

APPROVE PAYMENT TO THE PARTHENON GROUP FOR PROFESSIONAL SERVICES**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve payment to The Parthenon Group who is providing services to the Office of Chief Financial Officer from October 1, 2010 to November 30, 2010 in the amount of \$336,000. These services were rendered without prior Board approval and all services will be completed by November 30, 2010. The total value of the services to be provided is in the amount of \$672,000; however, the Board received a donor match to pay Vendor half (\$336,000) of its fees. The donor shall pay the Vendor directly for its portion of the fees. Vendor was selected on a non-competitive basis because use of the Vendor was mandated by the donor. The Non-Competitive Procurement Review Committee took no action on this matter.

VENDOR: The Parthenon Group
200 State St # 14
Boston, MA 02109-2683
(617) 478-2550
Vendor # 68961

USER: Office of the Chief Financial Officer
125 S. Clark St
Chicago, IL 60603
Diana S. Ferguson
773-553-2590

SCOPE OF SERVICES:

The Parthenon Group has worked with the Office of the Chief Financial Officer to successfully plan and finalize a Fair and Equitable Student Funding policy for all schools in the district. This work will examine the current structure school funding in the district, and propose alternative policies whereby the district can improve its allocation of resources in an equitable and transparent manner based on student enrollment and individual needs of students.

The work included a thorough review of the district's \$6.6B operating, capital and debt service budgets, and the current inter-school allocation methodology of dozens of segments within that budget, with particular attention paid to the transparency and equity of each. Parthenon will then determine alternate proposals for those allocation methodologies that may improve the transparency or equity of the allocation, while simultaneously considering potential changes to expenditure methodologies that may improve outcomes for students due to changes in funding flexibility and school level autonomy. Parthenon will present these options and provide a financial impact analysis for each, as well as a set of policy decision points that will affect student outcomes and policy implementation.

DELIVERABLES: The Parthenon Group provided specification of potential alternative approaches to student funding; weights for individual student and school needs; plan for phasing in implementation of the policy; and preliminary financial implications for each of the above.

OUTCOMES: Vendor's services will result in increased transparency of funding decisions at individual schools, and improved equity of funding across schools based on their enrollment and individual needs of students.

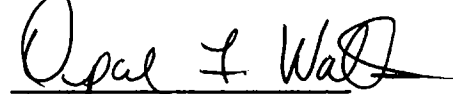
COMPENSATION: The Board shall only be responsible for 50% of Vendor's fees. Professional service fees paid to Vendor by the Board shall not exceed \$280,000, plus reimbursable expenses which are not to exceed 20% of professional fees. The total cost to the Board shall not exceed \$336,000.

AFFIRMATIVE ACTION: A review of Minority and Women Business Enterprise Participation was precluded due to completed contract performance.

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


FINANCIAL: Charge to Office of Management & Budget: \$336,000 Fiscal Year: 2010
Budget Classification: 12610-115-54125-252206-000000
Source of Funds: General Education Fund 115
Requisition Number:

Approved for Consideration:



Opal L. Walls
Chief Purchasing Officer

Approved:




Ron Huberman
Chief Executive Officer

Within Appropriation:



Diana Ferguson
Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel