

APPROVE ENTERING INTO AGREEMENTS WITH VARIOUS AUDITING FIRMS FOR INTERNAL AUDIT SERVICES

TUTOR-SALVENDYNE CORPORATION

Approve entering into agreements with the following auditing firms to provide internal audit services to the Department of Audit Services at a cost not to exceed \$2,050,000 in the aggregate. Vendors were selected pursuant to a duly advertised Request for Proposals (# 01-250016). Written agreements for each vendor are currently being negotiated. No payment shall be made to any vendor prior to the execution of such agreements. Vendors' written agreement will be authority granted here and shall be in effect until a written agreement is not executed within 90 days of the date of this order. All information is stated below.

Specification Number: 01-250016

VENDORS: 1. KPMG

303 East Wacker Drive  
Chicago, IL 60601  
Contact Person: Mark Stauffer  
(312) 665-5391

Vendor #236

1. Vanacri Associates  
Person: Gerard Mwanag  
2331  
Pending  
2. Gerardo Mwanag  
236 Waukegan  
Person: Gerard Mwanag  
2331  
Pending  
Vendor #236

3. Blomberg

Person: Leonard Moody (773) 553-1481 Contact Pe

term of each agreement shall commence on August 1, 2001 and shall end on July 31, 2002. TERM: The Board shall have the option to renew the agreements for two (2) additional one-year periods, with the

services including the development of an internal audit plan for the board by collaboratively working with the Board's management review program

SCORE OF SERVICES: KPMG will provide internal audits of cash accounts, expense reimbursements, payroll and fixed assets. The regular audit schedule consists of

DELIVERABLES: KPMG shall provide the following: individual risk assessment report, business process which will identify and pro

individual risk assessment report, business process which will identify and pro risks based on management input and Audit Services detailed analysis and judg

OUTCOMES: As a result of each review, the various audit firms will provide specific recommendations that will assist Board management in improving compliance with

COMPENSATION: The program fee represents the total fee for the audit services provided

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreements. Authorize the

Director of Audit Services to execute all ancillary documents required to administer or enter into the written agreements.

AFFIRMATIVE ACTION: Vendors agree to comply with and be bound by the provisions of the Revised Remedial Plan for Minority and Women Business Enterprise Economic participation

FINANCIAL: Charge to Department of Audit Services: \$2,050,000 Fiscal Year: 2002 Budget Classification: 0110-210-000-1013-5410

**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 agreements.

**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 agreements.

**Contingent Liability** – The agreements shall contain the clause that any expenditure beyond the current fiscal