

**SUMMARIZATION OF THE APRIL 10, 2006
 FINANCE OFFICE, ADMINISTRATIVE SERVICES, AND OFFICE OF INFORMATION
 TECHNOLOGY COMMITTEE MINUTES**

2.1.1 TREASURY UPDATE

Monthly cash flow and investment status report: The District's Treasurer prepared the FY 2007 *Monthly Cash Flow Report* with actual results through February 2007 for today's meeting. This report covers the District's operating cash and investment fund receipts, disbursements, and balances. Total projected receipts for Fiscal Year 2007 decreased by \$2.2 million from the prior month's report primarily due to the decrease in projected student tuition and fees and miscellaneous receipts. Expenses were unchanged from last month's projections.

Total Cash balances at the end of February are \$133.1 million as compared to minimum balance goal of \$83 million. Total operating fund balances, including restricted and medium to long term investments total \$189.0 million.

Table 1. District Operating Funds as of February 2007 (Dollars in Millions)

<u>Duration</u>	<u>Beginning Balance</u>	<u>In Flow</u>	<u>Out Flow</u>	<u>In/Out Invest.</u>	<u>End Balance</u>
Cash	\$ 12.4	\$ 23.7	\$23.1	\$ (2.5)	\$ 10.5
State Treasurer	120.3	20.3	18.0	-0-	122.6
Subtotal Cash	\$132.7	\$ 44.0	\$41.1	\$ (2.5)	\$133.1
Restricted	0.9	.00	-0-	-0-	.9
Medium-Long	54.8	.20	-0-	-0-	55.0
Total Operating	\$188.4	\$ 44.20	\$41.1	\$ (2.5)	\$189.00

Also reported is the monthly Weiss, Peck and Greer (WPG) commentary as of the end of March 2007 detailing portfolio performance trend.

- WPG Duration. The Weiss, Peck and Greer (WPG) reports that medium to long term investment duration at the end of March 2007 was .58 years. WPG will recommend extending the duration to 1.25 to 1.5 year level as soon as there is an opportunity to do so without incurring capital losses.
- WPG Returns. The WPG portfolio's March 2007 investment returns, net of fees, is .41% as compared to the one year benchmark of .41% and the traditional six month treasury return of .45%.
- Illinois Fund Returns. The District's cash position is primarily invested in the Illinois Fund accounts which in February 2007 earned .432%, net of fees. Portfolio duration is about 30 days
- Investment Services. The RFP for investment management services was issued and a recommendation is expected to be made in June.

2.1.2 BUDGET/FINANCE UPDATE

Budget Update

Status of State Budget –ICCB Operating Budget has not been finalized pending action by the General Assembly on the state budget.

Preparation of the District's FY 2008 budget is in progress. The budget office has received the preliminary requirements from the colleges and will continue to work on compiling the information in the next few weeks. The colleges and district offices budget hearings with the Chancellor has been scheduled for completion by the first week of May. A tentative budget is planned to be finished in time for the required Administrative Report due on or before June 1, 2007.

City College Bond Series 2007: On March 28, 2007, the City closed on the City Colleges Bond, Series 2007 issue with total proceeds of \$41.5 million. Approximately \$39.5 million of the proceeds was dedicated to fund City Colleges' capital improvement program of which \$36.6 million is for the new Kennedy-King College, approximately \$ 2.9 million for Olive-Harvey. The remaining balance of the proceeds was for the costs of issuance and payment of capitalized interest through January 2008.

AUDIT STATUS

External audit status: The Comprehensive Annual Financial Report (CAFR) has been issued and a more detailed presentation will be done at the Audit committee meeting scheduled for May 10, 2007. The FY 2007 federal single audit is now in concurrent partner's review, with a tentative issuance date of April 30th. The Treasury agreed upon procedures work is expected to be completed by the end of April.

Internal Audit Summary: The District's Internal Audit Director is planning the implementation of the District's risk assessment and evaluation program. An RFP has been issued for the vendor who would assist in the implementation of the risk assessment initiative.

The audit committee is scheduled to meet on May 10, 2007. All FY 2007 fourth quarter audit projects, including a review of Procurement Card transactions, Health Care benefits, a Fraud Risk assessment and audit follow-up activities will be presented at the May audit committee.

The internal audit department recently released and RFP for assistance to complete an entity-wide risk assessment and execute audits in specialized areas, such as technology, academic affairs and television broadcasting operations. There were five (5) responsive bidders (RSM McGladery, Smart & Associates, KPMG, Virchow Krause & Company, and Kessler International) to the RFP. The recommended firm(s) will be presented at the May 2007 Board meeting. The entity-wide risk assessment is expected to be completed by August 2007 and will be presented to the audit committee for approval.

