OAK PARK AND RIVER FOREST HIGH SCHOOL
Finance Committee Meeting
Agenda

April 21, 2009
Board Room
7:30 a.m.

1.	Minutes – March	
2.	Audit Service Request for Proposals	Cheryl Witham
3.	Construction Update	Jack Lanenga
4.	Building Automation System Proposal	Cheryl Witham
5.	Contract for Summer Construction Work with Wight	Cheryl Witham
6.	Food Service Lunch Prices 09 – 10	Micheline Piekarski
7.	Milk Roll Over Bid	Micheline Piekarski
8.	RFP for Distributor of Food Products and Misc. Non-Food Supplies	Micheline Piekarski
9.	RFP for Bread	Micheline Piekarski
10.	Field Trip/Charter Bus Contract Renewal	Tim Keeley
11.	Athletic Uniforms – Spring	Tim Keeley
12.	Elevator Upgrade Bid	Tim Keeley
13.	Staffing and Stipends 09 – 10 Budget	Jason Edgecombe
14.	Funding TAPP Students	Jason Edgecombe
15.	Triton Evening Education Contract	Cheryl Witham
16.	Ombudsman Contract for 2009-2010	Cheryl Witham
17.	Illinois Legislature Developments	Ralph Lee
18.	Monthly Financial Report	Information
19.	Treasurer's Report	Information

Finance Committee Members
Chair: John Rigas

Board of Education
DLT
Jim Hunter – FSEC Chair

FINANCE COMMITTEE
BOARD REPORTS

July, 2008	August, 2008	September, 2008	October, 2008
	08 - 09 Tentative Budget	08 - 09 Budget	2007 Audit Report
	Time Keeping Software		Levy Timeline
			Discussion of Budget Cycle
			Insurance Renewals

November, 2008	December, 2008	January, 2009	February, 2009
Preliminary 2008 Levy	2008 Levy	Food Service Rollover Bids	Student Fees 09 - 10
Books & Fees Report	Budget Timeline	Authority to Commence Amend. Budget 08/09	Life Safety
Summer School Report	5 Year Plan Projections	Authority to Commence 09/10 Budget Prep	Costume Contract
Landscaping Bid		FY 2008 Audit Report	Copy Machine Leases
		Fall Athletic Uniform Bid	
		Personnel Report	
		BOE set aside in 2010 Budget	

March, 2009	April, 2009	May, 2009	June, 2009
Staffing Summary update by	Field Trip/Charter Bus Service Contract Rene	Prevailing wage	FY 09 Preliminary Budget
Division FTE	Staffing and Stipends 09 - 10 budget	Resolution to transfer funds	Property & Liability Ins Renewal
RFQ Audit	Food Service lunch prices 09 - 10	PTAB Resolution	Workers Comp Renewal
RFP Bus Service	Food Ser. Bread/Milk & Misc. Suppyl Bids	Contracts for FY 09 - 10	Treasurer's Bond Renewal
RFP Custodial Services	Athletic Uniforms - Spring	- Family Services & OT Contracts	Vans
Amended Budget	Audit Services Bid	Linden Street Fence	Mini Buses
Busing Service Contract	Funding TAPP Students	Tennis Court Repaving	T-Shirts
	Triton Contract	Xerographic Paper Bid	
	Elevator Upgrade	Towel Service Bid	
	Contract for Summer Construction Work	Collaboration for Early Childhood Care	
	Ombuds.Contract 09/10	Yearbook Printing	
Every Meeting:	**July, 2009**	Theatrical Costuming	
Minutes	Tentative Budget		
Construction Update			
Financial and Treasurer Reports			

OAK PARK AND RIVER FOREST HIGH SCHOOL
201 North Scoville Ave.
Oak Park, IL 60302

FINANCE COMMITTEE MEETING
Tuesday, March 17, 2009

A Finance Committee meeting was held on Tuesday, March 17, 2009. Acting Chair Millard called the meeting to order at 7:33 a.m. in the Board Room. Committee members present were John C. Allen, IV (attended telephonically), Valerie J. Fisher, Dr. Ralph H. Lee, Dr. Dietra D. Millard, Sharon Patchak-Layman, and John P. Rigas arrived at 8:18 a.m. Also present were Dr. Attila J. Weninger, Superintendent; Jason Edgecombe, Assistant Superintendent for Human Resources; Cheryl L. Witham, Chief Financial Officer; Jack Lanenga, Assistant Superintendent for Operations; and Gail Kalmerton, Executive Assistant/Clerk of the Board.

Visitors included Kay Foran, Communications and Community Relations Coordinator; Paul Keller, Esq. of Ancel Glink; Doug Wiley, OPRFHS Supervisor of Finance; Tim Keeley, OPRFHS Purchasing Coordinator; Robert Zummallen, Director of Buildings and Grounds (departed at 8:51 a.m.); James Paul Hunter, OPRFHS Faculty Senate Executive Committee Chair; Antoinette Hagins, OPRFHS Assistant Head Custodian, Dan Hurtado, parent; Judie Wilson, League of Women Voters; Robert Baron, Senator Don Harmon's Office; Debra Kadin of the Chicago Tribune, George Bailey and Amy Leafe McCormick, Board of Education candidates and parents; Tim McDonnell and Gene Washington of SEIU, and Terry Dean of the *Wednesday Journal* (arrived at 8:18 a.m.).

Minutes
It was the consensus of the Finance Committee members to accept the minutes of the January 2009 and February 2009 meetings, as presented.

The Childcare Center discussion that was noted in the minutes would be scheduled for the April Finance Committee meeting.

Summer Facility/Construction Work 2009
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the Summer Facility Construction Work for 2009 at the Special Board meeting scheduled for Tuesday, March 17, 2009, as presented.

Mr. Lanenga walked through the items that had been scheduled as summer facility/construction work 2009 (attached to and made a part of the minutes of this meeting). He stated that the Board of Education had already approved the Life Safety Amendment #19 for air handlers, fire dampers, asbestos removal, and re-coating the Stadium. He expected the bids for the described work to be approximately 10 to 20 percent lower than estimated, which will cover any necessary contingency funds. Outside of Wight's scope would be the , the rebuilding the tennis courts, the replacement of all fifty-five (55) gallon plastic garbage drums, the replacement of the stadium sound system if lights were approved, replacement of the cyclone fence on west side of the fields, and replacement and

rebuilding of an elevator (one per year). While this and the items approved under Life Safety were projected to cost a total of $2,193,240, based on 2008 construction prices, Mr. Lanenga has heard reports that the actual numbers could be 20 percent lower and that there would probably be more bidders.

In response to Ms. Patchak-Layman's question as to whether these items fell into the category of "must dos" or if fell into the category of wants," Mr. Lanenga described them as follows:

1) Vacuum pumps—must do.
2) Garbage cans—unsightly, can be knocked over easily.
3) Tennis courts—must do, because of the safety issue.
4) Fencing is part of the ongoing fencing project.
5) Sound system—only if lights are approved.

He also saw these as the high school's responsibility; he did not feel asking the Boosters for help in this regard was appropriate as Ms. Patchak-Layman suggested. The Boosters pay for the "extra" things.

Special Education Bus Service Contract Renewal
It was the consensus of the Finance Committee members to recommend to the Board of Education that it renew the two-year extension of the Special Education Bus Service Contract with Grand Prairie Bus Service at its regular March Board of Education meeting, as presented in the packet. Mr. Keeley reported that the experience with this bus company had been very good. Ms. Witham responded to Ms. Patchak-Layman that there had been no conversations about the timing of buses arriving before school or after school.

Photography Proposal
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the contract with HR Imaging for photography services for one year at its regular March Board of Education meeting, as presented.

The recommendation to award this contract with HR Imaging was because it provided the best package. There was a signing bonus of $21,000 and two digital SLR cameras valued at approximately $4,000 each. Senior students would benefit, as they would only pay a $5 sitting charge for the extensive package. The regular sitting would be free.

Yearbook
It was the consensus of the Finance Committee members to recommend to the Board of Education that it complete the 2008-09 yearbook contract with Walsworth Publishing and bid the 2009-2010 yearbook publishing services.

The administration discovered that a faculty member had signed a contract with Walsworth Publishing in October 2007 for the 2008-09 yearbook and again in December 2008 for the 2009-2010 yearbook. Because the faculty member was not an approved

signer, the administration advised Walsworth that it did not have a binding contract. Walsworth Publishing and the students have already completed approximately 30 percent of the 2008-09 yearbook. Some Finance Committee members suggested that this act be reflected in his annual evaluation. Ms. Patchak-Layman noted this was a transition year of corrections and making staff more aware of the proper procedures.

Authorization to Place District 200 Amended Budget FY '09 on Display
It was the consensus of the majority of the Finance Committee members to recommend that the Board of Education approve the authorize to place the amended FY 2009 budget on display for thirty days beginning March 18, 2009, at its Special Board Meeting on that same day, March 17, 2009.

Ms. Witham provided a management discussion and analysis. The major adjustments to revenue reflected:

1) the actual grant amounts;
2) lower than anticipated health insurance renewal premium (approximately $100,000);
3) receipts of corporate personal property replacement taxes;
4) reduction of O&M Fund by an additional $300,000 as corporate personal property replacement tax was less; and
5) reduction of IMRF Fund by an additional $15,000, as the corporate personal property replacement tax was less.

The major adjustments to the expenditures reflected:

1) federal sources of revenue;
2) adjustments to programs because of changes in plans;
3) January 1, 2009 health insurance renewal was lower than anticipated and the budget was reduced by approximately $100,000 to reflect the savings in premium;
4) purchase of the Kronos timekeeping system;
5) increase of actual salaries compared to estimated salaries in various program areas and reclassification of some account codes to properly reflect expenditures;
6) increase of legal fees for actual court cases or specific legal action;
7) increased of costs related to construction projects;
8) increased of costs for bus repair; and
9) adjustments to IMRF to reflect expenditures for the summer school program
10) final expenditures related to the previous self-insured portion of outstanding claims in the Workers' Compensation Fund.

Treasurer's Report
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the January 2009 Treasurer's Reports at its regular January Board of Education meeting under the Consent Agenda.

RFP Proposals
Ms. Witham reviewed the background information in the packet highlighting the certain information. The Board of Education and the administration have been working to identify and implement cost saving initiatives that sustain instructional programs, while improving operational efficiencies. In January 2009, the Board of Education approved a financial resolution indicating its "determination to take every available opportunity over the next ten years to contain costs in ways that balance both the District's ability to sustain its financial health and deliver the highest quality of educational services."

