

**APPROVE EXTENDING THE AGREEMENTS WITH VARIOUS AUDITING FIRMS FOR INTERNAL
AUDITING SERVICES FOR THE SCHOOL BASED PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve extending the agreements with the various auditing firms to provide Internal Auditing Services for the School Based Program of the Department of Audit Services at a cost not to exceed \$150,000 in the aggregate. This extension is necessary to allow time to complete a competitive procurement process. A written extension agreement for each vendor is currently being negotiated. No payment shall be made to any vendor prior to the execution of such vendor's written extension agreement. The authority granted herein shall automatically rescind as to each vendor in the event a written extension agreement is not executed by such vendor within 90 days of the date of this Board Report. Information pertinent to these extensions is stated below.

USER:

Audit Services
125 South Clark Street - 13th Floor
Chicago, IL 60603
Rolando Hernandez
773-553-1475

ORIGINAL AGREEMENT:

The original agreements (authorized by Board Report 05-0323-PR11) in the amount of \$300,000 were for the term commencing on date of execution and ending in March 31, 2007, with the Board having two options to renew for one year terms. The agreements were renewed (authorized by Board Report 07-0328-PR10) for a term commencing April 1, 2007 and ending March 31, 2008. The agreements were subsequently renewed (authorized by Board Report 08-0326-PR9) for a term commencing April 1, 2008 and ending March 31, 2009. The original agreements were awarded on a competitive basis pursuant to board Rule 5-4-1.

EXTENSION PERIOD:

The term of each agreement is being extended for three (3) months commencing April 1, 2009 and ending June 30, 2009.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Each Vendor will continue to perform internal audits of individual school units and will provide recommendations for school staff to ensure compliance with Board rules as they relate to management of cash accounts, expense reimbursement, payroll and fixed assets. As necessary, the Director of Audit Services will request the vendors to perform special audits of programs or departments. The regular audit schedule consists of limited scope reviews, principal transition audits and special scope audits.

DELIVERABLES:

Each Vendor will continue to provide individual detailed audit reports for identified individual school units, including specific findings and recommendations, or specific programs or departments, as the case may be.

OUTCOMES:

As a result of each review, the vendor's services will result in specific relevant recommendations that will assist the schools and Board management in improving compliance with policies and procedures and will improve the effectiveness and efficiency of operations.

COMPENSATION:

Each Vendor shall be paid pursuant to the hourly rates detailed in their respective agreements; total for all vendors not to exceed the sum of \$150,000 in the aggregate.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written extension documents. Authorize the President and Secretary to execute the extension documents. Authorize the Director of Audit Services to execute all ancillary documents required to administer or effectuate the extension agreements.

AFFIRMATIVE ACTION:

The required M/WBE goals for this contract was 35% total MBE and 7% WBE.

The current pool of four (4) vendors consist of three (3) MBE firms and one (1) WBE firm thereby exceeding the M/WBE goals for this contract.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to Department of Audit Services: \$150,000

10430-115-54125-252802-000000-2009	\$150,000.00
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GENERAL CONDITIONS:

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


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

Indebtedness - The Board's Indebtedness Policy adopted 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:


Opal L. Walls
Chief Purchasing Officer


Within Appropriation:


PEDRO MARTINEZ
Chief Financial Officer

Approved:


Ron Huberman
Chief Executive Officer

Approved as to Legal Form:


PATRICK J. ROCKS
General Counsel

1)
Gerardo G. Liwanag & Assoc., Cpa'S
236 Waukegan Road
Glenview, Il 60025
Gerardo Liwanag
847-724-4331

Vendor # 34148

2)
Washington, Pittman & Mckeever
819 S. Wabash Ave., Suite 600
Chicago, Il 60605
Lester H. Mckeever, Jr.
312-786-0330

Vendor # 13766

3)
Ragland & Associates, Llc
15525 South Park Ave., Ste 111
South Holland, Il 60473-1380
Lawrence Ragland
708-333-0634

Vendor # 66028

4)
Crowe Chizek & Co., Llp
P.O. Box 145415
Cincinnati, Oh 45250
Cynthia A. Pierce
312-899-8346

Vendor # 29378