Upon recommendation of our external auditors, Deloitte & Touche, the internal audit department is in the process of performing a Fraud Risk assessment.

IRS Audit: The audit is expected to wrap up by the end of June. A more detailed progress report will be available for the Audit committee meeting on May 10th.

Monthly Micro City Purchases: The District's monthly Micro-City purchases report for the month of February 2007 totaled \$76,688.

2.1.3 FINANCE OFFICE March 2007 BOARD AGENDA ITEMS

Resolutions, Agreements, Purchases and other informational information before the Board this month are as follows:

Section 1 – Resolutions:

The Finance Office has three resolutions before the Board this month:

1F – Amends the authorized bank account signatures for college agency, imprest, Federal Nursing Aid, and Federal Perkins Loan accounts by adding employees listed in the report from the various college accounts.

1G – requests the Board to approve the transfer of funds for the month of March 2007.

1R - Tuition and Fees - amendments to Article IV, 4.3 Appendix 18 of the Rules for the Management and Government of the City Colleges of Chicago pertaining to Tuition and Fees for Fiscal Year 2008 beginning Summer 2007. No increase in the tuition rate is recommended for this academic year.

The Office of Finance will work with the colleges and will continue the analysis so that a recommendation can be presented to the Board no later than January 2008.

Section 4 – Agreements

These are the agreements on the agenda for this morning's Finance Committee meeting:

4A - agreement with Gregory Light, Ph.D. in an amount not to exceed \$15,000 and an agreement with Denise Drane, Ph.D. in an amount not to exceed \$5,000 to provide the train the trainer model for City Colleges of Chicago for the period April 12, 2007 through July 30, 2007, with a total cost not to exceed \$20,000.00 for both consultants. (Academic Affairs)

4B –agreement with Scientific Learning for the purchase of Fast Forward Literacy and Literacy Advanced educational programs software and training services to at a cost not to exceed \$48,300. (Academic Affairs)

4C – agreement with G. F. Structures for the parking structure repair at Wright College beginning April 15, 2007 through October 15, 2007 for an amount of \$83,757.00. (Administrative Services)

4D (Revised) – agreement with Competitive Piping Systems, Inc. for required maintenance services for three (3) years on the new chillers at the District Office, in the amount of: \$9,162 year one (1), \$9,620 year two (2), \$9,997 year three (3) and \$4,609 to flush equipment and pump rebuilding, for a total cost of \$33,838. (Administrative Services)

4E (Revised) – agreement with Goldstein & Associates for a three year period beginning May 1, 2007 through June 30, 2010 with an option to renew for an additional one (1) year period to provide the actuarial valuation of the liability under the Early Retirement Sick Pay Plan, perform valuations of post employment benefit plans other than pension plans (OPEB) as of June 30, 2007, June 30, 2008 and June 30, 2009 and to perform services in order for CCC to comply with Medicare Part D requirements, in accordance with RFP# SC0705 dated February 5, 2007 for an amount not to exceed \$20,000.00, plus \$5,000.00 for additional services outside the scope for a total annual contract amount not to exceed \$25,000.00. (Office of Finance)

4F (Revised) - agreement with Sync-Solutions Inc. for the following (1) amendment of the existing core services agreement for transition related activities not to exceed \$372,183.66 (2) staff augmentation services for the period July 1, 2007 through June 30, 2010 amounting to \$28,851,843.72 and (3) Roadmap to Fusion projects amounting to \$15,041,750 for a total contract amount not to exceed \$44,265,777.38 including expenses. (Office of Information Technology)

4G (Revised) - agreement with Tilton, Kelly + Bell, Chicago, for Design Services for the interior renovation at Daley College's (LaSalle Bank building) in an amount not to exceed \$300,000 based upon the budget estimate for construction cost of \$3.5 million. (Administrative Services)

4H - agreement with Diversified Systems, Inc. to acquire, install and integrate additional high-definition broadcasting equipment into the WYCC-TV20 facility at the New Kennedy-King campus in an amount not to exceed \$2,727,650.00. (Administrative Services and WYCC)

4I- agreement with Picture Show, LLC. for a 9 month term, March 2007 through December 31, 2007 at a fee not to exceed \$35,000. (WYCC)

4J – agreement with Cognos Corporation at a cost not to exceed \$147,550.00 for software licenses, \$68,936.00 for software maintenance services for the period of March 31, 2007 through March 30, 2008 and for professional services (training services) at a cost not to exceed \$66,147.00 for a total contract amount not to exceed \$282,583.00. (Office of Information Technology)

4K– intergovernmental agreement with the City of Chicago Department of Housing to provide employee skills assessment and training with expected revenue of \$15,000 from December 1, 2006 through December 31, 2007.