She continued that a determination to avoid the need for a referendum in 2018 requires the identification and implementation of significant and sustainable cost savings over the next ten years. With the current level of spending in the Education Fund, the District will begin deficit spending in the 2013–2014 school year. This deficit spending will increase through 2018 and is currently expected to be in excess of $8 million per year by the 2017–2018 school year. Sustainable cost savings realized in the Operation and Maintenance Fund (O & M) would allow the District to reduce the O & M Levy and increase the Education Fund Levy in order to support the educational programs and reduce the deficit spending.

Another area of cost savings initiatives or areas the administration investigated was that of contractual services. Recent legislation, specifically Illinois Public Act 095-0241, requires certain objectives to be met in consideration and award of contractual services with private vendors. With the help of legal representation, the District has carefully evaluated the requirements of the Act and has diligently met each one. Ms. Witham reviewed the timeline in the Act. The Board of Education and administration will carefully review the RFP's at two public meetings, the March Finance Committee Meeting, and the March Board of Education Meeting. Paul Keller, the District's attorney, will attend these to assist the Board of Education in this important and difficult review of RFP's. She provided the Board of Education with specific RFP documents to aid in the cross reference of the law to the bid results. In addition, the administration requested of all three of its law firms to provide opinions on the interpretation of PA 095-0241, which were attached.

Ms. Witham continued that the RFP specifications included green cleaning supplies, paper supplies, cleaning equipment, equipment repairs, communication devices, supervision, uniforms, employee training program, workers compensation and custodial services wages and benefits for a minimum of three shifts. This totals 28 custodial positions during the day and 20 in the evening.

Part of the review process requires assessing if the RFP submitted by each contractor had met the requirements of the law. The consistent interpretation of the law from the District's attorneys reflects an opinion that the District is required to assess if benefits are comparable, although salaries are not required to be comparable. The benefit package is not required to be exactly equal, rather it should be comparable. Some areas may offer greater benefits and others not. The question of comparability in the law lacks clarity and

it is up to the Board and the administration to determine what comparability means by reviewing the proposals.

The staff provided a chart for the Board of Education in summary of the responses from the vendors. Each vendor had to provide a 1-, 2-, and 3-year cost comparison. Fourteen (14) vendors attended the pre-bid opening. A bid opening occurred and the District received four proposals. The Board of Education members received copies of the proposals and they were posted on the OPRFHS website. A rating system was used, references were called, equipment and supplies were rated, and the comparison of the ratings was included in the packet. All vendors were asked the same questions. Ms. Witham personally spoke with the Calumet School District, which had gone through this process after the enactment of this law. She offered that the individuals who checked references were in attendance at this meeting to answer Board of Education questions.

Ms. Patchak-Layman asked for clarification about the Board of Education summary in the packet. She asked if the projection of deficit spending by $8 million dollars by 2017-2018 was based on PMA's projected 3 percent yearly increase, in general, for expenditures. Ms. Witham stated that it was based on the 3 percent but the proposal does not reflect that the District's revenue will be down, as the CPA was only .1 percent. The PMA model has nothing to do with this paper; and by taking in the revenue side and the expenditure side, it is different from that presented. Ms. Patchak-Layman reiterated that the project was for a 3 percent increase in expenses, unless a contract was in place that would state otherwise.

Ms. Patchak-Layman then asked where the information requested in the law on page 14 (D) was in the proposal. Two bidders did provide some of the required information, e.g., "a minimum 3-year cost projection, using generally accepted accounting principles and which the third party is prohibited from increasing if the bid is accepted by the school board, for each and every expenditure category and account for performing the non-instructional services." While she saw two bidders who put in two sets of data for themselves for one year, she did not see data for years two and three. Two bidders did not provide this breakdown, and she interpreted it as being a line item analysis, even though Mr. Keller said this was appropriate. She asked how this requirement of the bill had been met. Mr. Keller stated that the data was gathered in response to the RFP in the pricing form in Section P, which asks for three (3) years of total services. The instructions to the vendors included the requirement to provide three-year cost projections. They received a copy of the state law itself and the pricing form, which asks for the sum total of all of the projections in one number. The District did not ask, because it is not required to ask for the projections to be itemized. State law does not specify that cost projections have to be itemized by category or account but rather that the cost projections take into account or include the expenditures for each category and account. In the District's view, the cumulative total of the projections rolled into one number meets the requirements of that section of the law. He understood that some vendors had gone beyond what the law requires and what they were asked to provide by providing a line item breakdown of those projects. This was not asked for nor is it required under the terms of the statute.

Ms. Patchak-Layman stated that under Number 4 on page 14, the same words were repeated and thus the District has that responsibility. The District has interpreted those words each and every category to be a line item. Therefore, if the requirement is not to increase the bid in any category, the categories are still unknown in years two and three, how would the District be able to judge whether in fact they match what is in place? In addition, if a company wins the bid and next year says that the District requested additional things to be done and the vendor asked for an increase, what would the District's reference point if there were no list to start? Mr. Keller stated that the statute says it is the 3-year cost projection from which the vendors would be prohibited from increasing the costs with the cumulative total within the bid price for each of the three years. However, within that total amount for each year of the contract, there is no rigid prohibition on making adjustments for each line item. If there were change orders to the terms of the contract, during the life of the contract then the cumulative total would have to change. Ms. Patchak-Layman knows that the laws passed in Springfield were made by lawyers and everyone has his/her hands in the pot, but individuals should be able to read the laws and make an interpretation of them. When she reads, "a minimum 3-year cost projection...for each and every expenditure category and account for performing the non-instructional services," she wanted to know how one would say that the three-year cost projection is just a general figure, pulling everything in, without having it broken down. What is the comparability of the dollars spent if the line item is not available? She used the example of the 401K and said she did not know what that figure was. Ms. Witham clarified that it was 3 percent of the salary.

Another question Ms. Patchak-Layman asked related to managers/supervisors on site; two bidders addressed that issue and two did not. Mr. Keller stated that was an operational issue as to how the vendors would organize the staff and provide the services. That does not factor into the expenditure category except in so far as it affects the bottom line in any given year. Ms. Witham stated that the Board of Education could explore the staffing levels as each proposal is reviewed to see if it were part of it. Ms. Patchak-Layman noted that the District listed every expenditure category and she wanted to know the same for the vendors in order to be able to compare apples to apples.

Mr. Rigas, assuming Mr. Keller's interpretation was accurate, when comparing apples to apples, asked if one would be more interested in the total cost rather than what each vendor has? Ms. Patchak-Layman responded negatively, as one must look at comparability and know the dollar amounts attached to it. Mr. Rigas used the hypothetical example of building a pool where the new tennis courts are now. If four different bids were received, would she look at individual items, such as the roof, rather than look at the lowest bidder who met the requirements of the bid. Ms. Patchak-Layman stated that the requirements listed in the bid would be cost, technical, and references. For every category, one would make a decision on how one wants those numbers as they relate to the category. If there were six parts, the Board of Education would look at each of these, put a composite together, and, perhaps, include an amendment or addendum. Mr. Rigas stated that if all of the specifications were met, why disaggregate the information. She stated that if there were a state law guiding this, she would look at the

law. Mr. Rigas started the conversation assuming that there was agreement on the law. Ms. Patchak-Layman stated that in order to understand comparability, OPRFHS needed to know what it is doing and what the vendors are offering in terms of dollars. One could say that the District offers health benefits and that is it. Ms. Witham noted that in the example given, if the vendors paid less for premium for less coverage that would appear to be better than if the District paid more for the benefit. Ms. Patchak-Layman felt it was in relationship to other things, e.g., social security would be less in the package because the District would be paying less, and thus that benefit would be less.

Dr. Lee felt that Ms. Patchak-Layman did not agree with Mr. Keller firm's interpretation of the requirements of the law, its interpretation of what the law requires the vendors to do and that her concerns emanated from her disagreement with that interpretation. Ms. Patchak-Layman disagreed that the District was not just to look at the cumulative of the bidding companies; the vendor need to match what the District is required to provide to the community and to itself. Mr. Keller stated that the language in the statute, which requires the three-year cost projections, is identical by the cost projections by the vendors and the school board. He read Section 3(D): "a minimum 3-year cost projection, using generally accepted accounting principles and which the third party is prohibited from increasing if the bid is accepted by the school board, for each and every expenditure category and account for performing the non-instructional services"; and Section 4 states, "The contract must not be entered into unless the school board using generally accepted accounting principles, of each and every expenditure category and account that the school board projects it would incur over the term of the contract if it continued to perform the non-instructional services using its own employees with each and every expenditure category and account that is projected a third party would incur if a third party performed the non-instructional services." The language is parallel. Thus, the data is comparable to that of the vendor and the school board is required to provide. The fact that the Finance Department has provided the Board of Education with an itemized list of those projections goes beyond the strict language of the statute; the statute only requires a cost comparison of the expenditures. The fact that the Board of Education has chosen to compile the data in that fashion does not mean the vendors are required to provide the information in that fashion. The Finance Department could have provided a bottom line. Ms. Patchak-Layman's statement that the vendors are required to do the same thing as the District is true, but what the District has done is more than what the statute requires. Ms. Patchak-Layman disagreed with that statement.

Ms. Witham asked if the Board of Education would like the data gathered and compared. Dr. Lee did not want to see the staff spend any more time in gathering more details, but if the staff felt the need for more detail, then it should do that. Ms. Fisher concurred with Dr. Lee. Mr. Allen did not have a fully formed opinion. When Ms. Witham informed Mr. Rigas that it would take only a few hours of staff time in asking them to mirror the categories provided by the Finance Committee, he then wanted to see the information.

In addition to the categories provided, Ms. Patchak-Layman asked to see breakdown on the other staff, i.e., support total categories.

Ms. Witham reiterated for Mr. Rigas that this meeting was for the Board of Education members to review the proposals only, one at a time, and to gather any additional questions or clarifications. No decisions were to be made today and the administration was making no recommendations. The March 26 Board of Education would be another opportunity to review the proposal and the Board of Education was scheduled to take a vote.

