THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair to execute professional services agreements for internal audit services District-wide with: 1) Crowe Horwath, LLP for a twenty-two (22) month period from September 1, 2014 through June 30, 2016, with options to renew for additional three (3) one-year periods; and 2) Washington, Pittman & McKeever for a ten (10) month period from September 1, 2014 through June 30, 2015, at a total cost not to exceed $896,000.

VENDORS:  Crowe Horwath, LLP
70 West Madison Street, Suite 700
Chicago, Illinois 60602

Washington Pittman & McKeever
819 South Wabash Avenue, Suite 600
Chicago, Illinois 60605

USER:  Office of Internal Audit

TERM:
The term of the agreement for Crowe Horwath, LLP shall commence on September 1, 2014 and continue through June 30, 2016, with options to renew for additional three (3) one-year periods.

The term of the agreement for Washington, Pittman & McKeever shall commence on September 1, 2014 and continue through June 30, 2015.

SCOPE OF SERVICES:
The scope of services shall include internal audit services as a basis for completing audits and reviews included in the multi-year internal audit plan, and other special projects as requested by the management and the Board of Trustees. Internal audit services may include, but are not limited to, the planning, execution and completion of audits and reviews. Analysis, detail-testing, interviews, paperwork documentation and report-writing are among the duties expected to be completed.
BENEFIT TO CITY COLLEGES OF CHICAGO:
The use of internal audit services will provide the District with analysis of District-wide internal controls and validation that there is adherence to the controls to ensure compliance with state and federal regulations. The use of these services would also identify potential cost-saving and process improvement opportunities.

VENDOR SELECTION CRITERIA:
Specifications were prepared by District Procurement staff and a Request for Proposal (RFP) #MWJ1404 was publically advertised on April 25, 2014. Thirty-one (31) companies were contacted and a pre-proposal conference was held on May 6, 2014. Eleven (11) firms responded to the RFP on May 20, 2014: 1) Adelfia, LLC; 2) BDO USA, LLP; 3) CliftonLarsonAllen, LLP; 4) Crowe Horwath, LLP; 5) Experis US, Inc.; 6) KPMG, LLP; 7) Prado & Renteria CPAs; 8) The Titus Group, Inc.; 9) Washington, Pittman & McKeever, LLC; 10) WeiserMazars, LLP; and 11) Wolf & Company, LLP.

All proposals were reviewed, evaluated, and ranked by staff which included the Offices of Internal Audit, Risk Management, Operations & Compliance, Administrative and Procurement Services and MBE/WBE Contract Compliance.

The evaluation criteria outlined in RFP #MWJ1404 included:

1) Qualifications and experience of firm
2) Proposer’s implementation plan for the execution of the requested services
3) Past experience with similar services for educational institutions or comparable organizations
4) Fees in relation to the scope of services
5) M/WBE Compliance

Oral presentations were held with short-listed firms. Based on the composite written proposal and oral presentation scores, Crowe Horwath, LLP was the highest ranked vendor and was selected by the committee.

Further, Washington, Pittman & McKeever is recommended as a second vendor to assist City Colleges of Chicago (CCC) with the transition to Crowe Horwath, LLP. Washington, Pittman & McKeever’s institutional knowledge of CCC’s operations, based on the firm’s long experience in providing internal audit services to CCC, will help ensure stability and continuity in the execution of CCC’s multi-year internal audit plan during the transition.

MBE/WBE COMPLIANCE:
The Office of M/WBE Contract Compliance has reviewed the above request and has determined the selected vendors are in compliance with the Board Approved MBE/WBE Participation Plan. The firms will utilize the following firms to meet the goals:

Crowe Horwath, LLP:

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<thead>
<tr>
<th>Vendor</th>
<th>MBE or WBE</th>
<th>% Participation</th>
<th>Certifying Agency</th>
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<tbody>
<tr>
<td>Ringold Financial Management</td>
<td>MBE</td>
<td>25</td>
<td>Direct</td>
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<tr>
<td>850 S. Wabash</td>
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<td>City of Chicago</td>
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Washington Pittman & McKeever:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>MBE or WBE</th>
<th>%</th>
<th>Participation</th>
<th>Certifying Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington Pittman &amp; McKeever</td>
<td>MBE (Prime)</td>
<td>90</td>
<td>Direct</td>
<td>City of Chicago</td>
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<td>819 S. Wabash Ave.</td>
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<td>Chicago, IL 60605</td>
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<tr>
<td>Velma Butler &amp; Co.</td>
<td>WBE</td>
<td>10</td>
<td>Direct</td>
<td>City of Chicago</td>
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<td>6 E. Monroe St.</td>
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<td>Chicago, IL 60603</td>
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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 2, 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 College 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: $896,000
Charge To: Office of Internal Audit
Sources of Funds: Education Fund
FY15: 530000-00003-0015002-84000

Respectfully submitted,

Cheryl L. Hyman
Chancellor

August 7, 2014 – Office of Internal Audit-District Office