

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

INTERNAL AUDIT SERVICES
DISTRICT-WIDE

THE CHANCELLOR

REPORTS

that there is a need to provide internal audit services District-Wide to plan, execute, and complete reviews as identified in the multi-year audit plan; and

that a Request for Proposals (RFP) for Internal Audit Services was prepared, publicly advertised, and fourteen (14) firms were notified, a pre-proposal conference was held on July 9, 2008, and the following eight (8) firms submitted proposals on July 21, 2008: Washington, Pittman & McKeever, LLC, Chicago, IL; Benford Brown & Associates, Chicago, IL; BDO Consulting, A Division of BDO Seidman, LLP, Chicago, IL; Virchow, Krause & Company, LLP, Chicago, IL; RSM McGladrey, Inc, Schaumburg, IL; Crowe Chizek & Company LLC, Chicago, IL; Smart Business Advisory & Consulting, LLC, Chicago, IL; KPMG, LLP, Chicago, IL, with hourly rates for internal audit services as follows; and

Firms	Hourly Rate
Washington, Pittman & McKeever, LLC	\$95
Benford Brown & Associates	\$95
Smart Business Advisory & Consulting, LLC	FY 2009 \$130 FY 2010 \$137 (5% increase)
Virchow, Krause & Company, LLP	\$155
RSM McGladrey, Inc	\$150
Crowe Chizek & Company LLC	\$150
BDO Consulting, A Division of BDO Seidman, LLP	\$162
KPMG, LLP	College Audit \$165 District Audit \$190

that the submitted proposals were reviewed and ranked in accordance with the evaluation criteria contained in the RFP by the evaluation team, which consisted of Internal Audit, Risk Management, Finance, Administrative Services staff and the Director of M/WBE contract compliance; and

that based on the highest ranking scores, the evaluation team recommends acceptance of the proposal and negotiated fee of \$95 per hour from Washington, Pittman & McKeever, LLC for a not to exceed an annual amount of \$420,000, and acceptance of the proposal and negotiated fee of \$130 per hour for fiscal year 2009 and \$137 per hour for fiscal year 2010 from Smart Business Advisory & Consulting, LLC for a not to exceed an annual amount of \$400,000; and

that the evaluation team recommends awarding a contract to Washington, Pittman, & McKeever for the work they proposed to perform including College Audits, and Finance and Human Resource related audits at the District Office because they were determined best qualified at the lowest rate; and

that the evaluation team recommends awarding a contract to Smart Business Advisory & Consulting, LLC over Benford Brown & Associates for the remaining internal audit work outlined in the RFP including Information Technology, Administrative Services and other specialized audits because of the demonstrated high degree of technical expertise, knowledge and previous experience to perform the remaining audits and they were determined to be best qualified at the next lowest negotiable rates; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced internal audit services agreement and has found both Washington, Pitman & McKeever and Smart Business Advisory & Consulting, LLC are both in direct compliance with the Board approved Participation Plan.

THE CHANCELLOR

RECOMMENDS that the Board of Trustees authorize the Chairman to enter into an agreement with Washington, Pittman, & McKeever for a negotiated fee of \$95 per hour for a not to exceed an annual amount of \$420,000 and Smart Business Advisory & Consulting, LLC for a negotiated fee of \$130 per hour for fiscal year 2009 and \$137 for fiscal year 2010 for a not to exceed an annual amount of \$400,000 to provide internal audit service for a period of two (2) years beginning October 1, 2008 through June 30, 2010, with an option to extend for one (1) additional year in accordance with RFP# NU0809 dated June 26, 2008.

FINANCIAL Washington, Pitman, & McKeever
\$420,000.00-0003-0015002-00086-00000-0000000-532100

Smart Business Advisory & Consulting, LLC
\$400,000.00-0003-0015002-00086-00000-0000000-532100

Respectfully submitted:

Wayne D. Watson
Chancellor

September 3, 2008 District Office – Office of Internal Audit