Ms. Patchak-Layman commented that usually the administration makes a recommendation to the Board of Education and then it takes a vote. This process was missing the recommendation step. Ms. Witham noted that if the Board of Education wanted the administration to make a recommendation for the March 26 meeting, it could do so, but the process that was being followed was the law. Ms. Patchak-Layman noted that seldom does the Board of Education make a recommendation and then vote on the issue in the same meeting, other than in emergencies. Mr. Rigas concurred and explained that when this format has occurred in the past it has been on significant issues, e.g., the lights, and the phase-in, etc., because the perception was that it had a high enough priority so that the Board of Education should make the decision. Even though there has been heavy discussion already, significant discussion should occur at the regular Board of Education meeting as well. This format is used for high profile issues, as the community is interested in seeing the debate on this issue. Typically, when the administration makes a recommendation and discussion has occurred, that item is placed on the consent agenda. As the format is presently proposed, it would have greater discussion and more visibility for the public. Ms. Patchak-Layman felt it was important to have the discussion at the Board of Education table, but noted that often the conversations and testimony that comes forward is not always included in the discussion at the Board of Education level. Board of Education members will say they cannot make a decision at that point.

Dr. Millard was unsure what recommendation she would expect from the staff on this issue, as the District is continuing a two-pronged approach with mediation as well as information relative to outsourcing and it has not made a decision to outsource custodial services. She was unsure of what recommendation could be made at this time. Ms. Patchak-Layman noted that her concern was not about receiving a recommendation, only that the process of discussing and voting in the same meeting was different.

Dr. Lee noted his frustration on how the time was being spent at this meeting. He wanted to finish the entire overview of the proposals and leave appropriate time for the PEG Committee and the Special Board meeting. He asked everyone to be aware of the constraints on his/her time.

Thus, the Committee members moved into a review of the proposals.

Review of Proposals

GCA Services Group

Ms. Witham highlighted the information on GCA Services Group (GCA). GCA is a national firm with a local presence providing services to over 1,400 K-12 schools and 36 colleges/universities in the United States and Puerto Rico. Over 300 of these institutions are in Illinois. GCA's average client relationship is 10 plus years and it has a 99 percent retention rate in their public education sector. GCA employs 20,000 people and cleans over 650 million square feet daily. A regional office is located in the Chicago area. GCA provides its employees an impressive training and evaluation program. It also provided a very detailed timeline for a transition program and received very good references regarding the transition program. GCA will also provide a recycling program for the District, which would be an enhancement to the current situation, and it would offer an energy savings program at no additional cost to the District. GCA received the highest scores in reference checking of the group and the highest technical scores.

GCA uses the KaiVac system, which is a mechanized cleaning system providing higher quality cleaning and higher efficiency cleaning in restrooms and other hard surfaces. OPRFHS also uses this system. GCA focuses its services on safety and accident prevention, which would also be a valuable addition to OPRFHS's program. The J-Fill Green program is compatible with OPRFHS's current dispensers. The District has highly rated the proposed cleaning equipment, and products, and they meet District guidelines. GCA provides an excellent quality control program utilizing GCAware software that collects data about inspections and client feedback. Virtually anyone in the building or community with internet access can provide feedback to OPRFHS and GCA using this tool. It also tracks employee progress and performance.

GCA provided a basic proposal and two alternate proposals. All of the proposals provide the same employee benefit package. The differences were the staffing proposals and the wages proposed. Three opinions were received from OPRFHS's law firms about the wages that says the law speaks clearly about the benefits but not the wages. GCA also provides a broader opportunity for employee advancement and transfer to other sites. The employee training and safety program is superior to the District program.

GCA provides greater health benefits than OPRFHS has, e.g., vision care, hearing aids, MediCall and MaterniCall nursing assistance. In addition, the co-pays are lower and some deductibles are lower. The mental health coverage is expanded, and so is the chemical dependency coverage. The retirement benefit is a 401 (k) plan with an employer match. The employer match is an added benefit not currently available to employees. It does not offer tuition reimbursement, but its employee training program and advancement opportunities is much greater. The vacation days are less, and the employer provided life insurance is less, but GCA offers supplemental life insurance. Taken as a whole, the District deems the benefits package to be comparable. The District benefit package with some things better and some things less.

The difference in the base proposal and Alternate 1 and 2 concern staffing design and salaries paid. The District is free to choose either of these options if it deems the benefit package to be comparable. The base bid provides four (4) day custodians at $20.00 per hour, twenty-four (24) night custodians at $20.00 per hour, four (4) additional night

custodians at $10.00 per hour, one manager, and one night custodial supervisor. The Alternate 1 bid provides four (4) day custodians at $23.24 per hour, twenty-four (24) night custodians at $23.24 per hour, four additional night custodians at $10.00 per hour, one manager, and one night custodian. Alternate II provides thirty (30) night custodians and four (4) day custodians at $13.00 per hour, one (1) manager, and one (1) night custodial supervisor.

The estimated three year savings of the GCA proposals for the District range from $759,050 - $2,506,015.

Mr. Lanenga reported that the references affirmed that GCA did a great job during the transition process, and in one district, it brought in ninety (90) employees in one month. Subsequently, there was no turnover of personnel in the second year. Both lower-level and district-level management employees were very pleased with the communication with GCA. All references had wished they had outsourced sooner because it made their jobs easier, as they no longer have to supervise the employees. Mr. Lanenga continued that one of the districts had gone to outsourcing two (2) years ago, one had gone three (3) years ago, and one had gone twelve (12) years ago.

Dr. Millard asked for clarification on the staffing levels GCA provided in its proposals, she wanted the GCA to tell the District what was needed. Ms. Witham stated that operationally there are many ways to clean the building and different organizations find efficiencies at having staff work at different times, thus, limiting overtime. The District assumes that they do this work full time and national firms do it well; they know there are several ways to do it in different cost structures. The Board of Education does not have to decide which staffing is efficient for that organization; the bigger decision is regarding the benefit levels and whether the Board of Education was comfortable with that and the savings received. Every Board of Education member will focus on something different in the proposal. Mr. Rigas remarked that these vendors have expertise in doing this in hundreds of buildings across the country. OPRFHS gains its experience from inside only one building and each of these firms has more collective experience than OPRFHS, which is a side benefit to this process. After reviewing the numbers, Mr. Lanenga pointed out that the staffing numbers in each of the proposals was similar.

Ms. Patchak-Layman agreed with Mr. Rigas' statement about these companies experience, as all of the things that have been admirable about them were their management responsibilities, not the employee responsibilities. As she reads the contracts, OPRFHS employees have little control over the things for which GSA is noted. These are management activities. There are two parts of this bid: 1) the management function of it and 2) the employee function in terms of salary and benefits. Regarding the comparison, yesterday she asked Ms. Witham about the salaries and benefits to the District's comparison group and it was pointed out that for FY 2010, 2011 and 2012, the basis of salary comparison is an increase of 5 percent in salaries per year, which was built in to comparison model. The FY 09 salaries should be the same as the FY 08 salaries. Ms. Witham pointed out that there was a 4 percent increase in the cost of medical benefits because the District had open enrollment in January and there was a migration to

the family plan. Even with no salary increase, the actual cost for 2009 was higher. Ms. Patchak-Layman noted that it looked like a $60,000 salary increase, but she wanted to see the assumptions that were built into it. Ms. Witham noted that the Board of Education was being presented with the best information available, and as more information was received or if the Board of Education wanted the assumptions changed, she would definitely do that. Mr. Rigas suggested that SEIU tell the Board of Education what assumption to use. Ms. Patchak-Layman stated that the comparison should be no increase this year, because the District is holding the salaries currently in place. Mr. Rigas cautioned her about contract offers at the table. Ms. Witham responded that just because this is the current reality, it might not continue to be the reality. She asked the Board of Education for direction as to what to provide. Ms. Patchak-Layman noted that the current reality was zero and that, theoretically, the District could operate that way for years under the contract that ended in 2008. She stated that 5 percent was fiction as there had been no discussion; the PMA model is 3 percent. Mr. Rigas asked her to be specific about what percentage to use and to ask SEIU what percentages it would suggest be used so that an apples-to-apples comparison could be made. Dr. Lee stated that the District has no way to know what the costs will be in the second or third year and the Board of Education must make decisions as best it can. Dr. Millard asked Ms. Patchak-Layman if she wanted different percentages. Ms. Patchak-Layman wanted to see a range of percentages and assumptions about the deficit in 2017. Ms. Patchak-Layman provided no parameters.

Ms. Patchak-Layman asked what vacation pay would be located in the management and custodial cost schedule and proposed contract places of the base bid. She asked because when one multiplies 2080, the full-time equivalent for a year of service, it is a higher figure than what is listed in the column. She asked where it was. Ms. Witham noted that either the vendor made a mathematical error or it added the vacation into that figure.

Ms. Patchak-Layman stated that when comparing GCA's health benefits to the OPRFHS benefits, HMO payments would increase $787 per year. When the salaries are $24 per hour, that is not such an increase, but when the salaries are $13 per hour, that makes a bigger difference to an employee. When one looks at comparables, one has to look at the salary. If the salary increases and medical care goes up that is different and less comparable in her mind than when salaries remain the same and medical care increases.

Ms. Patchak-Layman noted that the contract would be for whatever wages were chosen; every employee that comes in the building will be making those hourly wages. If the contract is for $20 per hour as is the base contract, whether it is OPRFHS employees or new hires, will all be making $20 per hour if they were part of the 24 night custodians. Ms. Witham did not know the answer to that question. It is clear that OPRFHS currently has twenty-eight (28) employees and twenty-eight (28) going forward, and they would be making $20 per hour. When asked if the vendor decided to increase staff, would it be required to pay the same wage, Ms. Witham noted that the law does not speak to wages and a guarantee of wages. That would be a question for the Board of Education as to how it wanted the contract worded. Ms. Patchak-Layman asked if the employees who were given the option of going to work at another location would have this same salary.

