# APPROVE EXERCISING THE FIRST 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 first 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: Pamela Seanior / 773-553-2253

#### USER:

Department of Audit Services 125 S Clark St - 13th Floor Chicago, IL 60603

Contact: Gina Gentile Phone: 773-553-1459

## **ORIGINAL AGREEMENT:**

The original Agreements (authorized by Board Report #09-0527-PR19) in the amount of \$300,000 are for a term commencing upon execution and ending May 27, 2011, with the Board having 2 options to renew for 1 year periods. 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, 2011 and ending May 27, 2012.

# **OPTION PERIODS REMAINING:**

There is 1 option period for 1 year 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 limited scope reviews, principal transition audits, 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 the option agreements.

## **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.

## **MBE Firms**

Gerardo G. Liwanag & Assoc., CPA's 236 Waukegan Road Glenview, IL 60025

Ragland & Associates, LLC 15525 South Park Ave., Ste. 111 South Holland, IL 60473

#### **WBE Firms**

Prado & Renteria CPA's 1837 S. Michigan Ave. Chicago, IL 60616

#### LSC REVIEW:

Local School Council approval is not applicable to this report.

# FINANCIAL:

Charge to Department of Audit Services: FY11

10430-115-54125-252802-000000-2011

\$150,000.00

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 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).

Walt

Approved for Consideration:

OPAL L WALLS

Chief Purchasing Officer

Within Appropriation:

DIANA S. FERGUSON Chief Financial Officer Approved:

Chief Executive Officer

Approved as to Legal Form

PATRICK J. ROCKS General Counsel

- 1) Vendor # 34148 GERARDO G. LIWANAG & ASSOC., CPA'S 236 WAUKEGAN ROAD GLENVIEW, IL 60025 Gerardo Liawang 847-724-4331
- Vendor # 26085
  OMOTOSHO & ASSOCIATES, CPA'S
  1525 E 53RD ST., SUITE 620
  CHICAGO, IL 60615-0000
  Akin E. Omotosho
  773-752-0035
- 3) Vendor # 26818 PRADO & RENTERIA CPA'S PROF. 1837 S MICHIGAN AVENUE CHICAGO, IL 60616 Maria De J. Prado 312-567-1330
- 4) Vendor # 66028 RAGLAND & ASSOCIATES, LLC 15525 SOUTH PARK AVE., STE 111 SOUTH HOLLAND, IL 60473-1380 Lawrence Ragland 708-333-0634