

**APPROVE ENTERING INTO AN AGREEMENT WITH PUBLIC CONSULTING GROUP
FOR HEALTH AND SOCIAL SERVICES PROGRAM MANAGEMENT FOR FEDERAL
REIMBURSEMENT PROGRAMS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an 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. Services will be provided to the Office of Specialized Services at an annual cost not to exceed \$2,500,000. The Office of School Financial Services will fund the program and provide program oversight. Public Consulting Group was selected pursuant to a duly advertised Request For Proposal (specification # 01-250172). PCG has performed Medicaid and TANF (Temporary Assistance For Needy Families) claiming services for the Board over the past four years with exceptional results. A written agreement for these services is currently being negotiated. No payment shall be made to the Consultant prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

SPECIFICATION NUMBER: 01-250172

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

USER: Office of School Financial Services
Office of Specialized Services
125 South Clark Street -14th floor-8th floor
Chicago, IL 60603
Daryl Okrzesik-Ann Herrick
773/553-2710-773/553-3400

TERM: The term of this agreement shall commence on February 1, 2002 and shall end January 31, 2004. Fees for the first two years shall not exceed \$2,500,000 for each year. This agreement shall have two options to renew for periods of one year each. The fees for the option periods shall not exceed \$2,300,000.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate this Agreement with thirty (30) days written notice.

SCOPE OF SERVICES: Consultant shall 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 structures 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: Public Consulting Services will deliver the following:

- ❑ 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 monthly State Medicaid/SCHIP 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 shall 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 in twelve equal monthly installments not to exceed \$2,500,000 annually. The annual for the renewal periods shall not exceed \$2,300,000.

REIMBURSABLE EXPENSES: None

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Fiscal Officer to execute all ancillary documents required to administer or effectuate this 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 % - 35%

Total African American – 22.06%

Ready Computer Source 701 Frontier Way Bensenville, IL 60106	\$ 300,000.00 12% certified until October, 2002
Professional Messenger 2100 S. Indiana Chicago, IL 60614	\$ 1,500.00 .06% certified until May 31, 2002
BPS Temps, Inc. 200 N. LaSalle St. Chicago, IL 60601	\$ 250,000.00 10% certified until June 30, 2002

Total Hispanic – 10%

Salsedo Press \$ 1,500.00 .06%
 3139 W. Chicago Ave.
 Chicago, IL 60622 certified until October 1, 2002

E.C. Ortiz \$ 225,000.00 9%
 400 E. Randolph, Suite 803
 Chicago, IL 60601 certified until May 31, 2002

Total Asian – 2%

Cyndel Enterprises \$ 50,000.00. 2%
 672 Quincy Court
 Carol Stream, IL 60188 re-certified until August 1, 2002

Total WBE – 5.37

R-4 Storage Services \$ 1,750.00 .07%
 1301 W. 35th St.
 Chicago, IL 60609 certified until July 1, 2002

Diedre Pinnick \$ 125,000.00 5%
 2210 Cheshire Drive
 Aurora, IL 60506 Independent Contractor

Johnson's Inc. \$ 7,500.00 .30%
 1144 E. Enterprise Drive
 Westcester, IL re-certified until November 5, 2002

The City of Chicago Department of Procurement Services certifies each identified firm. The identified firms are subject to change upon approval from the Procurement and Contract's Division of Compliance and Vendor Services without further Board approval.

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

FINANCIAL:

Charge to the Office of School Financial Services: \$5,000,000 (for the two year contract)
 Budget Classification: 0963-210-681-2922-5410 \$1,041,666.67 (FY2002)
 Budget Classification: 0963-210-681-2922-5410 \$2,500,000.00 (FY2003)
 Source of Funds: 210 General Operating Fund \$1,458,333.33 (FY2004)

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.

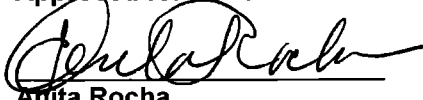
Conflicts – The Agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the Agreement.

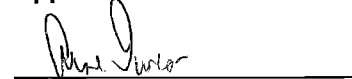
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the Agreement.

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).

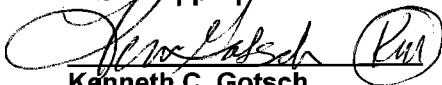
Approved for Consideration:


Anita Rocha
Acting Chief Purchasing Officer

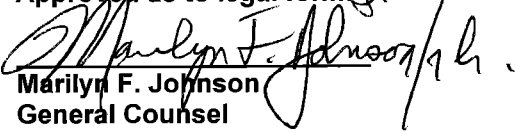
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel