

AMEND BOARD REPORT 01-0627-PR29

AMEND BOARD REPORT 00-0628-PR40

AGREEMENT

APPROVE EXERCISING THE SECOND OPTION TO EXTEND THE A

WILL BE FOR THE FURTHER ADDITIONAL

THE FOLLOWING DECISION:

to increase the option to extend the second option with a written document to provide internal audit services to the Department of Audit Services at a cost for the second option period not to exceed \$2,400,000. A written document exercising this second option is currently being negotiated.

DELIVERABLES: During the second option period, KPMG shall continue to provide the following:

- Individual detailed audit reports for identified CPS business units and programs, to include an executive summary and detailed findings, recommendations and management action plans.

OUTCOMES: As a result of each review, KPMG LLP will provide specific relevant recommendations that will assist CPS management in improving compliance with policies and procedures and improve the effectiveness and efficiency of operations.

Consultant shall be paid during this option period as follows: Hourly rates detailed in the agreement, not to exceed the sum of \$2,100,000/\$2,481,165 for the second option term.

COMPENSATION
Exhibit C of the agreement

AUTHORIZATION: Authorize the General Counsel to execute the option document and all other documents in written option document. Authorize the President and Secretary to execute the option document. Authorize the Director of Audit Services to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION: The vendor has proposed M/WBE participation for the renewal period and has the following firms and percentages:

Firm Name	Percentage	M/WBE Certification Date	Address	City	State	Zip
African American:						
Gladys R. Wilson	7.0%	6/30/02	3438 N. LaSalle Ave.	Chicago	IL	60641
Stratus Consulting	4.4%	9/9/20/01	300 W. Washington	Chicago	IL	60601
3.4% Asian:						
Gerardo L. Moran & Associates	3.4%	8/31/02	236 Waukegan Road	Chicago	IL	60626
5.0% WBE:						
The Bronner Group	5.0%		120 N. LaSalle #1800	Chicago	IL	60611

Services in Procurement and Contracts Department without further Board approval.

Charge to Department of Audit Services	Fiscal Year	Amount
Charge to Department of Audit Services	Fiscal Year 2001	\$1,000,000
Charge to Department of Audit Services	Fiscal Year 2002	\$381,165

Source of Funds	Budget Classification	Amount
General Fund	0110-210-000-1013-5410	\$2,000,000
Capital Improvements	0110-477-000-1013-5410	\$100,000

GENERAL CONDITIONS:

1. The Chicago Board of Education has the authority to conduct certain investigations. The Inspector General of the State of Illinois has the authority to conduct those investigations.