

AUTHORIZE THE FIRST, SECOND AND FINAL RENEWAL AGREEMENTS WITH VARIOUS VENDORS FOR AUDIT SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the first, second, and final renewal agreements with various vendors to provide audit services to the Department of Internal Audit and Compliance at an estimated annual cost set forth in the Compensation Section of this report. Vendors were selected on a competitive basis pursuant to Board Rule 7-3. Written agreements for Vendors' services are currently being negotiated. No payment shall be made to various vendors during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a 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 : 20-100

Contract Administrator : Banks, Amy / 773-553-2280

USER INFORMATION :

Project
Manager: 10430 - Office of Internal Audit and Compliance

42 West Madison Street

Chicago, IL 60602

Banks, Shelly A M

773-553-1990

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 20-0624-PR9) in the amount of \$2,250,000 is for a term commencing September 1, 2020 and ending August 31, 2023, with the Board having two (2) options to renew for one (1) year terms. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-3.

OPTION PERIOD:

The term of this agreement is being renewed for two (2) years commencing September 1, 2023 and ending August 31, 2025.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendor will continue to provide internal audit services focused on the following categories: school audit execution, central office audit execution, risk assessment activities, and data analytics. Vendors will conduct audits as requested for either schools or central office departments as the need arises. Other projects may include risk assessment activities and data analytic projects.

DELIVERABLES:

Vendor will continue to provide audit services in the categories for which each is being awarded as specified in their Agreement. The categories and respective deliverables are the following:

1. School Audits - Executed audits and final audit reports identifying findings, recommendations and process improvements.
2. Central Office Audits - Executed audits and final audit reports identifying findings, recommendations and process improvements, and efficiency and cost savings opportunities.
3. Risk Assessment Activities - Documentation of agreed upon risk assessment activities including risk assessment interview notes, detailed risk registers, executive leadership and board presentation materials.

OUTCOMES:

Vendor's services will continue to result in the following:

1. Performing school audits in an accurate and timely manner.
2. Performing Central Office audits in an accurate and timely manner.
3. Performing assigned risk assessment activities in line with leading best practices.
4. Performing data analytic projects in an accurate and timely manner which increases department efficiencies.

COMPENSATION:

Each Vendor shall be paid as specified in their respective agreement.

Estimated annual costs for this option period are set forth below:

\$750,000, FY24

\$750,000, FY25

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 Internal Audit 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 Enterprises Participation in Goods and Services contracts (M/WBE Program), the Business Diversity goals for this pool are 30% MBE and 7% WBE. This vendor pool is comprised of 6 vendors with 3 MBEs. The User Group has committed to achieve the Business Diversity goals through the utilization of the certified diverse suppliers and certified diverse subcontractors.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115

Internal Audit and Compliance, Unit 10430

\$750,000, FY24

\$750,000, FY25

Not to exceed \$1,500,000 in the aggregate for all Vendors for the two (2) year term. Future year funding is contingent upon budget appropriation and approval.

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:



PATRICIA HERNANDEZ
Acting Chief Procurement Officer

Approved:



PEDRO MARTINEZ
Chief Executive Officer

Approved as to Legal Form: 



RUCHI VERMA
General Counsel

1)

Vendor # 19608
ADELFIA LLC
400 E. RANDOLPH STREET STE 700
CHICAGO, IL 60601
Maria F. Balita
312 240-9500

Categories: 1,2 and 3 Ownership: Stella Marie Santos - 17.3%; Jennifer Roan-17.3%; Annabelle Abueg- 17.3%; Maria Fides Balita-17.3% and Maria Divina Valera- 17.3% 6)

2)

Vendor # 96159
BRONNER GROUP, LLC
120 NORTH LASALLE STREET
CHICAGO, IL 60602
Marilyn Katzin
312 759-5101

Categories 1, 2 and 3 Ownership: Gila J Bronner - 100%

3)

Vendor # 34134
Guidehouse Inc.
1800 Tysons Blvd, 7th floor
Mclean, VA 22102
Raveen Rao
630 650-1034

Categories 2, 3, and 4 Ownership: Guidehouse LLP - 100%

4)

Vendor # 23326
KPMG LLP
200 E RANDOLPH STREET
CHICAGO, IL 60601
James Czarnecki
312 665-3428

Categories 1,2,3 and 4 Ownership: No partner or principal has more than 1% ownership

5)

Vendor # 68985
RINGOLD FINANCIAL MANAGEMENT SERVICES, INC.
850 SOUTH WABASH AVENUE
CHICAGO, IL 60605
Michelle Ringold
312 566-9705

Categories: 1,2 and 3 Ownership: Michelle Ringold - 100%

Vendor # 29778
RSM US LLP
1 SOUTH WACKER DRIVE
CHICAGO, IL 60606-3392
Nathaniel Ruey
312 634-3328

Categories 2,3 and 4 Ownership: No one partner owns more than 1%