

**APPROVE THE RENEWAL OF THE EXISTING AGREEMENT WITH KPMG LLP FOR E-RATE**

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

Approve the renewal of the existing agreement with KPMG LLP for E-Rate Program audit services to the Office of Technology Services ("OTS") at a cost not to exceed \$149,858.95. Consultant has provided these services to the Board for the E-Rate program for the past 3 years. A written renewal agreement for Consultant's services is currently being negotiated. No payment shall be made to Consultant during the renewal period prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal document is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this renewal agreement is stated below.

**SPECIFICATION NO.:** 03-250203

**CONSULTANT:** KPMG LLP  
303 East Wacker Drive  
Chicago, Illinois 60601  
Contact: Bridget M. Anderson  
Telephone No.: (312) 665-1000  
Vendor No.: 23326

**USER:** Office of Technology Services

125 South Clark Street  
Chicago, Illinois 60603  
Contact: Robert W. Runcie, Chief Information Officer  
Jane Kratochvil, E-Rate Director  
Telephone No. 773-553-1300

**ORIGINAL AGREEMENT:** The original agreement (authorized by Board Report 03-1022-PR18) in the amount of \$358,120.00, is for a term commencing March 16, 2003 and ending June 30, 2004. Consultant was selected on a non-competitive basis because of its expertise of E-Rate program rules and regulations and to ensure that CPS continues to comply with federal regulations.

**OUTCOMES:** As a result of each review, the vendor will provide specific relevant recommendations that will

ensure that CPS continues to comply with federal regulations, improving the effectiveness and efficiency of operations.

**COMPENSATION:** Consultant shall be paid as follows: Upon invoicing, not to exceed the sum of \$149,858.95

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

this agreement.

**AFFIRMATIVE ACTION:** This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (MWRP). The MWRP participation

goals for the contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE.

The vendor has identified and scheduled the following firms and percentages:

**Total MBE 35%:**

**Total African American**

Advance Data Concepts

819 South Wabash

\$16,484.48 / 11%

Certified through 10/01/04

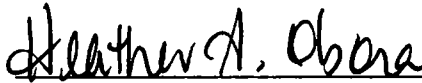
Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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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.

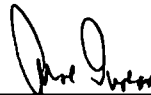
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**



Heather A. Obara  
Chief Purchasing Officer

**Approved:**



Arne Duncan  
Chief Executive Officer

**Within Appropriation:**



John Maiorca  
Chief Financial Officer

**Approved as to Legal Form:** *ffw*



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General Counsel