

APPROVE THE FINAL OPTION TO RENEW THE AGREEMENTS WITH VARIOUS AUDITING FIRMS FOR INTERNAL AUDITING SERVICES FOR THE SCHOOL BASED PROGRAM

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the final option to renew the agreements with the various auditing firms to provide Internal Auditing Services for the School Based Program with the Department of Audit Services at an aggregate cost for the option period not to exceed \$150,000. Written documents exercising this option are currently being negotiated. No payment shall be made to any Vendor during the option period prior to execution of their written document. The authority granted herein shall automatically rescind as to each Vendor in the event their written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 09-250007

Contract Administrator : Seanior, Miss Pamela Dorcas / 773-553-2280

USER INFORMATION :

Contact: 10430 - Department of Audit Services
125 S Clark St - 13th Floor
Chicago, IL 60603
Gentile, Mrs. Gina M
773-553-1459

ORIGINAL AGREEMENT:

The original agreements (authorized by Board Report #09-0527-PR19) in the amount of \$300,000 were for a term commencing upon execution and ending May 27, 2011 with the Board having 2 options to renew for 1 year periods. The agreements (authorized by Board Report #11-0427-PR30) were renewed in the aggregate sum of \$150,000 for a term commencing May 28, 2011 and ending May 27, 2012. The original agreements were awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of each agreement is being extended for a one-year term commencing May 28, 2012 and ending May 27, 2013.

OPTION PERIODS REMAINING:

There are no options remaining.

SCOPE OF SERVICES:

Vendors 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 may request the vendors to perform special audits of programs or departments. The regular audit schedule consists of principal transition audits, limited scope reviews, follow-up reviews, and special scope audits.

DELIVERABLES:

Vendors will continue to provide individual detailed audit reports for identified individual school units including specific findings and recommendations, or specific programs or departments.

OUTCOMES:

Vendors' 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 renewal term based on the hourly rates detailed in their respective agreements; total not to exceed \$150,000 in the aggregate for all Vendors.

AUTHORIZATION:

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

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for 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, contracts 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 be reported on a monthly basis and will adhere to the required goals of 25% MBE and 15% WBE participation.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to Department of Audit Services: FY12

10430-115-54125-252802-000000-2012	\$150,000.00
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CFDA#: Not Applicable

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 May 25, 2011 (11-0525-PO2), 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:



SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



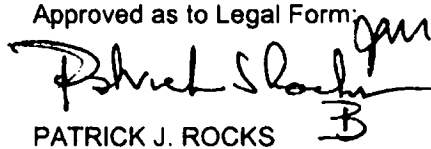
JEAN-CLAUDE BRIZARD
Chief Executive Officer

Within Appropriation:



DAVID G. WATKINS
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel

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2)
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4)
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Akin E. Omotosho
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