4L– issuance of a purchase order to Xerox Corporation for maintenance services in the amount of \$ 20,000 for services rendered November 9, 2006 through March 31, 2007.

4M – amendment of the agreement with Definitive Datamation, Design Inc. 3(D) to provide the APEC data in a file format as specified by the Office of Information Technology for a total cost not to exceed \$75,000.00. (Office of Information Technology)

4N – an agreement with Laura Stigler for the period beginning April 16, 2007 through September 30, 2007 for consultation and services necessary for Java Security Courses at Wright College in an amount not to exceed \$15,600.00.

4O (Revised)– an agreement with Solar Service Inc. to provide the installation of a Solar Panel System for Water Heating and Photovoltaic Electrical Generation at Wright College utilizing a reimbursable grant from the State of Illinois for \$26,357 and additional funding of \$15,000 for a total estimated cost of \$41,350. (Administrative Services)

4P– extension of the agreement with Enviroplus, Inc. to June 15, 2007 to perform the required environmental services at the new Parrot Cage Restaurant Terrace at the South Shore Cultural Center in an amount not to exceed \$34,650.00. (Administrative Services)

4Q (Revised) – agreement with Pace Systems, Inc. for the CCTV Project in an amount not to exceed \$3,500,000 plus a 10% contingency of \$350,000 for a total of \$3,850,000. (Administrative Services)

Section 6 – Purchases

The following are the purchasing reports before the board:

6A – purchase order to ACT Inc. for the purchase of additional COMPASS/ESL units for all colleges for Fiscal Year 2007 at a cost of \$52,800. (Academic Affairs)

6B – purchase orders for the travel and lodging expenditures for the eight (8) faculty and two (2) administrators selected as participants of the Salzburg Seminar beginning July 7, 2007 through July 15, 2007 in an amount not to exceed \$36,454. (Academic Affairs)

6C – purchase orders for tuition, travel, and lodging expenditures for the participants of the Study Abroad Program in Salamanca, Spain beginning July 1, 2007 through July 28, 2007 in an amount not to exceed \$94,000. (Academic Affairs)

6D – purchase orders for the travel and lodging expenditures for the sixteen (16) students , one (1) faculty and one (1) administrator selected as participants of the Salzburg Seminar beginning July 7, 2007 through July 15, 2007 in an amount not to exceed \$50,238. (Academic Affairs)

6E– purchase order on an as needed basis to various vendors for health occupation and technical trade books through June 30, 2007 in a total amount not to exceed \$315,000. (Academic Affairs)

6F– amendment to board report #27537 to include New Readers Press in the amount of \$60,000 for subscriptions and issuance of purchase orders on an as needed basis through June 30, 2007.

6G (Revised) – spending modification to the district wide advertising services resulting from the ongoing monitoring and assessment of media activity with the addition of \$26,000.00 grant from Homeland Security for the issuance of purchase orders not to exceed \$ 1,118,400.

6H – a one-year service agreement in the amount of \$2,028.00 with White Way Sign and the issuance of a purchase order to White Way Sign, Chicago Illinois to supply and deliver an electronic sign for Truman College, in the amount of \$22,066.00 for the total cost of \$24,094.00 in accordance with Sealed Bid # SC0706 dated February 15, 2007. (Truman College)

6I – ratification of payment in the amount of \$5,515.00 for services rendered to MalcolmX College for snow and ice removal and issuance of purchase orders to Agae Contracting, Inc. on an as needed basis for snow and ice removal at Malcolm X College and Truman College through April 30, 2007 in an amount not to exceed \$12,000.(TRUMAN & MALCOLM X)

6J – issuance of purchase orders on an as needed to Pivot Point International, Inc. in an amount not to exceed of \$45,000 for the Summer 2007, Fall 2007, Spring 2008 and Summer 2008 semesters and approve the payment ratification in the amount of \$8,520.92. (TRUMAN COLLEGE)

6K– issuance of purchase order to Omegasonics, Simi Valley, CA to supply and deliver an ultrasonic blind cleaning machine for Truman College, for the total cost of 10,010.10 in accordance with Sealed Bid # SC0704 dated February 5, 2007. (TRUMAN COLLEGE)

