

APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH PUBLIC CONSULTING GROUP, INC. FOR HEALTH AND SOCIAL SERVICES PROGRAM MANAGEMENT FOR FEDERAL REIMBURSEMENT PROGRAMS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to renew the agreement with Public Consulting Group (PCG) to provide administrative services for collection and documentation of data on health and social services programs for Federal reimbursement programs provided by the Chicago Public Schools to its students. Services will be provided to the Office of Specialized Services at an annual cost not to exceed \$2,300,000. The Office of School Financial Services will fund the program and provide program oversight. A written agreement exercising this option is currently being negotiated. No payment shall be made to the Consultant during the option period prior to the execution of the written extension agreement. The authority granted herein shall automatically rescind in the event a written extension agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification No.: 01-250172

CONSULTANT: Public Consulting Group, Inc.
100 West Monroe Street, 12th Floor
Chicago, IL 60603
Stephen Skinner, Principal
312-425-0550
Vendor No. 27249

USER: Office of School Financial Services
125 S. Clark, 14th floor
Office of Specialized Services
125 S. Clark, 8th floor
Chicago, IL 60603
Daryl Okrzesik/Renee Grant-Mitchell
773-553-2727 and 773-553-1804

ORIGINAL AGREEMENT: The original agreement was authorized by Board Report 02-0123-PR29 for a term commencing February 1, 2002 and ending January 31, 2004, with the Board having 2 options to renew for periods of 1 year each. The original agreement was awarded pursuant to a duly advertised Request For Proposal (Specification #01-250172).

OPTION PERIOD: The agreement shall be extended for a period commencing February 1, 2004 and ending January 31, 2005.

OPTION PERIODS REMAINING: There is one option period for one year remaining.

SCOPE OF SERVICES: Consultant shall continue to provide the following services:

- Develop a Medicaid Claiming Management Plan that addresses submission of Medicaid Fee-for-Service and Administrative Outreach Claims (AOC) for health and social services.
- Develop TANF Claiming Management Plan that addresses submission of TANF and MOE claims for services delivered to CPS students.
- Develop a Revenue Enhancement Plan and Legislative Policy Agenda that structure ideas for boosting CPS revenues for health and social services through Federal, State, and other grant monies.
- Develop a Cost Allocation Plan that addresses strategies for developing and implementing a cost allocation system for centrally provided services and indirect program costs that are compatible with fee-for-service programs and administering grant programs with multiple revenue sources.
- Develop a Quality Review Plan that analyzes clinical health services provided in school settings with a focus on the content of Individual Education Plans in terms of needed and entitled services compared to delivered services and expected student progress and outcomes.

DELIVERABLES: Public Consulting Group will deliver the following:

- Integrate data from current information systems used by CPS to track students, personnel and service delivery, and to interface with current and future CPS mainframe student information systems to avoid redundant data entry and incomplete or inaccurate records.
- Prepare and submit bi-monthly State Medicaid/SCHIP reimbursement claims for Fee-for-Service documentation delivered by CPS providers to students.
- Prepare, process, and submit quarterly State Medicaid reimbursement claims for administrative expenditures for school-based outreach activities.
- Provide hardware and software facilities off-site to process and prepare data for electronic submission to the state Medicaid agency for reimbursement to the school district
- Generate monthly management reports
- Research and analyze current student demographic data and Federal, state and local regulations and policies
- Provide comprehensive training for CPS clinicians and service providers

OUTCOMES: Consultant's services will result in the following:

- Maintenance and enhancement of the Boards automated system to collect and document data on health and social services programs for Federal reimbursement programs provided to students
- Increased Medicaid reimbursements
- Identification of new TANF/MOE opportunities. Revenue enhancement to boost CPS revenues for health and social services through grant dollars
- Cost allocation model design to identify multiple revenue streams and allocating allowable indirect costs
- A quality review plan

COMPENSATION: Consultant shall be paid in twelve equal monthly installments not to exceed \$2,300,000 during the option period.

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

AFFIRMATIVE ACTION: This contract is in *full* compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The M/WBE participation goals for this contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE.

The vendor has identified and scheduled the following firms and percentages:

Total MBE: 35%

Total African American: 22.06%

Ready Computer Source 701 Frontier Way Bensenville, IL 60106	#3,000,000.00 certified until	12%
Professional Messenger 2100 S. Indiana Chicago, IL 60614	\$1,500.00 certified until	.06%
BPS Temps, Inc. 200 N. LaSalle St. Chicago, IL 60601	\$250,000.00 certified until	10%

Total Hispanic: 10%

Salsedo Press 3139 W. Chicago Ave. Chicago, IL 60622	\$1,500.00 certified until	.06%
E.C. Ortiz 400 E. Randolph, Suite 803 Chicago, IL 60601	\$225,000.00 certified until	9%

Total Asian: 2%

Cyndel Enterprises 672 Quincy Court Carol Stream, IL 60188	\$50,000.00 certified until	2%
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Total WBE: 5.37%

R-4 Storage Services 1301 W. 35 th St. Chicago, IL 60506	\$1,750.00 certified until	.07%
Diedre Pinnick 2210 Cheshire Drive Aurora, IL 60506	\$125,000.00 independent Contractor	5%
Johnson's, Inc. 1144 E. Enterprise Drive Westchester, IL	\$7,500.00 certified until	.03%

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to Office of School Financial Services:	\$2,300,000 For the renewal period
Budget Classification: 0963-210-681-2922-5410	\$958,333 (Fiscal Year 2004)
Budget Classification: 0963-210-681-2922-5410	\$1,341,667 (Fiscal Year 2005)
Source of Funds: 210 General Operating Fund	

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 Board of Trustees 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 July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

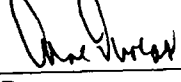
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

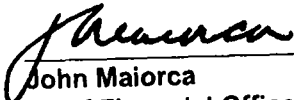
Approved for Consideration:


Heather A. Obora
Chief Purchasing Officer

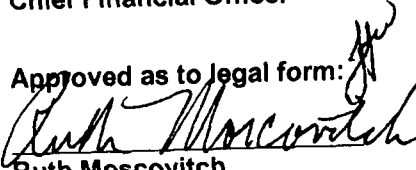
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form:


Ruth Moscovitch
General Counsel