

21671

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

CONSULTING SERVICES - RECORDS CURING PROJECT
FINANCE DEPARTMENT
DISTRICT OFFICE

THE CHANCELLOR

REPORTS

that there is a need to obtain professional consulting services to implement a Records Curing Project to respond to the U.S. Office of the Inspector General (OIG) 1999 review of CCC's administration of Title IV academic progress guidelines; emergency staff support and expertise is needed to respond to the 702 cases which OIG has cited which require clarification to avoid potential funding liabilities of approximately \$1200 to \$1500 per case; and

that District staff recommends approval for a proposal from Todd & Associates, Houston, TX, a financial aid management firm with significant staff expertise in this area, to provide the necessary services and to implement the project within OIG's deadlines; Todd & Associates proposes to complete the record curing project within six weeks for a total cost of \$96,000; and

that this proposal has been reviewed by the Finance Department and has been determined to be reasonable and acceptable; this purchase of professional services is exempt from the District's competitive bid requirements.

THE CHANCELLOR

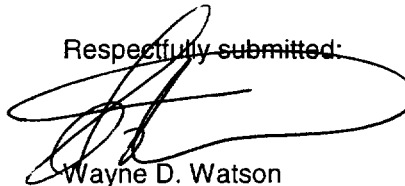
RECOMMENDS

that the Board of Trustees approves the issuance of a purchase order in the total amount of \$96,000.00 to Todd & Associates, Houston TX for the completion of the Records Curing Project.

FINANCIAL

\$96,000.00 — *Ed Fund*

Respectfully submitted:



Wayne D. Watson
Chancellor

December 2, 1999

COLLEGE REVIEW: _____ REQ. NO. _____
President

CENTRAL OFFICE REVIEWS & DATES SIGNED:

<i>Dee</i> Purchasing Date _____	Contract Compl. _____	Legal _____	Board Office _____
<i>C. J. M.</i> Finance Date <i>X 11/19/99</i>	Admin. Svcs. _____	Academic Aff. _____	Other _____



TODD & ASSOCIATES

Financial Aid Management
Student Records Management
Enrollment Management
Technology & Training

21671
5959 West Loop South, Suite 525
Bellaire/Houston, TX 77401
(281) 591-6161 (Office)
(713) 669-0452 (Fax)

November 18, 1999

Mr. Taylor Cisco
Program Compliance Officer
City Colleges of Chicago
226 West Jackson Boulevard
Chicago, IL 60606

Dear Mr. Taylor:

Enclosed is a proposal to help City Colleges of Chicago reach the desired closure of the 1999 Final Audit Report.

Project Objectives

City Colleges of Chicago staff have spent the better part of a year attempting to refute OIG findings that established astronomically high error rates and liabilities associated with the College's administration of Title IV academic progress guidelines. The error rate ranges from 80 to 95% for an overall average rate of 89% at the district-wide level. Initially, more than 3 months of consecrated district-wide staff efforts led to the preparation and submission of 313 rebuttals for 702 cases cited by the OIG. The OIG's rejection of this group of rebuttals and subsequent review by district officials and Todd & Associates revealed a need to "beef-up" and resubmit cases that should be approved.

Also, while OSFAP is reviewing the initial rebuttals, they have given the College the opportunity to submit additional rebuttals for any of the original 313 and the other 399 cases in an effort to get the error rate to ten percent or less at each campus in the district. The ten-percent figure is critical because it is normally the threshold used to determine if a college must do a 100% review of three years transactions and establish a liability for each ineligible case. Due to the nature of the cases involved, it will take nearly a miracle to achieve the ten-percent goal for each of seven district colleges within the generally agreed upon deadline. Even with extended deadlines, certain colleges in the district may end up with significantly more than a ten-percent error rate. It is obvious that some of the campuses will need more help than others to reach a reasonable level of production.

The cases that involve tracking and locating the student, who then must obtain documentation from one or more sources is labor intensive and time dependent. Over half the curable cases could

this category. As of the end of October, less than 24 of the 245 targeted "hold 34" cases had been cleared over a period of months. This is only one indicator of the difficulty and need for a special effort to make better progress. The generally agreed upon deadline of November to submit additional rebuttal documentation gives the District less than three weeks to meet that date. Both additional specialized resources and more time will be required to get the best possible results.

The objective of Todd & Associates' assistance is to provide City Colleges of Chicago with the emergency staff support and expertise required for planning and implementing a **Records Curing Project**. **Activities will be completed** that will enable the district to make the best progress toward achieving the current goals and objectives for closing the OIG Review with the least amount of liability. The current liability per case estimate is a range of \$1200.00 to 1500.00. The cost associated with curing the sample cases may average nearly 30 percent of the established liability. However, this cost still provides a significant savings on the total potential liability associated with the limited sample selected by the OIG.

