

**AUTHORIZE RENEWAL AGREEMENTS WITH REVENUE INTERNATIONAL, LLC AND
PROFESSIONAL AUDITING SERVICES OF AMERICA FOR COMPLIANCE REVIEW AND ACCOUNTS
PAYABLE RECOVERY AUDITING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize renewal agreements with Revenew International, LLC ("Revenew") and Professional Auditing Services ("PAS": and together with Revenew, each a "Vendor" and collectively, the "Vendors") to provide compliance review and auditing services to Procurement at a total cost for the option period not to exceed \$1,000,000.00. A written document exercising this option is currently being negotiated. No services shall be provided by, and no payment shall be made to, any Vendor during the option period prior to execution of the written option document. The authority granted herein shall automatically rescind in the event a written option document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 12-250034

Contract Administrator : Flores, Miss Nanzi / 773-553-2280

VENDOR:

- 1) Vendor # 64946
REVENUE INTERNATIONAL, LLC
9 GREENWAY PLAZA., STE 1950
HOUSTON, TX 77046
Daniel A. Schafer

281-201-4389
- 2) Vendor # 44490
PROFESSIONAL AUDITING SERVICES OF
AMERICA
29193 NORTHWESTERN HWY. STE 643
SOUTHFIELD, MI 48034
Roy Jackson
800 353-3050
248 239-0705

USER INFORMATION:

Contact: 12210 - Procurement and Contracts Office
125 South Clark Street 10th Floor
Chicago, IL 60603
De Longeaux, Mr. Sebastien
773-553-2280

ORIGINAL AGREEMENT:

The original agreements (authorized by Board Report #12-1024-PR11) in the aggregate amount of \$1,000,000.00 each had a term commencing November 8, 2012 and ending October 31, 2013, with the Board having three (3) options to renew for one (1) year terms. The original agreements were awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of each agreement is being renewed for one (1) year commencing November 1, 2013 and ending October 31, 2014.

OPTION PERIODS REMAINING:

There are two (2) option periods for one (1) year each remaining under each agreement.

SCOPE OF SERVICES:

Vendors will continue to provide professional supplier contract compliance reviews and Accounts Payable recovery audit services in addition to recommendations and improvements to processes and procedures.

DELIVERABLES:

Vendors will continue to provide the following deliverables: 1) Review and analyze Accounts Payable and Procurement information from the Board's internal and external sources to discover overpayments, 2) Track overpayments and request suppliers to remit the funds to the Board; including funds from vendors and contractors who are no longer conducting business with the Board, 3) Provide the Board with copies of all invoices from vendors and contractors for overpayments made by the Board, 4) Provide bi-weekly reports of recoveries and confirmed credits, and 5) Provide detailed summary reports at the conclusion of the overall audit activity including, but not limited to, cost saving opportunities, best practice recommendations and training to the Board for improvements based upon observations and discoveries made during and throughout the recovery audit period.

OUTCOMES:

Vendors' services will result in identification of overpayments and recovery of such identified credits owed to the Board.

COMPENSATION:

Vendors shall be compensated on a percentage of the recoveries; total not to exceed the sum of \$1,000,000.00 in aggregate for all Vendors inclusive of all reimbursable expenses.

Revenew shall receive the following percentages of each recovery made for the 50 suppliers determined by Revenew and CPS' Chief Procurement Officer:

- Contract Compliance Review recoveries for contracts valued over \$10M: a fee of forty percent (40%) of each recovery made in the amount of \$30,001 to \$499,000, twenty-five percent (25%) of each recovery made in the amount of \$500,000 to \$1,000,000, and twenty percent (20%) of each recovery made in the amount over \$1,000,000;

- Contract Compliance Review recoveries for contracts valued under \$10,000,000: a fee of forty percent (40%) of each recovery made in the amount of over \$30,000;

- Supplier Payment Reviews: a fee of twenty-eight percent (28%) of each recovery made in the amount of \$1 to \$500,000 and twenty percent (20%) of each recovery made in the amount of over \$500,000.

PAS shall receive the following percentages of each recovery PAS conducts:

- A fee of twenty percent (20%) of each recovery made for payment reviews for all vendors, excluding the 50 suppliers determined by Revenew and CPS' Chief Procurement Officer;

- A fee of twenty percent (20%) of each recovery made for audit reviews for utility vendors;

- As it specifically pertains to Waste Management Services and other possible similar onsite audit opportunities, PAS' contingency based compensation will be adjusted to recognize the same fee structure as that of Revenew if both of the following conditions are met:

1. CPS' Chief Procurement Officer provides prior approval of the audit structure, work to be conducted, and fee structure; and
2. The onsite audit/compliance testing reflects the same effort as would be provided by Renewal, including but not limited to, PAS providing an onsite visit to the vendors' facilities for a minimum of a five day duration.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize the Chief Procurement Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, contracts for subsequent vendors from the pool created by this agreement will be subject to aggregated compliance reviews and monitored on a monthly basis.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to: Department of Procurement
Budget Classification: TBD A54125 (Professional & Technical Services)
Fiscal Year: 2013-2014

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:



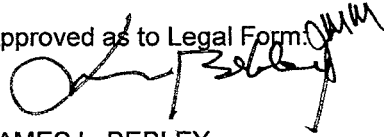
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY
General Counsel