

31844
ADOPTED - BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
MAY 2, 2013

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS

EXTERNAL AUDIT SERVICES
MCGLADREY LLP
OFFICE OF FINANCE

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair to execute a professional services agreement with McGladrey LLP to provide External Audit Services for the period from May 3, 2013 through December 31, 2015, at a total cost not to exceed \$1,450,500 (\$483,500 annually).

VENDOR: McGladrey LLP
One South Wacker Drive, Suite 800
Chicago, Illinois 60606

USER: District Wide

TERM:

The original term of the agreement shall commence on May 3, 2013 and will expire on December 31, 2015, with an option to renew for two additional one (1) year periods.

SCOPE OF SERVICES:

The District seeks to engage a highly qualified certified public accounting firm to audit the College's financial statements for the three fiscal years ending June 30, 2013, June 30, 2014, and June 30, 2015. These audits will be conducted in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States and the provisions of the Single Audit Act, US Office of Management and Budget ("OMB") Circular A-133, and the Illinois Community College Board's ("ICCB") Fiscal Management Manual.

BENEFIT TO CITY COLLEGES OF CHICAGO:

McGladrey has significant Illinois Community College audit experience, with eight current community college clients and extensive knowledge of ICCB requirements. The CCC engagement will be staffed by senior auditors with extensive experience working with the firm's other Illinois community college clients. The proposed work plan provides for an October 15th completion for all required reports and management letters, which will be far earlier than prior CCC audits. The proposed FY 2013 audit fee is more than \$150,000 less than the amount that CCC paid for its FY 2012 audit.

VENDOR SELECTION CRITERIA:

Specifications were prepared by District Procurement Staff and a Request for Proposal (RFP) #SH1301 was publicly advertised on February 22, 2013. Eighteen (18) companies were contacted.

Ten (10) vendors attended the pre-submittal conference on February 8, 2013. Seven (7) vendors responded to the RFP on February 22, 2013: 1) Baker Tilly Virchow Krause, LLP; 2) Crowe Horwath LLP; 3) Deloitte & Touche LLP; 4) Grant Thornton LLP; 5) KPMG LLP; 6) McGladrey LLP; and 7) Plante & Moran, PLLC.

All qualifications were reviewed, evaluated and ranked by an evaluation team that included staff from the Office of Finance, the Office of Risk Management, the Office of Internal Audit, the Office of M/WBE Contract Compliance, and the Office of Business Services at Wright College.

The evaluation criteria included:

1. Overall capabilities of the firm
2. Proposed staff qualifications and experiences and size
3. Proposed plan of action for the execution of the requested scope of services
4. Past experience with similar services for educational institutions or government agencies
5. Firm's PSA Affirmative Statement
6. Financial Information
7. Peer Review Report
8. M/WBE Compliance plan
9. Fees in relation to the Scope of Services

Based on the initial scoring of written proposals, the evaluation team recommended the following three firms be invited to make oral presentations: Crowe Horwath LLP, Deloitte & Touche LLP, and McGladrey LLP. Based on the evaluations of each firm's written and oral presentations, and the proposed hours and fee structure, the evaluation team recommends acceptance of the proposal from McGladrey LLP.

MBE/WBE COMPLIANCE:

The Office of M/WBE Contract Compliance has reviewed the proposed agreement and has determined that McGladrey, LLP subcontracting with Prado & Renteria CPAs, P.C. as its MBE provider and Benford Brown & Associates as its WBE provider, is in compliance with the Board Approved Participation Plan.

MBE Vendor:

Prado & Renteria CPAs, P.C. 1837 S. Michigan Avenue Chicago, IL 60616	Direct Participation 25%	City Certification
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WBE Vendor:

Benford Brown & Associates, LLC 8334 S. Stony Island Ave. Chicago, IL 60619	Direct Participation 7%	City Certification
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GENERAL CONDITIONS:

Inspector General – It shall be the duty of each party to the agreement to cooperate with the

Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General’s authority under Article II, Section 2.7.4(b) of the Board Bylaws.

Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions of the Board’s Ethics Policy adopted January 7, 1993, and as amended by the Board.

Contingent Liability – Pursuant to Section 7-14 of the Illinois Public Community Act all agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year.

FINANCIAL:

Total FY13 – FY16: \$1,450,500

Charge To: Office of Finance

Source of Funds: Audit Fund

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

May 2, 2013 – Office of Finance