Ms. Witham responded that it would be at the discretion of the company. Some of Ms. Patchak-Layman's interest in this is was that if the Board of Education were approving a contract based on the idea that these were the salaries going forward, where the savings would be. In fact, one vendor talked about savings by attrition. Should 28 employees decide not to remain at this building and 28 new employees were hired, what would they be paid? Would any person who had not been an OPRFHS employee revert to another dollar amount and would the taxpayers be getting really good value or supplementing the profit margins of the other company? Mr. Rigas noted that he had no need for that information if the taxpayers were saving money. Ms. Patchak-Layman responded that she has an obligation to see that the employees in this building were treated fairly and justly. Ms. Patchak-Layman added that if the Board of Education were going to accept the contract, it would be agreeing to that contract because of the documents it now has. She wanted to know how "good and fast" was that rule. Does that mean all 28 employees will make the wage that is part of this bid? Dr. Millard responded that even if the wages remained the same, an employee could get far more health benefits and come out ahead. It is difficult for the Board of Education to ensure that the overall comparables should be similar, but individually it will vary, just as it does now. Dr. Millard asked what additional information Ms. Patchak-Layman needed to determine if GCA benefits were comparable.

As Ms. Patchak-Layman looked at a $780 increase in medical expenses and compares that to whatever salary amount, she knows that one would have to go to the doctor 150 times to make up that difference. Dr. Millard said that would depend upon the individual's needs. Ms. Patchak-Layman concurred and asked if this conversation was mostly on the base bid? Ms. Witham stated that the Board of Education just needed to look at the benefits. Ms. Patchak-Layman did not believe that the benefits on Alternate 2 were comparable. If a person receives $13 hour and has to pay higher medical expenses, that is not comparable. It is a matter of determining what the benefit offered is and what the cost of that benefit is to the employee. Mr. Rigas stated that one has to look at the comparability of the benefit not in relationship to the salary. Mr. Keller concurred and went on to add, "The comparability analysis is a pass/fail test. Either the proposals from the vendors are comparable to what the current employees were receiving or they were not. That is a judgment for the Board of Education to make. Once the Board of Education determines that the benefits are comparable, then the Board of Education can analyze the cost savings to the District from each of the proposals; wages are not part of the analysis of the comparable benefits. There is a distinction between wages and benefits. The comparability analysis only pertains to fringe benefits, not to wages. The Board of Education only needs to make the initial decision as to whether Vendor A's benefits are or are not comparable. If they are, then put that proposal into the mix for consideration."

After this explanation, the Board of Education members individually indicated their decision on the comparability of each of the four vendors.

GCA

Ms. Patchak-Layman believed that the health, vacation, and retirement benefits were not comparable. She wanted to know what the vendors would provide toward the employees' retirement account. Presently the school puts money into IMRF and Social Security for these employees. Health, vacation, and the contribution to the 401(k) retirement account are not comparable. While the District funds IMRF, Ms. Witham noted that this was a state program. The 401(k) is what industry offers as it cannot offer a 403(b) Program. Most companies offer a defined contribution plan and not a defined benefit plan.

Ms. Fisher stated her understanding of the comparable benefits to be that one would be looking at comparing the overall array of benefits from one institution to the other. If the legislature had intended that each benefit be equal, there would have been no ability to switch vendors without having an identical set of benefits. She noted that Ms. Patchak-Layman had pointed out that some of the benefits were less advantageous than OPRFHS's benefits, but some benefits OPRFHS did not even offer. In order to make determination of comparability, the Board of Education would look at the overall comparability. OPRFHS does not presently provide vision and hearing aids in its benefits. Someone may not consider it advantageous to have the benefit of having hearing aid coverage, but some with a hearing problem would and an employee faced that just recently; it was a huge concern. She asked if that was an accurate view of comparable benefits. Paul Keller responded that it was; the Act requires that the vendor provide a benefits package that is comparable to that offered by the school district, not that it is identical to the school district's and that it would be impossible to do, as a private vendor cannot offer IMRF benefit; those benefits are only available to governmental employees. A private vendor can offer a comparable retirement benefit in terms of cost to the employer or a benefit to the employee. Clearly, it does not require identical benefits in each and every category.

Dr. Millard felt GCA's benefits were comparable but she asked if an individual could challenge its comparability even if it were comparable for the rest of the group. Mr. Keller did not think the question would arise, as an employee would either take the job or not take the job. Mr. Rigas rephrased her question. He stated that the Board of Education is required to make a finding of fact. That could be challenged. If one looks at the benefits of a group as whole, they could be deemed comparable. One person may show individually that it would cost that person more money, but for the group of the whole, the benefits would be comparable

Mr. Allen, Ms. Fisher, Mr. Rigas, Dr. Lee, and Dr. Millard felt that the benefits of GCA were comparable. Ms. Patchak-Layman did not.

Sodexo

Ms. Witham summarized what Sodexo offers in benefits. It includes more health insurance options with lower co-pays, enhanced mental illness services, and vision care. Sodexo will waive the 90-day waiting period for current District employees. The tuition reimbursement is larger. It also offers eldercare reimbursement, savings bonds, stock options, and a credit union. The 401(k) plan is comparable to the District 403 (b) plan.

The employer match and the addition of the stock option plan enhance this benefit. Sodexo provides employees with an excellent training program and an advancement program within the firm.

Ms. Patchak-Layman felt that someone making $22,000 would not take advantage of stock options. Mr. Rigas clarified for her they would not have to pay for the stock option. HMO coverage will cost $1400 more per year because OPRFHS charges is $900 and it has an unusual $500 annual deductible. Ms. Patchak-Layman noted that the life insurance is the same as GCA's, and, in this case, it would come closer to matching the annual salary, as it was so low. Although more sick and vacation days were added, the benefits were not comparable. While Mr. Rigas felt the conversation should focus on the benefits comparability and talk about salary later, Ms. Patchak-Layman stated that salary could not be removed from the discussion.

Mr. Allen, Ms. Fisher, Mr. Rigas, Dr. Lee, and Dr. Millard felt that the benefits of Sodexo were comparable. Ms. Patchak-Layman did not.

Mr. Allen, Ms. Fisher, Mr. Rigas, Dr. Lee, Ms. Patchak-Layman, and Dr. Millard did not feel that the benefits of Perfect Cleaning were comparable.

Mr. Allen, Ms. Fisher, Mr. Rigas, Dr. Lee and Dr. Millard did not feel that the benefits of ALPHA Cleaning were comparable. Ms. Patchak-Layman did feel that ALPHA's benefits were comparable.

Ms. Patchak-Layman noted that the benefits listed by ALPHA were comparable to what OPRFHS has in place. Dr. Millard pointed out that it has no PPO option and it did not offer training. Ms. Patchak-Layman felt that presentation was comparable.

Ms. Witham concluded that the District would now concentrate on GCA and Sodexo as to what they have to offer and their pros and cons. She asked Board of Education members for the questions/information they wanted from the vendors.

- A one for one comparison to information is on Page 7, Expense Categorization.
- If someone left, what would the new rates be?
- What effect would transferring to another building have on wages and benefits?
- What would new hires receive in salary?
- What is the total number of custodians in their organizations and what is the turnover rate based on? What were the rates in the local community? Pull the administrations out of this equation. (It was noted that they had not been included.)
- What is the longevity of employees in the company?
- What is the hiring policy on diversity, including gender, and to separate out the custodial staff?

Ms. Patchak-Layman questioned the definition of accepting a proposal either in whole or in part. What were the parameters, as there were no addendums with the bid package?

When it is a full package like this, what would the Board of Education envision in whole or in part? Many items were management related that involved supervision, ways of tracking surveys, how people view the service, how training is conducted, etc. Is it possible to separate those things out from the proposal? She suggested that the Board of Education could implement the management part and keep the employees the same. Alternatively, it could separate the class of activities, including supplies. Mr. Rigas did not believe the proposal would include just getting the supplies, etc. Mr. Keller concurred. If Ms. Patchak-Layman meant accepting the Sodexo supervisory component and yet keep the District's current employees, Mr. Keller felt a different bid would be needed. If the District wanted to hire an independent contractor to supervise District employees, it would be a different issue. Ms. Patchak-Layman noted that many of the positives in the application were management in nature and the employees do not have control over them. There are costs contributed to them in the contract.

While Ms. Patchak-Layman also asked what kinds of administrative costs does the District have and expect that it will not have if the bid packages are accepted. What other cost savings or additional costs would the District incur if one of these contracts were accepted? Can the District eliminate another type of person other than soft costs? Ms. Witham asked for clarification, noting that the District would not release a payroll person but asked if Ms. Patchak-Layman was referring to what savings would be incurred because Mr. Lanenga or Mr. Zummallen would not have to do them.

Ms. Patchak-Layman offered that the Board of Education have additional discussion before the Thursday, March 26, Board of Education meeting, but scheduling was an issue. While Mr. Rigas was willing to convene a Finance Committee at 6:00 p.m. on Thursday, March 26, Ms. Patchak-Layman felt that might not be enough time for discussion. Ms. Patchak-Layman asked that minutes of the Finance Committee meeting be included in the Board of Education packet for review prior to its discussion.

A summary of the questions for the administration to explore with the vendors before the March 26 Board of Education meeting is as follows:

1. An itemization of each expenditure category and account encompassed within the Total Cost of Services proposed in Section P, Pricing Schedule, for each of the three years. Itemization should include, but is not limited to:
    a) Supplies and equipment
    b) Salaries and benefits
        i. Salary
        ii. Health insurance
        iii. Life insurance
        iv. Retirement plan expenses
        v. Other salary and benefit expenses not otherwise noted above
    c) Worker's compensation premiums
    d) Other expenses not otherwise noted above.
2. If a former District 200 custodial employee hired by your firm voluntarily transfers to a different site serviced by your firm, would his/her salary change?

3. What wage will any new hires (hired by your firm after the initial transition period) earn?
4. For each of the four references listed in Section S (List of References) from your proposal submission, the turnover rate of custodial staff for each specific customer account over for the last three complete years (2006, 2007, 2008).
    a) Percentage;
    b) total number of custodians at each account; and
    c) total number of custodians turned-over at each account;
    For example
        i. District 123. 2006: 3%, 100 total custodians, 3 custodians replaced; 2006: x%, xxx total custodians, x custodians replaced; 2007: x%, xxx total custodians, x custodians replaced; 2008: x%, xxx total custodians, x custodians replaced; average custodian tenure for this group: x years.
        ii. District 321. 2006: 3%, 100 total custodians, 3 custodians replaced; 2006: x%, xxx total custodians, x custodians replaced; 2007: x%, xxx total custodians, x custodians replaced; 2008: x%, xxx total custodians, x custodians replaced; average custodian tenure for this group: x years
5. The same information requested in item #4 above for your entire custodial staff employed in North America.
6. What is the average length of tenure for all custodial employees working for your firm in North America?
7. Your company's policy on diversity (ethnic and gender, if applicable) hiring for custodial staff
8. Provide specific information for the 401(k) (employer match, employee maximum contribution, etc.) and/or stock option plan listed in your proposal.

