

**RATIFY AN AGREEMENT WITH
FPT&W, LTD FOR CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify an agreement with FPT&W, Ltd. ("Consultant") for consulting services to the Offices of Technology Services and School Financial Services at a cost not to exceed \$150,000.00. These services were obtained without prior Board approval. Consultant was selected on a non-competitive basis because of its knowledge of business readiness assessment processes. A written agreement for Consultant's services is currently being negotiated. No payment shall be made to Consultant prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written document is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification No.: 02-250255

CONSULTANT: FPT&W, Ltd.
400 North Michigan
Chicago, Illinois 60611
Contact: Greg Wass, Partner
Telephone No. 312-321-1040
Vendor No. 25651

USERS: Office of Technology Services
125 South Clark Street
Chicago, Illinois 60603
Telephone No. 773-553-1300
Contact: Elaine L. Williams, Chief Technology Officer

Office of School Financial Services
125 South Clark Street, 14th Floor
Chicago, Illinois 60603
Contact: Kenneth C. Gotsch, Chief Fiscal Officer
Telephone No.: 773-553-2700

Department of Operations
125 South Clark Street, 14th Floor
Chicago, Illinois 60603
Contact: Timothy Martin, Chief Operating Officer
Telephone No.: 773-553-2900

TERM: This agreement is for a term commencing December 12, 2002 and ending June 30, 2003. Based on the effectiveness of the business readiness assessments for Project Accounting and Fixed Assets, Consultant shall be retained to perform business readiness assessments for other new Oracle modules. The compensation to be paid for any additional modules shall be subject to Board approval in an amount and term to be negotiated at the time of renewal.

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

SCOPE OF SERVICES: The Consultant shall perform a business readiness assessment for the Oracle Project Accounting and Fixed Assets implementation modules. Specific activities to include:

- Assist OTS, Finance and Operations prepare for the implementation of new Oracle modules.
- Conduct workshops to review current business processes.
- Compare current practices to best practices in governmental/educational finance processes.

- Assemble, index and document all existing business process flow charts into a central repository for Project Accounting and Fixed Assets.
- Identify business process improvements that add value to operations and identify barriers and current restrictions that may impede changes in these areas.
- Document process gap analysis and identify short-term steps that can be undertaken to prepare for the Project Accounting and Fixed Assets implementation modules.
- Prepare a business justification for recommendations on potential process improvements.
- Develop an implementation plan to remove barriers and change business processes.
- Assess business impact and identify training needs.

DELIVERABLES: Consultant shall provide the following for the Oracle Project Accounting and Fixed Assets implementation:

- Workshop agendas
- Business process charts by function
- Shared intranet site with index of all charts maintained electronically
- Industry best practice matrix by business process
- Business process maps (as needed)
- Executive summary of documentation activities for business process by functionality (including notes and comments by key personnel)
- Compiled report of findings and all documented deliverables
- Weekly status meetings during gap analysis and implementation scope analysis
- Descriptive listing of process changes/projects that have to occur in order to implement new Oracle financial modules
- Information on business process changes and other internal requirements necessary to implement the software modules

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

- Well-documented and current business readiness assessment to prepare for the next phase of the Oracle implementation.
- Recommendation to maximize use of external consultants hired to implement new modules, reducing implementation cycle and resulting in a successful, cost-effective and on-time implementation.

COMPENSATION: Consultant shall be paid as follows: upon monthly invoicing, not to exceed the sum of \$150,000.00.

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 Technology Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: The M/WBE goals for this Contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE. However, the Waiver Review Committee recommends that a full waiver of the participation goals for this Contract, as required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), be waived because the Contract scope is not further divisible.

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

FINANCIAL: Charge to the Offices of Technology Services and School Financial Services: \$150,000.00
Budget Classification: 0960-060-000-1111-5410 \$150,000.00 FY03

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.

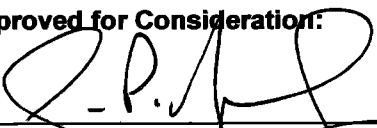
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



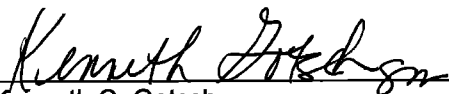
Sean P. Murphy
Chief Purchasing Officer

Approved:



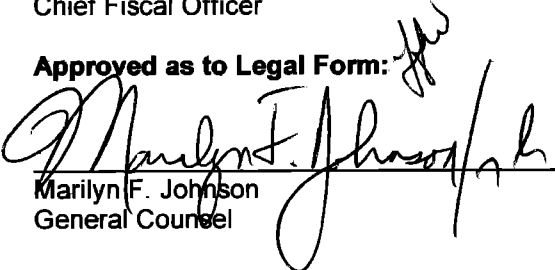
Arne Duncan
Chief Executive Officer *by PAT*

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to Legal Form:



Marilyn F. Johnson
General Counsel