

02-0522-PR30

THE AGREEMENT WITH ARTHUR ANDERSEN LLP FOR EXTERNAL AUDIT SERVICES APPROVE TERMINATING THIS AGREEMENT TO AN AGREEMENT WITH DELOITTE & TOUCHE LLP FOR EXTERNAL AUDIT SERVICES RENDERED, AND APPROVE ENTERING INTO AN AGREEMENT WITH DELOITTE & TOUCHE LLP FOR EXTERNAL AUDIT SERVICES

...of this current agreement in the amount of \$52,844 and approve entering into an agreement with Arthur Andersen for activities to be performed by Arthur Andersen LLP for the fiscal year 2002-2003. The fee for these services and \$50,000 for printing and mailing of the Comprehensive Annual Financial Report (CAFR) shall not exceed \$920,000 for the fiscal year 2002-2003. Deloitte & Touche LLP was selected as the external audit firm for its external audit services. Deloitte & Touche LLP is a nationally recognized accounting firm and a member of the AICPA. Deloitte & Touche was selected because (i) it offered the Board a competitive price for these services; (ii) key personnel from Arthur Andersen who had positions at Deloitte & Touche and will participate in the Board's engagement and (iii) the firm was established by the Chief Fiscal Officer and Controller. A written letter terminating the services of Arthur Andersen as of May 22, 2002 shall be issued by the law department, including the final payment for services rendered under the current agreement. The agreement shall be negotiated. No payment shall be made to Deloitte & Touche for the execution of the written agreement with Deloitte & Touche. Information pertinent to this Agreement is stated below.

180 N. Stetson
Chicago, IL 60601-6779
Patrick Hanan, Regional Partner

Vendor No. A6243

USER: Office of School Financial Services
125 South Clark Street
Daryl Okrzesik, Controller
773-553-2710

This agreement shall have three options to renew for periods of one year each. The fee shall be based upon the current annual fee. Increases for the option periods will be mutually agreed upon and shall be adjusted by the Consumer Price Index, and any scope changes or unusual circumstances.

EARLY TERMINATION RIGHT: Either party shall have the right to terminate this Agreement with thirty (30) days written notice.

- Financial Audit in accordance with generally accepted auditing standards.
- Data Processing Review that reviews and compares management information systems and related databases with the financial statements and other reports.
- Additional Reports: CAFR, OMB Circular A-133, Memorandum of Understanding (MOU) and GAO's Best Practices.

Deloitte & Touche will assist with:

- Rating agency presentation
- Review of transmittal letter and supplemental schedules in CAFR
- Consulting on new accounting standards

DELIVERABLES: Deloitte & Touche will deliver the following associated with the annual audit:

- Opinion of the financial statements
- Presentation of a Budget/Actual results in the same manner as Management letter
- Review year-end advice on transition work plan
- Copying and providing access to new auditor of 2001 audit workpapers
- Benchmarking Analysis of Federal Revenues and preparation of presentation materials
- Audit adjustments requested after delivery of final documents to auditors
- Quality control for changes to the annual financial report and increased costs incurred by printer due to change requests
- Audit and preparation of Form 990 Tax Return for Student Science Fair, Inc.

OUTCOMES: The annual audit will result in:

- Identification of internal control weaknesses and information processing risks that might impact the financial statements

Owned

3% Woman

ons: 027,000 (1) Indirect participation. Vendor Name: Pending Negotiation

2% Asian

(1) Wong & Knowles, 340 W. Butterfield Rd., Elmhurst, IL

FINANCIAL:

Charge to the Bureau of General Accounting: \$52,848

Fiscal Year: 2002

Charge to the Bureau of General Accounting: \$970,000

Fiscal Year: 2002/2003

GENERAL CONDITIONS:

1. The Contractor shall be bound by the terms and conditions of the contract as set forth in the contract documents, including the General Conditions, and shall be deemed to have accepted the same by its execution of the contract.

2. The Contractor shall be responsible for obtaining all necessary permits and licenses for the performance of the work under this contract.

3. The Contractor shall be responsible for the safety of all personnel and property during the performance of the work under this contract.

4. The Contractor shall be responsible for the maintenance of all equipment and tools used in the performance of the work under this contract.

5. The Contractor shall be responsible for the cleanup and removal of all debris and materials from the work site at the completion of the work under this contract.

6. The Contractor shall be responsible for the protection of all existing structures and utilities on the work site.

7. The Contractor shall be responsible for the coordination of all work with other trades and contractors on the work site.

8. The Contractor shall be responsible for the timely completion of the work under this contract.

9. The Contractor shall be responsible for the payment of all subcontractors and vendors in accordance with the contract documents.

10. The Contractor shall be responsible for the maintenance of accurate records of all work performed under this contract.

11. The Contractor shall be responsible for the maintenance of accurate records of all materials used in the performance of the work under this contract.

12. The Contractor shall be responsible for the maintenance of accurate records of all labor hours expended in the performance of the work under this contract.

13. The Contractor shall be responsible for the maintenance of accurate records of all equipment used in the performance of the work under this contract.

14. The Contractor shall be responsible for the maintenance of accurate records of all other costs incurred in the performance of the work under this contract.

15. The Contractor shall be responsible for the maintenance of accurate records of all other information required by the contract documents.

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