Adjournment
The Finance Committee adjourned at 10:14 a.m.

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Tim Keeley

DATE: April 17, 2009

RE: Executive Summary – Audit Services RFP

BACKGROUND

On April 3, 2009 proposals were received for audit services for fiscal years 2009 - 2011.

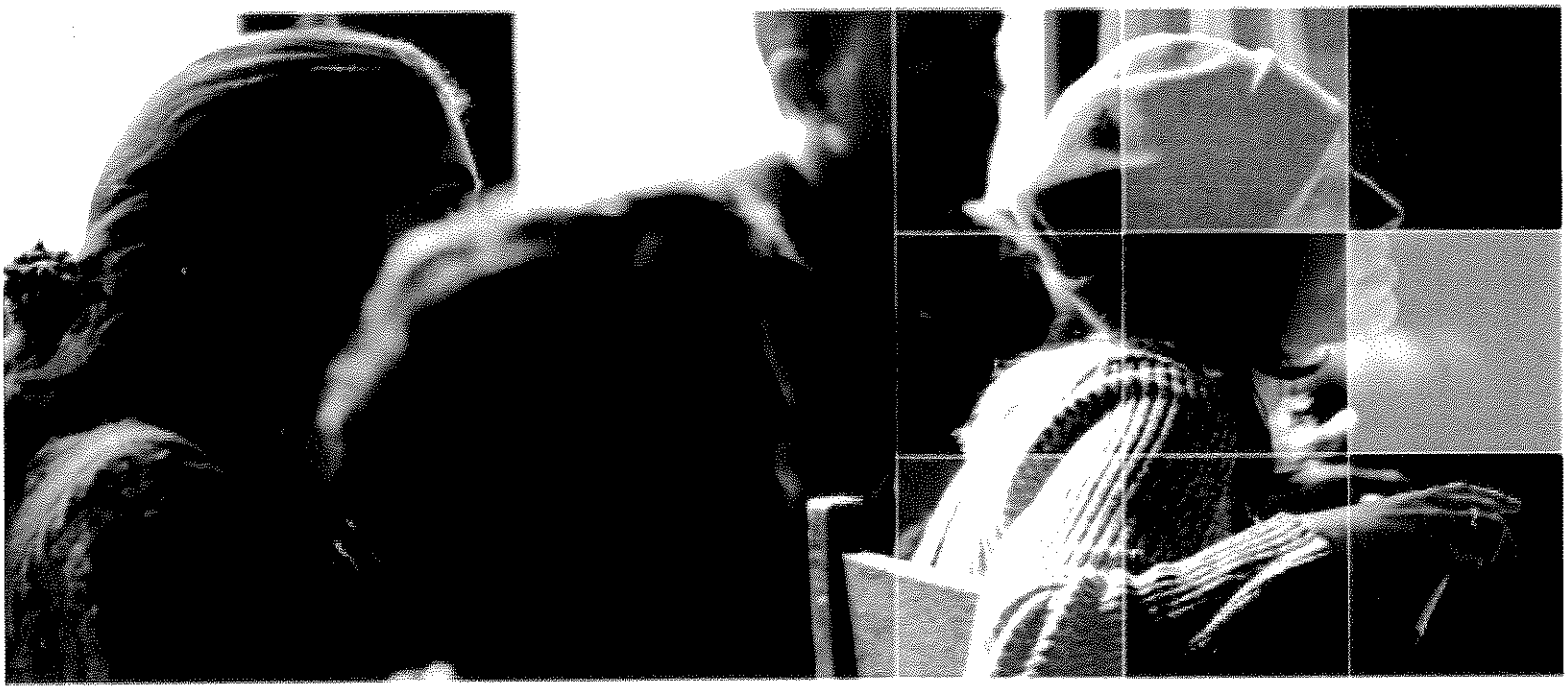
SUMMARY OF FINDINGS

Proposals were received from Crowe-Horwath, Leonard & Co., McGladry & Pullen, Miller, Cooper & Co., and Virchow Krause. The proposals were reviewed by the Chief Financial Officer and Supervisor of Finance to determine firm qualifications and to initially rate the proposals, utilizing the pre-established review criteria rating system. In this initial review, it was determined that Leonard & Co. did not possess the necessary experience with districts comparable to District 200 to be considered for the contract. Initial scoring of the proposals has been provided on the following page.

RECOMMENDATIONS (OR FUTURE DIRECTIONS)

The two firms awarded the most points from the initial proposal review (Crowe-Horwath and Virchow Krause), as well as the lowest-cost proposal (Miller, Cooper & Co.) have been invited to make a brief presentation to the Board of Education. I would move that the Board of Education select the most qualified firm based on the firms' proposals, criteria scoring and formal presentation.

Proposal to Provide
Audit Services



April 3, 2009

Crowe Horwath LLP

Submitted to:
Mr. Tim Keeley, Purchasing Coordinator
Oak Park and River Forest High School
201 North Scoville Avenue
Oak Park, Illinois 60302

Submitted by:
Mr. John C. Weber, Executive
Crowe Horwath LLP
One Mid America Plaza, Suite 700
Post Office Box 3697
Oak Brook, Illinois 60522-3697
Direct 630.706.2099
Tel 630.574.7878
Fax 630.574.1608
john.weber@crowehorwath.com

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Transmittal Letter

April 3, 2009

Mr. Tim Keeley, Purchasing Coordinator
Oak Park and River Forest High School
201 North Scoville Avenue
Oak Park, Illinois 60302

Dear Mr. Keeley:

Crowe Horwath LLP appreciates this opportunity to present our firm to Oak Park and River Forest High School District 200 (the "District"). We are proposing to provide audit services to the District for the fiscal year ending June 30, 2009, 2010, and 2011. As outlined in the following proposal, we will value the District as an important client and will provide high quality service, aimed at exceeding your expectations on a long-term basis.

This proposal illustrates why Crowe is uniquely qualified to serve as the external audit firm for the District. It also demonstrates how we differentiate our services from other firms. Our "Areas of Excellence" provide focus for industry and discipline-based specialties. This focused approach allows us to be recognized as a leading provider of services and solutions in government. The leadership that can only come from direct Executive involvement in every client relationship provides a higher level of expertise and commitment to responsive services that is not always found in other firms.

Firm Background and Qualifications
Crowe provides innovative business solutions in the areas of assurance, consulting, risk management, tax and technology. Celebrating more than 66 years of "Building Value with Values," Crowe is one of the top 10 public accounting and consulting firms in the United States. Crowe employs more than 2,500 professionals across many areas of expertise, including Public Sector Services (PSS).

Our Public Sector Services (PSS) Group works with school districts, state and local government entities, colleges and universities, membership organizations and many other not-for-profit entities. This group provides expertise in assurance, financial advisory services, and many consulting areas including operations, technology, utility rates, regulatory and other disciplines.

Crowe has implemented the following Client Services Standards to ensure that you receive the highest level of service possible:

- Identify the needs of our clients and confirm expectations prior to beginning our work.
- Communicate our service objectives.
- Establish ongoing communications processes to ensure we are both proactive and responsive.
- Resolve any service problem promptly and professionally.
- Seek an assessment of our performance upon conclusion of the engagement.
- Develop the type of relationship which is built on confidence and trust.
- Provide ongoing value through our thought leadership.

We are confident that we are well qualified to provide these services:

- We are dedicated to working with governments. Our PSS group is comprised of more than 160 individuals, and serves more than 200 governmental organizations nationwide.

- Our firm maintains close working relationships with the American Institute of Certified Public Accountants, the American Association of Government Accountants and the Government Finance Officers Association. We are a strong supporter of the Certificate of Achievement for Excellence in Financial Reporting program and have prepared the annual audit in the years of award for many of our clients, including many first-time recipients. In addition, we actively stay abreast of new accounting standards issued by the Governmental Accounting Standards Board and provide information regarding these pronouncements in our management letters so as to give our clients time to assess their impact before the required implementation dates. We are also pleased to provide our clients additional guidance on how these standards impact their financial reporting.

- Our firm and our employees are **committed to quality**. Our firm has established an internal independent Technical Standards Function that reviews all reports to ensure quality control standards of the firm are met. We also maintain close working relationships with the AICPA, including membership in the Governmental Audit Quality Center, the American Association of Government Accountants and the Government Finance Officers Association. In addition, members of our firm serve on the ICPA's Government Report Review Task Force, Ethics Committee and the AICPA's State and Local Government Expert Panel and CPE Advisory Committee.

- We have developed an automated workpaper system that allows us to prepare and maintain all of our workpapers electronically. We have been conducting a **paperless audit for more than eight years**. We utilize a **risk-based audit approach**, with audit programs customized to the District. This allows us to spend less time crunching numbers and typing workpapers and more time analyzing areas that are important to the success of the District.

- Crowe has recently developed an innovative tool for our clients, as well as our own audit personnel to more effectively manage the many requests for information necessary to conduct an audit. CiRT is a secure web-based repository that allows the audit team to post requests for pre-audit information, and for District personnel to respond (most often via attachments). All CiRT requests/responses and questions/answers are maintained in an easy-to-access website for both the current year and the prior year. And, because all CiRT requests are tracked by assigned individual, status, due date and complete date, both the District and audit team are easily able to monitor the progress and quickly address any issues in the audit information request/response process.

- To encourage year-round communication with the District, **we do not charge a fee for phone consultation**, at any time. The fee quoted is a maximum fee unless a separate and distinct project is initiated at your request.

Statement of Understanding

We understand the requirements set forth by Oak Park and River Forest High School District 200 and we have responded to those requirements in our proposal. Crowe will audit the District's financial statements for the fiscal year ending June 30, 2009, 2010, and 2011. We understand the audit will be conducted in accordance with generally accepted auditing standards, requirements under the Single Audit Act of 1984, and the regulations prescribed by the Illinois State Board of Education. We will perform test of the compliance with the OMB Circular A-133 as required by the Office of Management of the Budget, and render a separate opinion of the financial statements and test of compliance in accordance with Circular A-133. We understand and will prepare the reports listed under "Services Required" of the District's request for proposals.