6L– ratification of payment made to the Higher Learning Commission in the total amount of \$48,035.00 for the District's participation in the 112th Annual Conference held on April 1-3, 2007. (District Wide)

6M– issuance of purchase orders for the period April 13, 2007 through June 30, 2007 on an as needed basis with various newspaper advertising vendors for a total cost not to exceed \$75,000 and ratification of payments made in the total amount of \$26,304.28 for a total cost not to exceed \$101,304.28. (Office of Finance)

Section 7- Informational Reports

7D- Monthly Utility, Postage and Other Expenditures Report for January 2007:

- AT & T.....Utilities.....\$103,621.09
- Constellation New Energy.....Utilities.....\$320,124.66
- United States Postal.....\$ 26,177.28
- Pitney Bowes\$ 15,096.44
- No purchases in February 2007 through the Illinois Community College Purchasing Consortium.

Administrative Services

2007 Third Quarter Certified M/WBE Compliance Report

Expenditures of \$8.2 million were made by the entire District in the third quarter, with approximately 49.1% spent with MBE's and 3.3% spent with WBE's. City of Chicago businesses received 56.3% of the dollars expended. These numbers are an increase from FY2006 third quarter performance as well as FY2007 second quarter achievements. It is double the amount spent with WBE's from last quarter but still short of the 7% goal. Contract Compliance will continue to reach out to the WBE contracting community to increase their presence in our system.

Board Reports

4C Parking Garage Structure Repair for Wright College

Competitively bid project through Procurement Services to repair structural damage caused by a vehicle, awarded to the lowest bidder, G.F. Structures of Chicago, Illinois for an amount not to exceed \$83,757 for a period ending October 15, 2007. M/WBE compliance has been met.

4D New Chillers Maintenance Agreement for the District Office Building

Chillers were installed by Competitive Piping in 2006 as replacements for outdated equipment no longer functioning. Competitive Piping was selected through a competitive bid thru Procurement Services. To maintain the manufacturer's warranty for the next three years, Administrative Services is recommending Competitive Piping to continue their maintenance program for the next three years for an amount not to exceed \$33,388. A waiver for M/WBE participation was granted when review determined that there were no subcontracting opportunities.

4G Architectural Services for Remodeling the LaSalle Bank Building for Daley College

Tilton, Kelly & Bell was interviewed and selected from the list of Board approved architects to act as the Architect of Record for the renovation of this recently purchased site to facilitate the Health-related programs scheduled to occupy the site for an amount not to exceed \$300,000 based on a budget estimate of \$3.5 million. M/WBE compliance has been met.

4H WYCC-TV Diversified Systems, Inc for Additional Equipment Acquisition, Installation & Integration for Media Communications Facility for the New Kennedy-King Campus

As the Board is aware, during the construction phases for the new Kennedy-King Campus, value engineering took place that required the District to reallocate funding in certain areas to allow construction to continue in order to meet deadlines and cash flow. The WYCC and WKKC budgets were affected. Since that time, the District has identified funds to restore equipment that allows for a full teaching curriculum for the students enrolled in the programs as well as returns the District to the SONY/PBS High Definition Pilot Project with added benefits from SONY. Diversified Systems was the studio design and implementation professional services firm competitively selected by the PBC, McClier in consultation with City College's WYCC staff to oversee the new studios and for that reason is recommended to the Board of Trustees to seamlessly complete the studio implementation for an amount not to exceed \$2,727,650. Warranty of the studio is provided by Diversified Systems and work should be completed in the next twelve months. M/WBE compliance has been met.

4O Professional Services for the Installation of a Solar Panel System at Wright College

Due to a grant received from the State of Illinois under the Clean Air Act, Wright needs to implement a pilot project using solar panels to gauge the impact of an alternative source of power in the day to day operations of the facility. Solar Service Inc. is currently the only local firm identified with certified

technicians that provides the system and expert installation adaptable to Wright College's facility. Project total is \$41,350 and should be installed by September 30, 2007. M/WBE participation was waived at this time. Students from various City College programs will be trained in the installation and maintenance of this system.

4P Extension for Environmental Remediation Services for the Washburne Culinary Institute at South Shore Cultural Center

Need to request an extension of the term due to the delay of performing the work as initially planned. The City's Landmark Commission needed to approve the project and the work could only be done while classes were not in session and students were not in the immediate area. The initial funding amount of \$34,650 was not affected, only extending the contract period through June 15, 2007.

