

**APPROVE ENTERING INTO AN AGREEMENT WITH BRONIEC ASSOCIATES
FOR ACCOUNTS PAYABLE DATA FILES AND COLLECTION SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Broniec Associates to provide accounts payable, data files and collection services to the Department of Finance, Bureau of Accounts Payable. Consultant will be paid on a contingency fee basis. Consultant was selected on a competitive basis pursuant to a Request for Proposal (Specification Number 03-250294). A written agreement for these services is currently being negotiated. No payment shall be made to vendor prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

CONSULTANT: Consultant: Broniec Associates
Address: 1751 West Diehl Road, Ste. 180
Naperville, IL 60563
Contact: Michael Kranz
Tel. No.: 630-305-9160
Vendor #: 44489

USER: Department of Finance, Bureau of Accounts Payable
125 S. Clark – 14th floor
Chicago, Illinois 60603
Contact Person: Susan Marek
Tel. No.: 773-553-2717

TERM: The term of this agreement shall commence July 1, 2004 and shall end November 30, 2004. This agreement shall have two (2) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES: Broniec Associates will audit and analyze the Board's accounts payable and procurement operation to identify ways to minimize overpayments as well as collect any overpayments. Vendor will examine the Board's disbursement systems and accounts for the purpose of determining overcharges, billing errors, and other savings, which may exist or have existed on previous billings.

DELIVERABLES: Consultant shall furnish all supervision, labor, materials, supplies and operating expenses, including travel expenses, required for the provision of the Services. Consultant will provide weekly and monthly status reports to the Board that will include overpayment information, payment errors, and issues that need to be addressed and recommended corrective actions. Additionally, consultant will provide to the Board a well-documented written report detailing where savings can be made, including an estimate of the potential annual fiscal impact associated with implementing those savings.

OUTCOMES: Consultant's services will result in the recovery of funds back to the Board from overcharges, billing errors, duplicate payments, missed rebates, unrecorded purchase returns, or various Accounts Payable audit findings.

COMPENSATION: Consultant will be paid a contingency fee in the amount of 30% of the gross recoveries it is responsible for obtaining up to \$500,000 and 27% of the gross recoveries over \$500,000.

REIMBURSABLE EXPENSES: None

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

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE.

However, the Wavier Review Committee recommends that a full waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the contract scope is not further divisible.

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

FINANCIAL: No cost to the Chicago Public Schools. Fiscal Year: 2004
Recovery funds will be assigned to: Miscellaneous Revenue Fund 210, unless otherwise specified

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 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).

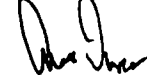
Approved for Consideration:


Heather A. Obora
Chief Purchasing Officer


Within Appropriation:


John Maiorca
Chief Financial Officer

Approved:


Arne Duncan
Chief Executive Officer

Approved as to legal form:


Ruth Moscovitch
General Counsel