Timing
Crowe is committed to perform the work and to meet the stipulated timelines identified in the District's Request for Proposal. Our proposal represents a firm and irrevocable offer for a period of ninety (90) days, and for the fiscal years ending June 30, 2009, 2010, and 2011. However, we will provide an engagement letter annually to reconfirm our understanding.

Concluding Comments
Crowe Horwath LLP is fully qualified to providing superior services to Oak Park and River Forest High School District 200. Equally important, we have a strong desire to assist you and believe that we can add value to you by completing the audit in a timely manner and by actively seeking ways to assist you in improving your operations. We understand and agree to meet the audit specifications listed in the Request for Proposal.

Again, we appreciate this opportunity to present our firm for your consideration, and if selected, will give the District our closest attention. This proposal is being submitted by John C. Weber, who is authorized to represent the firm, is empowered to submit the proposal and is authorized to negotiate and execute a contract with the District. Should Crowe be selected to provide these services, Crowe reserves the right to negotiate a contract mutually agreeable to Crowe and the District. Crowe reserves the right in any negotiations for the final agreement to modify, remove, or add to the 'General Terms and Conditions' set forth by the District.

Should you have any questions or require additional information, please do not hesitate to contact me at 630.706.2099. Our entire team is looking forward to provide high-quality, timely and cost-effective services to Oak Park and River Forest High School District 200.

Sincerely,

John C. Weber
Executive

Profile of the Firm

Firm Overview

Founded in 1942 in South Bend, Indiana, Crowe Horwath LLP (www.crowehorwath.com), is one of the top 10 public accounting and consulting firms in the United States. Under its core purpose of "Building Value with Values®," Crowe assists clients in reaching their goals through audit, tax, risk, and consulting services. Crowe professionals provide public and private company clients with thought leadership in many sectors, including financial and diversified financial services, healthcare, government, private equity sponsored, inventory-based, retail, not-for-profit, higher education, and food and commodities. With more than 20 offices and more than 2,500 personnel, Crowe is recognized by a number of organizations as one of the country's best places to work. Crowe serves clients worldwide as the leading independent member of Horwath International.

Horwath International

Crowe is the leading member firm of Horwath International, an international network of independent accounting and consulting firms, with more than 140 member and correspondent firms with 465 offices in 95 countries throughout the world. Through Horwath International, Crowe offers innovative business solutions throughout the world.

Position in the Industry

For the 14th consecutive year, *Public Accounting Report* ranked Crowe as one of the top 10 public accounting and consulting firms in the United States. *PAR* ranked Crowe as the ninth largest firm, based on U.S. net revenue, in its list of this year's "Top 100 Firms." *PAR* also noted that Crowe ranked seventh in the number of audit clients in the top 100 list, as ranked by the number of Securities and Exchange Commission registrant companies.

License to Practice

Crowe Horwath LLP is licensed to practice in the State of Illinois, license number 066-003398. In addition, all key professional staff assigned to this engagement are properly licensed to practice in the State of Illinois.

Office Locations

Crowe currently maintains 26 offices throughout the United States, including,



- California: Los Angeles, Orange County
- Florida: Fort Lauderdale (2), Tampa, Lakeland
- Georgia: Atlanta
- Illinois: Chicago, **Oak Brook**, Springfield
- Indiana: Elkhart, Ft Wayne, Indianapolis (2), South Bend
- Kentucky: Lexington, Louisville
- Michigan: Grand Rapids
- New Jersey: Livingston, Mount Laurel
- New York: New York
- Ohio: Cleveland, Columbus
- Tennessee: Knoxville, Nashville
- Texas: Dallas/Fort Worth

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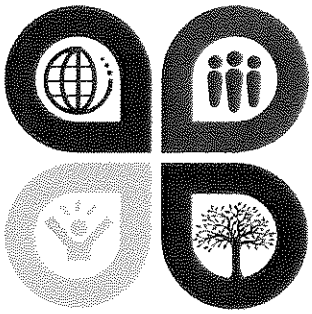
Building Value with Values®

Crowe is dedicated to building value for our clients. We achieve this through a unique management philosophy and a value-driven culture based upon integrity, trust, and mutual respect. For over 65 years, this culture has allowed Crowe to provide uncompromised advice and accountability to our clients with a level of responsiveness and attention that clients may not get from other firms.

Crowe's mission is to create extraordinary value for our clients and for our people by building an organization with a distinctive culture attuned to the needs of our clients, our people and our communities. We choose to build an inspirational, challenging and values-driven place to live and work, which creates lasting value and growth for our clients, people, communities and our firm.



To our clients, we will be their most highly valued partner with the highest reputation for excellence, innovation and integrity.

For our people, we will provide an environment that enables them to make a difference, achieve their full potential, have fun and be part of building something they care about.

To our communities and business alliances, we will be a highly desirable partner in achieving shared social and economic goals.

Our firm will be financially successful and the **industry leader** in our chosen areas of focus.

We believe that for a partnership to truly succeed, all members of the partnership need to win – the clients who engage us, the professionals who complete the work, and the firm itself. In working with Crowe, our clients find an organization that is both willing and able to work interactively in order to identify problems, develop and implement solutions, and capitalize on opportunities.

The Big Four Reasons to Consult Crowe

- **The value we bring to our clients**. We help clients succeed by combining thought leadership in a number of key industries with a comprehensive set of technical business competencies. By seeking to understand the critical issues facing our clients' businesses, we are able to bring together teams of industry and technical experts who work to create the exact solution that meets the needs of our clients.

- **The values we live daily**. We care, we share, we invest, and we grow. These are the four core values that ground our firm. We care for one another, our clients, our firm, and our communities. We choose to work as a family, sharing responsibilities and outcomes. Our culture is characterized by a desire to invest in our people and to build our resources for the long-term maximization of value to our clients. Through unity of purpose and stewardship, the concept of enriching and holding the firm "in trust" for the legacy of future generations is strong.

- **Integrity and independence.** As a result of changes in Securities and Exchange Commission (SEC) regulations and corporate governance standards, many companies are searching for new providers of assurance and consulting services outside of the Big Four. As a registered firm with the Public Company Accounting Oversight Board (PCAOB), Crowe conducts regular training and testing with respect to current independence rules. It is important to us that we maintain high ethical standards and deliver on our commitments.

- **A high level of service commitment**. We are committed to personal service and integrity. The high expectations we set for our service delivery teams are articulated in client service standards.

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Areas of Specialization
Crowe is unique in that we have dedicated teams focused on key industry issues, including:



State and Local Government
Education
Not for Profit
Construction
Financial Services
Manufacturing/Distribution
Food and Agriculture
Private Equity Groups
Healthcare
Retail Dealers

State and Local Government Practice

Crowe is unique in that we have dedicated teams focused on key industry issues, including State and Local Government. As such, Crowe understands the challenges public sector entities face and have helped many organizations successfully address them, including state universities, community colleges, cities, towns, counties, **school districts**, park districts, library districts, special service districts, state agencies and quasi-governmental building corporations, commissions, and joint action committees.

Our PSS Group is comprised of over 110 individuals, of which over 80 specialize in providing audit and assurance services. This group serves over 200 governmental organizations nationwide. Our Illinois PSS group is comprised of more than 50 individuals, of which approximately 40 specialize in providing audit and assurance services. Since we focus on your market – and many of our professionals are former elected or appointed officials – we quickly become trusted advisors. In addition, Crowe's strong reputation for serving state and local government makes us a safe choice, providing local resources at a competitive price.

Local Office and Professional Staff
The proposed engagement team, employed by Crowe on a full-time basis, will consist of one Executive, one Senior Manager, one Senior Staff, and at least one Staff Accountant. The work on this engagement will be performed out of our Oak Brook Office which employs approximately 95 Partners and over 550 professional staff. Please see the *Key Personnel sec*tion of our proposal for detailed information on the key personnel.

We offer the following services to public sector clients:

Service Category	Services Offered
Assurance	Financial and Compliance Audits Agreed Upon Procedures
Accounting Consulting	Internal Control Documentation and Implementation New Standard Implementation Assistance CAFR Preparation and Review
Economic Development Consulting	Tax Increment Financing Fiscal Impact Studies Smart Growth Initiatives

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Service Category	Services Offered
Financial Advisory	Debt Issuance and Management Financial Management Revenue and Fee Analysis Budgeting and Forecasting Arbitrage Rebate Services Verification Services
Forensic Services	Forensic Accounting Fraud Investigations Information Security and Cybercrime
Performance Consulting	Strategy and Business Design Process Design and Performance Improvement Information Technology Planning and Implementation Program and Project Management Shared Services Service Program Development and Management Staffing Assignment
Risk Consulting	Internal Audit Services Risk and Compliance Management

Please visit the State and Local Government section of our website to find detailed information on each of the above services: (http://www.crowehorwath.com/Crowe/IndustryLeadership/StateandLocalGovernment/).

Quality Control Review Process

Crowe places strong emphasis on maintaining the highest level of professional excellence. To ensure quality control we have developed an internal quality control process led by our Assurance Professional Practice (APP) Group. We also undergo a triennial external peer review and as one of the eight U.S. firms auditing more than 100 public companies, Crowe is subject the full, detailed annual inspection process of the Public Company Accounting Oversight Board (PCAOB). In addition, Crowe has a long-standing role of participation and leadership in national professional standards associations and regulatory organizations. Members of our firm serve on the Ethics Committees in their relevant states and the AICPA's State and Local Government Expert Panel and CPE Advisory Committee.

Internal Quality Control Review

Crowe has a fully developed set of policy, procedure and review activities supporting our audit practice. Quality control for all assurance efforts is established by the Assurance Professional Practice Group (APP). APP is responsible for managing and communicating independence and ethics directives of the firm. APP is responsible for knowing and understanding important Firm protocol, including:

- Independence;
- Integrity and Objectivity;
- Technical and General Standards, including AICPA and accounting principals;
- Information about our responsibilities to clients, including listings regarding commissions, confidential information and contingent fees; and
- Information about our other responsibilities and practices, including general information and listings related to commissions and discreditable acts.

The group is also responsible for handling inquiries from engagement teams on matters related to those policy areas.

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APP also performs a function within our Firm which we believe is unique among major firms. Each audit engagement, public or private, is subject to a pre-issuance review by APP. This review includes a review of the financial statements and other deliverables, a review of the workpapers supporting our judgments on key accounting and auditing areas, and a review of those matters which need emphasis based on our PCAOB and Peer Review feedback. APP is not a substitute for a concurring partner; it is an important quality control step provided for all engagements.

