

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

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into agreements with the various auditing firms to provide Internal Auditing Services for the School Based Program with the Department of Audit Services at a cost not to exceed \$300,000 in the aggregate. Vendors were selected on a competitive basis pursuant to a Request for Proposal in accordance with Board Rule 5-4.1 (Specification Number 09-250007). Written agreements for each vendor are currently being negotiated. No payment shall be made to any vendor prior to the execution of such vendor's written agreement. The authority granted herein shall automatically rescind as to each vendor in the event a written agreement is not executed by such vendor within 90 days of the date of this Board Report. Information pertinent to these agreements is stated below.

USER:

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

TERM:

The term of each agreement shall commence on the date of execution of the contract and shall end May 27, 2011. The Board shall have the option to renew the agreements for two (2) additional one-year periods.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate each agreement with 30 days written notice.

SCOPE OF SERVICES:

Vendors shall 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 may 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:

Vendors shall 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 during the term based on the hourly rates detailed in their respective agreements; not to exceed the sum of \$ 300,000 in the aggregate for all Vendors.

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

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

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program or Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, the Per Contract and Category Goals method for M/WBE participation will be utilized. Thus, contract for subsequent vendors from the pool created by this contract will be subject to compliance reviews on a contract-by-contract basis. Aggregated compliance of the vendors in the pool will reported on a monthly basis and will adhere to the required goals of 25% MBE and 15% WBE. The following firms are included in the pool.

MBE Firms

Gerardo G. Liwanag & Assoc.

Omotosho & Assoc.

Ragland & Assoc.

WBE Firm

Prado & Renteria

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to Department of Audit Services: \$300,000

10430-115-54125-252802-000000-2010	\$300,000.00
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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.

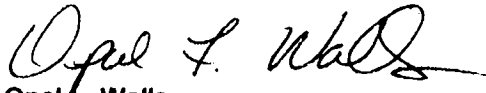
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

09-0527-PR19

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

Vendor # 34148

2)
Prado & Renteria Cpa'S Prof.
1837 S Michigan Avenue
Chicago, Il 60616
Maria De J. Prado
312-567-1330

Vendor # 26818

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

Vendor # 66028

4)
Omotosho & Associates, Cpas, Llc
1525 East 53rd St., Ste 620
Chicago, Il 60615
Akin E. Omotosho
773-752-0035

Vendor # 83034