

**APPROVE EXERCISING THE OPTION TO RENEW THE AGREEMENT  
WITH BRONIEC ASSOCIATES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve exercising the option to renew the agreement with Broniec Associates to provide consulting services to the Bureau of Accounts Payable at a cost for the option period that is a percentage as a contingent upon recovery of funds for the renewal period. A written document exercising this option is currently being negotiated. No payment shall be made to Consultant during the option period prior to the 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.

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

**USER:** Bureau of Accounts Payable  
125 S. Clark St., 14<sup>th</sup> floor  
Contact Person: Susan Marek  
773-553-2717

**ORIGINAL AGREEMENT:** The original Agreement (authorized by Board Report 04-0623-PR14) based on a percentage as a contingent upon recovery of funds for a term commencing July 1, 2004 and ending November 30, 2004 with the Board having 2 options to renew for 1 year terms. The original agreement was awarded on a competitive basis (Specification Number 03-250924).

**OPTION PERIOD:** The term of this agreement is being extended for 1 year commencing December 1, 2004 and ending November 30, 2005.

**OPTION PERIODS REMAINING:** There is 1 option period for 1 year remaining.

**SCOPE OF SERVICES:** Consultant shall continue to audit and analyze the Board's accounts payable and procurement operation to identify ways to minimize overpayments as well as collect any overpayments. Consultant will continue to 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 will continue to provide all supervision, labor, materials, supplies and operating expenses, including travel expenses, required for the provision of the services. Consultant will continue to provide weekly and monthly status reports to the Board that will include overpayment information, payment errors, 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 implement 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 shall 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.

**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 Financial Officer to execute all ancillary documents required to administer or effectuate this option 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 Waiver 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: 2005  
Recovery of 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.

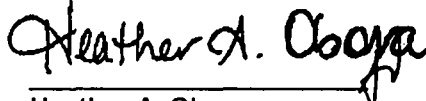
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their 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.

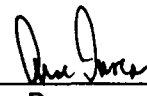
Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

**Approved for Consideration:**

  
Heather A. Oboya  
Chief Purchasing Officer

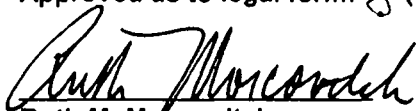
**Approved:**

  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
John Maiorca  
Chief Financial Officer

**Approved as to legal form:**

  
Ruth M. Moscovitch  
General Counsel