In addition to the PCAOB and Peer Review inspections, APP also performs an annual internal inspection of our audit engagements. These inspections focus on adherence to our policies and procedures and our progress against recommendations arising from PCAOB inspections and Peer reviews.

External Quality Control Review

Crowe is subject to a Peer Review of our entire practice every three years. Crowe's external quality control review organization is Moss-Adams LLP. Moss-Adams has 20 locations in Washington, Oregon, California, Arizona and New Mexico. We have had ten Peer Reviews completed and, as in all previous reviews, our Firm received an *unqualified* opinion (the best opinion allowed). The review included reviews of specific public sector engagements as well as other aspects of our Firm's operations. We have included a copy of our most recent Peer Review Report in **Appendix A** of our proposal. The Peer Review Report provided is of Crowe Chizek and Company LLC because the peer review was conducted prior to our legal name change on September 1, 2008.

PCAOB Inspection

As previously mentioned Crowe is one of the eight U.S. firms auditing more than 100 public companies and is therefore subject the annual inspection process of the PCAOB. Our philosophy regarding the inspection process is to use it as a tool to improve the quality of our audit practice. Well before a report is issued, we are monitoring the comments provided by the inspection team and formulating procedural changes, where required, to improve our audit process. Once we understand the basis behind a criticism by the PCAOB we move quickly to modify our procedures to eliminate that criticism.

National Professional Standards Associations and Regulatory Organizations

Crowe has a long-standing role of participation and leadership in national professional standards associations and regulatory organizations such as:

- American Institute of Certified Public Accountants (AICPA)
- American Institute of Certified Public Accountants Governmental Audit Quality Center
- Public Company Accounting Oversight Board (PCAOB) Standing Advisory Group
- Financial Accounting Standards Board (FASB)
- Center for Audit Quality (CAQ)
- Tax Executives Institute (TEI)
- International Federation of Accountants
- Internal Revenue Service (IRS)
- U.S. Securities Exchange Commission (SEC)
- Institute of Internal Auditors (IIA)
- American Productivity and Quality Center (APQC)
- Association of Certified Fraud Examiners (ACFE)

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AICPA's Governmental Audit Quality Center

Crowe is a member of the AICPA's Governmental Audit Quality Center (the Center), which is a firm-based, voluntary membership Center designed to help CPAs meet the challenges of performing quality single audits in this unique and complex area. The Center's primary purpose is to promote the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. The Center also offers resources to enhance the quality of a firm's governmental audits. The mission of the Governmental Audit Quality Center is to:

- Raise awareness about the importance of governmental audits;
- Serve as a comprehensive resource provider on governmental audits for member firms;
- Create a community of firms that demonstrates a commitment to governmental audit quality;
- Provide Center members with an online forum tool for sharing best practices as well as discussions on audit, accounting, and regulatory issues; and
- List member firms to enable purchasers of governmental audit services to identify firms that are members.

Publications and Seminars

Crowe regularly prepares and distributes articles and newsletters to assist our clients in assessing the impact of changing laws, regulations, standards and practices. We also publish **Government Advantage** quarterly to provide thought leadership and helpful tips on key issues gathered from our years of experience in helping governments achieve their mission. We have included in **Appendix C** of our proposal a recent article written regarding "Avoiding Pitfalls in Single Audits". In addition, we included a copy of our Winter 2008 Government Advantage brochure with our proposal.

We also help our clients stay current by inviting them to participate in our in-house continuing professional education courses. Combining thought leadership and industry specialization, our Public Sector Series Breakfast Seminars connect business and finance officers in the exempt community with recent developments and best practices.

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Similar Engagements with Other Government Entities

To demonstrate our government audit experience, we have provided below a listing of current and past Governmental clients, similar in scope as the District. In this list, we have indicated those entities that are current or past recipients of the Certificate of Achievement for Excellence in Financial Reporting award as well as those clients for whom we have performed Single Audits as required by OMB Circular A-133.

Key:

* Clients for whom we have performed Single Audits as required by Circular A-133.

** Current or past recipient of GFOA or ASBO Certificate of Excellence.

Government Type	Clients
School Districts	Arlington Heights School District #25 * ** Berwyn North School District #98* Community Consolidated High School District #155 * Crystal Lake Elementary School District #47 * ** Community Consolidated School District #59* ** Maywood, Melrose Park, Broadview School District #89 * Proviso Township High School District #209* ** Springfield School District #186* Schiller Park School District #81* West Aurora School District #129*
Municipalities	Village of Bellwood Village of Bridgeview City of Burbank Village of Burnham City of Calumet City * Village of Elmwood Park Village of Forest Park * Village of Glendale Heights * ** Village of Glenwood Village of Gurnee** Village of Hillside ** Village of Homewood ** Village of Merrionette Park Village of Orland Hills City of Plano Village of Posen* Village of River Grove Village of Rantoul * ** Village of Stickney
Townships	Township of Addison Leyden Township Orland Township

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Government Type	Clients
Counties	Forest Preserve District of Cook County* ** St. Clair County Circuit Clerk
Special Districts	Brookfield North Riverside Water Commission Chicago Heights Park District Chicago Transit Authority * ** Cicero Township Trustees of Schools Joliet Arsenal Development Authority Justice Willow Springs Water Commission Metra * Norwood Park Fire Protection District Pace, Suburban Bus Division of the RTA * **
Community Colleges and Public Universities	College of DuPage* ** College of Lake County* ** Lincoln Land Community College* ** Moraine Valley Community College * ** Morton Community College* Northern Illinois University (NCAA) Prairie State Community College* South Suburban Community College * ** Triton Community College* ** University of Illinois at Chicago (NCAA)
State of Illinois	Illinois Office of the Auditor General Illinois State Treasurer Southern Illinois University Illinois Department of State Police, MEG Audits

New GASB Pronouncement Experience

Our firm encourages our clients to adopt all applicable Governmental Accounting Standards Board (GASB) statements. In prior years, the major focus has been Statement No. 34, *Basic Financial Statements* - and *Management's Discussion and Analysis* - for State and Local Governments; Statement No. 37, *Basic Financial Statements* - and *Management's Discussion and Analysis - for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. These standards were monumental in that they established new financial reporting requirements for state and local governments throughout the United States and restructured much of the information that had been presented in the past. Our firm responded to those standards and worked with the State of Illinois and several municipalities, community colleges, and school districts as their GASB 34 implementation consultants. We assisted these clients in assessing their readiness to implement the new standard as well as guiding them through the actual implementation.

Starting in fiscal year 2009, Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* will play an important role in the financial reporting of the District. A summary is provided below:

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Statement No. 45
This Statement establishes standards for the measurement, recognition, and display of Other Post - Employment Benefits (OPEB) expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. This Statement improves the relevance and usefulness of financial reporting by (a) requiring systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and (b) providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan.

Implementation is required in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999. The definitions and cutoff points for that purpose are the same as those in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement is effective for periods beginning after December 15, 2006, for *phase 1 governments* (those with total annual revenues of $100 million or more); after December 15, 2007, for *phase 2 governments* (those with total annual revenues of $10 million or more but less than $100 million); and after December 15, 2008, for *phase 3 governments* (those with total annual revenues of less than $10 million).

References

Quality work, based upon strong competency and directed towards our client's needs, is the core element of creating value for our clients. Quality service involves prompt and efficient service delivery and effective communications with clients. Business relationships involve gaining trust and respect by listening to our client's needs and developing a comprehensive understanding of their business and vision for the future before providing advice. We have delivered high value to our clients for decades and we feel that we are well-suited to help the District.

We have provided three references below for school districts performed within the past two years, similar in scope and reporting as the District. We have indicated the client names, title, address and phone number of the principal client contact. We would be pleased to provide any additional references the District may request. The references provided below have been served by your members of your proposed engagement team

West Aurora School District 29	
Contact Information	Ms. Vickie Nissen, Assistant Superintendent for Finance 630.301.5025 80 South River Street Aurora, IL 60506

Community Consolidated School District 59	
Contact Information	Ms. Ruth Gloede, Assistant Superintendent for Business 847.593.4339 2123 Arlington Heights Road Arlington Heights, IL 60005

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Community High School District 155	
Contact Information	Mr. John Lutsch, Director of Finance 815.455.8500 1 Virginia Road Crystal Lake, IL 60014

Berwyn School District 98	
Contact Information	Mr. Ken Keeling, Business Manager 708.795.3955 6633 West 16th St. Berwyn, IL 60402

Maywood-Melrose 89	
Contact Information	Mr. Michael Cushion, Assistant Superintendent For Business Services 708.450.2896 906 Walton Melrose Park, IL 60160

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Services to be Provided

Understanding of Services

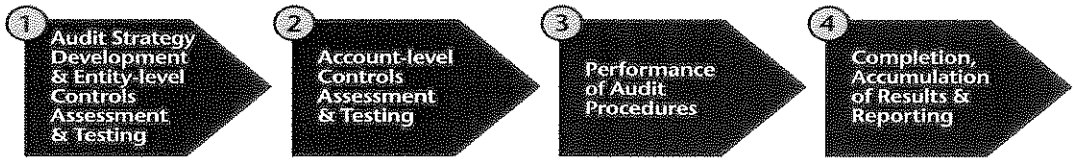
We agree to meet the requirements of the engagement as stated in the "Scope of Audit and Services Required sections of the RFP. Our audit approach provides descriptions and illustrations of the procedures to be performed. In addition, we provided a tentative schedule for performing key phases of the audit.

Audit Approach

Financial Audit Approach

Statements on Auditing Standards (SAS) Nos. 104 - 111 of the Auditing Standards Board of The American Institute of Certified Public Accountants require the use of a risk-based approach and have significantly impacted the way audits are conducted. While Crowe Horwath LLP has used a risk-based approach for several years prior to the implementation of the new standards, our audit process was strengthened with the new standards. Our desire to provide value and a high-quality audit remains unchanged. We differentiate our services from those of competitors through close personal involvement from all levels of the engagement team and regular, focused communication with your management team.