Specific Objectives for the Records Curing Project include:

- Cure maximum # of the 630 cases needed to reach the threshold
- Demonstrate to OSFAP the ability to cure the remaining cases
- Obtain the necessary time required to cure the required cases
- Continue curing process until threshold is reached
- Devise and implement strategies that limits OSFAP liability assessments

The following major activities will be a part of the "Records Curing Project" managed by Todd & Associates on behalf of City Colleges of Chicago.

Project Approach

Todd & Associates (T&A) will design and manage a records curing process that makes effective use of existing college resources that are augmented with the resources of the firm. T&A will assist each campus at the level necessary to complete the processing of the maximum number of required case within the available deadlines. Existing campus resources will continue at the same or planned increased levels.

Adequate resources in the form of technical support to various college offices and the use of special staff resources available from Todd & Associates will be provided according to each College's need. The primary focus of T&A's resources will be on establishing, monitoring and implementing a production process that leads to the maximum results within allowable deadlines. Also, T&A will oversee a quality assurance process that leads to records being in the proper condition to merit OSFAP approval of the appealed case. Active processing of appropriate aspects of caseloads will be done by T&A's senior staff. Additionally, T&A will manage a process of placing records with the District's skip tracing/outreach entity to locate and obtain the appropriate documentation from selected student cases.

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Staffing

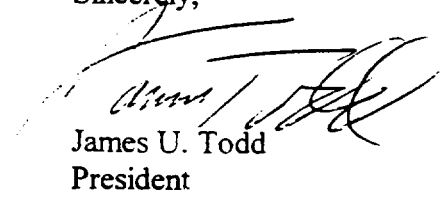
Todd & Associates will assign four (4) senior management staff to the project to carryout specific task. Dr. James Todd will serve as Project Director with selected staff serving in key project management roles.

Fees and Timing

The Records Curing Project Agreement will cover a period of 6 weeks and include 120 work days involving 4 senior level associates. The fee (includes expenses) for performing these services is \$96,000. The fee is payable in four installments. \$9,600.00 at the beginning of the project and 1/3 of the balance at the end of each 1/3 of work period completed.

I look forward to hearing from you. After hearing of your decision to engage our services, we will schedule activities as soon as possible. If you would like to discuss our proposal, please feel free to call any time. I can be reached at: 602-692-3986.

Sincerely,



James U. Todd
President

CITY COLLEGES OF CHICAGO

WAIVER OF COMPETITIVE PROCEDURE REQUIREMENT

Board rules state that it is the general policy of the District to use competitive procedures to select professional service consultants. Section 2 of the Board Rules, Purchasing Policies and Procedures, lists situations in which a waiver of competitive procedure requirement is possible. In order to retain a consultant without competitive procedures, this waiver form must be completed and approved by the College President, the appropriate Vice Chancellor or the Chancellor.

1. Type of consultant/services required:

Enhanced management of the district-wide curing of files of the Office of the Inspector General *Final Audit Report* (July, 1999).

2. Brief description of the need for a professional services consultant:

The City Colleges of Chicago needs the assistance of a consultant firm to cure at least 630 files to the satisfaction of the Office of Student Financial Assistance Programs, U. S. Department of Education Office (OSFAP). Also, strategies that allow the District to prevent OSFAP from assessing large financial liabilities need to be developed and implemented. Failure to satisfy the file curing criteria and audit resolution parameters of OSFAP will generate mandates by the U.S. Department of Education to conduct labor intensive, 100% audits of fiscal years 1997, 1998, and 1999 and financial liabilities in the millions of dollars for each campus.

3. Reason that competitive procedures are not appropriate in this situation:

The President of Todd and Associates, Dr. James U. Todd, possesses the most extensive experience in the nation for file curing. He developed the file curing methodologies and parameters that were adopted by the U.S. Department of Education. His firm, Todd and Associates, is the oldest financial aid facilities management service in the country. The acknowledged expertise of Dr. Todd, in financial aid, by the U.S. Department of Education and the National Association of Student Financial Aid Administrators places his firm in the paramount position above companies that provide file curing services. Another reason is his recently completed technical assessment of the record curing project of the District and his pro bono analysis for Kennedy-King College of fiscal year 1998. Also, his proven ability to reconstruct non-existent records that were accepted by the U.S. Department of Education to drastically reduce the financial liabilities assessed against Texas Southern University, Houston, Texas; his Policy and Procedures Manual for Kentucky State University; and the financial liability reduction for Cuyahoga Community College through upgrades to their Ability-to-Benefit policies and procedures.

4. Is this firm a certified MBE? No certified WBE? _____

Comments Todd & Associates is a minority developed and owned business that is not currently certified as a MBE with the City of Chicago.

*Note: The district M/WBE Plan requests that procuring departments make every good faith effort to meet the district's MBE and WBE purchasing goals. The MBE goal for City Colleges of Chicago is 25% and the WBE goal is 7%.

_____ Person initiating request	_____ Date
_____ College President (If request is from a college)	_____ Date
X <u>Carlton M. Bee</u> Vice Chancellor (If request is from District Office)	<u>11-19-99</u> Date