

**DRAFT  
WITHDRAWN**

03-1217-PR02

December 17, 2003

**APPROVE PAYMENT TO MCKINSEY & COMPANY, INC.**

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

Approve payment in the amount of \$1,000,000 to McKinsey & Company Inc. for consulting services. These services were rendered from December 1, 2002 through December 15, 2003 and all services have been completed.

**Specification No.:**

**Vendor:** McKinsey & Company, Inc.  
21 S. Clark St., Suite 2900  
Chicago, IL 60603-2400  
Chip Hardt  
(312) 551-3500  
Vendor # Pending

**USER:** Department of Procurement and Contracts  
125 South Clark-10<sup>th</sup> Floor  
Chicago, IL 60603  
Heather Obora  
(773) 553-2280

**SCOPE OF SERVICES:** Vendor reviewed commodity categories 6 categories in a series of major "waves" aimed at saving money, re-designing key portions of the purchasing process (e.g. board reports), in order to make them faster, more effective, more customer friendly, and simultaneously improve financial controls and assist the Chief Purchasing Officer on the design of a more effective purchasing organization.

**COMPENSATION:** Vendor shall be paid the sum of \$1,000,000 payable by December 31, 2003.

**AFFIRMATIVE ACTION:** A review of Minority and Women Business Enterprise participation was precluded due to completed performance.

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

**FINANCIAL:** Charge to Department of Procurement and Contracts: \$1,000,000  
Fiscal Year: FY04  
Budget Classification: 0240-210-000-1004-5410

**Approved for Consideration:**

---

**Heather A. Obora**  
**Chief Purchasing Officer**

**Within Appropriation:**

---

**John Maiorca**  
**Chief Financial Officer**

**Approved as to legal form:**

---

**Ruth Moscovitch**  
**General Counsel**

**Approved:**

---

**Arne Duncan**  
**Chief Executive Officer**