** Consultant shall continue to provide the following services:

- Develop a Medicaid Claiming Management Plan that addresses submission of Medicaid Fee-for-Service and Administrative Outreach Claims (AOC) for health and social services.
- Develop TANF Claiming Management Plan that addresses submission of TANF and MOE claims for services delivered to CPS students.
- Develop a Revenue Enhancement Plan and Legislative Policy Agenda that structure ideas for boosting CPS revenues for health and social services through Federal, State, and other grant monies.

- Develop a Cost Allocation Plan that addresses strategies for developing and implementing a cost allocation system for centrally provided services and indirect program costs that are compatible with fee-for-service programs and administering grant programs with multiple revenue sources.
- Develop a Quality Review Plan that analyzes clinical health services provided in school settings with a focus on the content of Individual Education Plans in terms of needed and entitled services compared to delivered services and expected student progress and outcomes.

**DELIVERABLES:** Consultant will continue to:

- Integrate data from current information systems used by CPS to track students, personnel and service delivery, and to interface with current and future CPS mainframe student information systems to avoid redundant data entry and incomplete or inaccurate records.
- Prepare and submit bi-monthly State Medicaid/SCHIP reimbursement claims for Fee-for-Service documentation delivered by CPS providers to students.
- Prepare, process, and submit quarterly State Medicaid reimbursement claims for administrative expenditures for school-based outreach activities.
- Provide hardware and software facilities off-site to process and prepare data for electronic submission to the state Medicaid agency for reimbursement to the school district.
- Generate monthly management reports.
- Research and analyze current student demographic data and Federal, state and local regulations and policies.
- Provide comprehensive training for CPS clinicians and service providers.

**OUTCOMES:** Consultant's services will result in the following:

- Maintenance and enhancement of the Boards automated system to collect and document data on health and social services programs for Federal reimbursement programs provided to students.
- Increased Medicaid reimbursements.
- Identification of new TANF/MOE opportunities. Revenue enhancement to boost CPS revenues for health and social services through grant dollars.
- Cost allocation model design to identify multiple revenue streams and allocating allowable indirect costs.
- A quality review plan.

**COMPENSATION:** Consultant shall be paid during this second option period as follows: twelve equal monthly installments not to exceed \$2,300,000 during the second option period.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize Chief Financial Officer to execute all ancillary documents required to administer or effectuate this option agreement.

**AFFIRMATIVE ACTION:** This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan).

The M/WBE participation goals for the contract are: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE.

The vendor has identified and scheduled the following firms and percentages:

**Total MBE 29.12%**

**Total African American 20.5%**

Professionals Messenger 2100 S. Indiana, Ste. 105 Chicago, Il. 60614	\$11,0000	.05%
BPS Temps, Inc.. 200 N. LaSalle St. Chicago, IL 60601	\$200,000	9.0%
Thomas Gont Enterprise 4415 W. Harrison St. Ste 444 Hillside, IL.60162	\$120,000	5.2%
Marion Edward Associates, Inc. 4415 W. Harrison St, Ste. 444 Hillside, IL. 60162	\$120,000	5.2%
Magnetic Office Products 234 S. Wabash Ave. Chicago, IL.60604	\$20,000	1.0%

**Total Hispanic 8.5%**

Salsedo Press 3139 W. Chicago Ave. Chicago, IL. 60622	\$11,000	0.5%
E.C Ortiz & Company 914 W. Madison St. Chicago, IL. 60607	\$180,000	8.0%

**Total Asian .17%**

Cyndel Enterprises 672 Quincy Court Coral Stream IL. 60188	\$40,000	.17%
--	----------	------

**Total WBE 4.6%**

R-4 Storage Services 1301 W. 35 <sup>th</sup> . St. Chicago, IL. 60609	\$1,540	.10%
Diedre Pinnick 2210 Cheshire Drive Aurora, IL.60506	\$100,540	4.5%

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

**FINANCIAL:**

Charge to Office of School Financial Services: \$2,300,000	For the renewal period
Budget Classification: 0963-210-681-2922-5410	\$958,333 (Fiscal Year 2005)
Budget Classification: 0963-210-681-2922-5410	\$1,341,667 (Fiscal Year 2006)
Source of Funds: 210 General Operating Fund	

**GENERAL CONDITIONS:**

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their terms of office.


Indebtedness – The Board’s Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

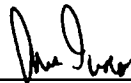
Ethics – The Board’s Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**

**Approved:**

  
Heather A. Obora  
Chief Purchasing Officer

  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
John Maiorca  
Chief Financial Officer

**Approved as to legal form:**

  
Ruth M. Moscovitch  
General Counsel