4Q District-wide Video Security and Surveillance System

Recognizing the need for increased security in all District facilities, Administrative Services worked with staff from Security, Engineering, Information Technology and each campus's administrative staff to select a camera monitoring and recording system that would be placed throughout each campus to provide maximum security coverage. A competitive RFP was done by Administrative Services with Procurement Services, resulting in six responses from vendors. ITQ Lata, an outside expert technical consultant approved by the Board in June, 2004 completed its scope of work by reviewing the proposals, determining that three vendors met the spec in entirety. District staff reviewed those three and is recommending the lowest responsible responsive vendor, Pace Systems, a minority owned firm that is a technically certified to implement the security system. At this time, the project is for a not to exceed amount of \$3,850,000, which allows for the planned installation as well expansion of the system if required.

Project Updates

New Kennedy-King Campus Construction Project

Project is more than 80% complete and on target for the moving to commence May 21st. The project is still meeting the goals established by the PBC. While City colleges has no official documentation on the hiring of additional students from the District over the 14 already reported, we have been told that as they move into close-out, names of additional students hired on the project will be submitted.

District Office Lobby Renovation

On April 12th, Administrative Services will begin renovating the Lobby Entrance on Jackson Blvd and the Second Floor General Area. Included in the project will be the general cleaning as well as restoration of the terrazzo flooring, lighting upgrades, fresh paint, new signage, floor mats and carpeting. The work should be finished by May 19th. Work will be undertaken by our Building engineers and contractors that have been pre-approved through the District's Board approved resolution allowing joint purchasing with the Illinois Community College Systems Procurement Consortium (ICCSPC).

OIT BOARD REPORT

In the month of March, 18 enhancements and/or changes were applied to the production PeopleSoft Student Administration System. We are also well into the upgrade of our PSFin system and have begun preparing our functional and technical staff for the HR upgrade that will begin within the next two months.

There are three Board reports that we have submitted for your approval.

- The first report (item 4J) is for a software maintenance and training services agreement with Cognos Corporation. Cognos provides software to develop and maintain reports for the Peoplesoft Student Administration System. This agreement will allow Cognos to provide licenses for the test and development environments at a cost not to exceed \$147,550; software maintenance at a cost not to exceed \$68,936; and training services at a cost not to exceed \$66,147.
- The second report (item 4M) is for a data conversion agreement with Definitive Datamation Design, Inc. to convert the military APEC databases to a format that can be utilized by our Peoplesoft databases. The work will be performed at a cost not to exceed \$75,000.
- The third report (item 4F) is for a professional consulting services agreement with Synch-Solutions to provide staffing for the Office of Information Technology's production support team and one-time consultants for "Roadmap to Fusion" projects. **Please note that there has been a change to this report since the original folders were delivered to you.** This report is a follow-up of my presentation to the Board last month that outlined a plan to increase the staffing compliment of CCC OIT management staff by 12, and vendor provided staff by 8 for a total increase in OIT staffing of 20 FTE. We also recommended that we do not renew current vendor contracts (that end June 30, 2007) and move to a single vendor for providing staff augmentation for production support and enhancement activities, and utilize the single vendor for completing "Roadmap to Fusion" projects. Using the Office of Finance as a model, the decision to move to a single vendor is based on our desire to have greater accountability in the performance of both day to day operations and projects as we complete our migration strategy to the latest versions of our Peoplesoft administrative systems.

The choice of Synch-Solutions as a single vendor is based on:

- Their eight-year relationship as a vendor with CCC,
- Their resulting institutional knowledge and experience that is crucial for the success of our migration to Oracle's Fusion technology, and
- Their solid performance history in providing IT support staff and one-time experts for IT projects for CCC.

Under the existing IT contracts, Synch-Solutions provides approximately 2/3 of the staffing for IT production support and almost all of the functional and technical expertise regarding the implementation and enhancement of our student administration system.

The new professional consulting services agreement is for three years, not to exceed \$28,851,844 for staffing our production support team, and a not to exceed \$15,041,750 for completing our "Roadmap to Fusion" projects. The agreement for staffing provides an annual not to exceed cost of \$9,672,682 in the first fiscal year, \$9,447,863 in fiscal year 2009, and \$9,731,299 in fiscal year 2010. Payment to Synch-Solutions for "roadmap" projects will be based on a Work Order process that will establish predetermined milestones. Once the milestones have been adequately achieved, payment will then be made.

Also included in this board report is a request for an amendment to the current core services agreement with Synch-Solutions for transition activities at a cost not to exceed \$372,184.