While the audit process can still be separated into unique phases, the process is not as linear as it was previously. It is likely that decisions reached and information obtained in an earlier phase of the audit may need to be reconsidered based on evidence gathered in a later phase. Crowe's risk-based audit approach includes the following phases:



Phase 1 – Audit Strategy Development and Entity-level Controls Assessment and Testing

This phase of the audit process includes all pre-engagement activities; the preliminary planning process; obtaining an understanding of the entity and its environment; evaluating and testing the design of entity-level controls (including policies and procedures that address significant assertions and affect the entity as a whole); and identifying significant risks and our planned response to those risks.

Prior to each engagement we determine whether to accept or continue the client relationship, evaluate our independence, develop a preliminary overall audit strategy, establish an understanding of the engagement terms, and document that understanding in an engagement letter. Once these activities have been completed, we begin our planning process.

Planning affords us an opportunity to work closely with you to develop audit objectives and outline a plan for meeting those objectives. The planning process includes:

- Identifying the areas of audit emphasis;
- Assessing risk and materiality;
- Designing audit techniques and procedures;
- Discussing and assigning responsibilities; and
- Formalizing the reporting timetable.

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During planning, we will ask you to identify areas of higher risk, which we will later address by designing specific controls or substantive tests customized to your organization. The Crowe approach includes direct input from your management team to ensure our understanding of the scope of perceived risk, your perspectives on the risk, and your expectations of the audit. We will also review your recent audit reports to enhance our efficiency in requesting information and minimize your staff's time during our fieldwork. In addition to meeting with management, we will also make inquiries of those "charged with governance" as required by SAS 114. This standard requires us to communicate the auditor's responsibilities under generally accepted auditing standards and an overview of the planned scope and timing of the audit to the individuals identified as "those charged with governance."

Our key audit planning steps include:

- Entrance Conference. Designed to give our engagement team an overall understanding of your organization. The conference allows us to coordinate audit time frames and due dates, as well as determine the level of assistance we need from your staff and management team. A requested materials letter will be prepared and delivered to you prior to, or shortly after, the close of the conference.
- Preliminary Analytical Review. We use expectations based on information obtained from various sources, including conversations with management, review of board minutes and internal financial statements, as well as budgets, to perform a preliminary analytical review of account balances. During the review we will study trends, percentage changes, ratios, and other financial data relationships. We may also use computer-assisted audit techniques to compare your current financial data to at least the previous year of data for unusual fluctuations. We will also review your budget to analyze fluctuations and develop an understanding of your planned initiatives.
- Brainstorming Meeting to Discuss Risk of Material Misstatement. The Crowe engagement team, including the signing executive, will meet to discuss the susceptibility of the financial statements to material misstatement due to error or fraud. This meeting allows team members to share knowledge and gain a better understanding of the potential for material misstatement of the financial statements, including how management could perpetrate and conceal fraudulent financial reporting and how assets of the entity could be misappropriated.
- Assessment of Audit Risk and Materiality Levels. Audit risk (the risk that an auditor may unknowingly fail to modify its opinion on materially misstated financial statements) and materiality must be considered together in designing the nature, timing, and extent of audit procedures. The Crowe team will determine our overall level of materiality and tolerable misstatement using professional judgment. This consideration is influenced by the auditors' perception of the needs of financial statement users and will therefore include both qualitative and quantitative factors. At the end of the audit we will review any known misstatements and their effect on your financial statements, working with you to determine whether passing on known misstatements will materially affect the financial statements.
- Documentation of Our Understanding of Your Entity and Its Environment. This is the ongoing process of gathering and analyzing information about the entity and its environment that continues throughout the audit. We will perform risk assessment procedures to gain an understanding of the entity, such as regulatory and other external factors, the nature of the entity and its related operations, entity objectives and strategies and the related operating risks that may result in a material misstatement of the financial statements; measurement and review of the entity's financial performance; and internal control, which includes the selection and application of accounting policies. Our procedures include inquiries, analytical procedures, observation, and inspection.
- Documentation of Information Technology Systems. This process includes a system overview and testing of the system for adherence to acceptable standards. Our approach to testing is documented in the chart on the following page.

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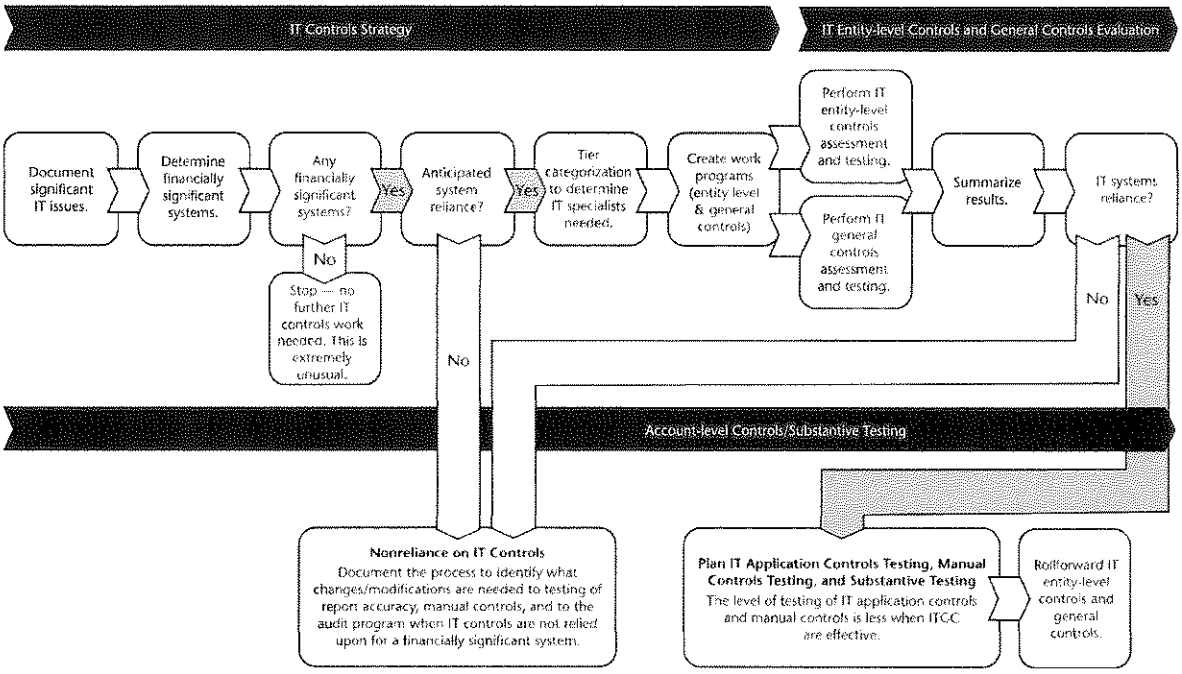

During Phase 1, we will document any significant risks that are identified, as well as our planned response.

Phase 2 – Account-level Controls Assessment and Testing

Account level controls are the policies and procedures that address risks related to one particular type (or small group) of transactions or accounts. Once we have gained an understanding of your operations and controls at the account level, the engagement team will assess inherent risk and expected control risk by assertion. We will then corroborate the information we have collected and evaluate if controls were implemented as designed and that the design is appropriate. Corroboration must be accomplished even when testing of controls will not be performed. Corroboration includes observation and obtaining evidence such as documented approvals and any other relevant information that may be retained to show that a control has been implemented as designed. Inquiry alone is not sufficient as a form of corroboration. The assertions identified in SAS 106, "Audit Evidence," may be classified in the following three broad categories:

- Assertions about classes of transactions and events for the period under audit;
- Assertions about account balances at the period-end;
- Assertions about presentation and disclosure.

Inherent risk is the susceptibility of a relevant assertion to a material misstatement, assuming there are no related controls. Control risk is the risk that a material misstatement could occur in a relevant assertion and will not be prevented or detected on a timely basis by the entity's internal controls.

When assessing inherent risk, the Crowe team will consider:

- The entity and environment (for example, an increasing or declining tax base);
- External factors (for example, regulatory changes that may require major changes in operations);
- Complexity of underlying calculations;
- Susceptibility to theft or fraud;
- Volume of transactions;
- Degree of judgment required and extent of estimates involved;
- Competence of client personnel; and
- Prior-period misstatements.

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When assessing control risk, the Crowe team will consider:

- Prior findings in the specific account;
- Record-keeping and accounting;
- Control procedures and environment;
- Materiality of financial impact;
- Likelihood material amounts of cash or other assets could be misappropriated through fraud or theft;
- High public or political sensitivity to the subject matter; and
- Newness of the activity or changes in related conditions.

Risk assessment procedures are performed to provide a basis for assessing the risk of material misstatement (combined assessment of inherent and control risk) for each relevant assertion. Then, in the next phase, we design further audit procedures tailored to address each relevant assertion based on the risks identified.

Phase 3 – Performance of Audit Procedures

During this phase, the following procedures will be completed:

- Determining overall responses to assessed risk of material misstatement for the financial statements as a whole and at the opinion unit level;
- Designing further audit procedures to respond to those risks;
- Testing the operating effectiveness of controls;
- Performing substantive tests.

Based on our understanding and assessment of entity-level controls, account-level controls, and any fraud risk factors identified, we develop audit procedures and programs clearly linked to and responsive to the assessed risk of material misstatement at the relevant assertion level.

Designing Procedures. In designing procedures, we consider factors such as:

- The significance of the risk;
- The likelihood a material misstatement will occur;
- The characteristics of the class of transaction, account balance, or disclosure involved;
- The nature of the specific controls used and whether they are manual or automated;
- Whether we expect to obtain evidence to determine if controls are effective in preventing or detecting material misstatement.

Determination of Sampling Techniques. Sample sizes of items to test that are representative of the population will be determined as early as possible to provide your staff with sufficient time to pull the requested documentation. We utilize guidelines established by auditing standards, which specify requirements for statistical and nonstatistical sampling, to perform tests of internal controls and substantive tests as part of the audit of your financial statements.

Phase 4 – Completion, Accumulation of Results, and Reporting

After completing audit procedures, the engagement team will perform certain procedures necessary to conclude the audit. These procedures include final analytical procedures, performing a subsequent events review, evaluating attorney letter responses, assisting in preparing and/or reviewing the completed financial statements, and obtaining representations from management.

During this phase, the auditor also accumulates all known and likely uncorrected misstatements, other than those that are trivial, and considers the nature and amount of the misstatements in relation to the affected opinion unit. The objective of the evaluation of uncorrected misstatements is to determine whether the financial statements taken as a whole and those of each opinion unit are free of material misstatement. Uncorrected misstatements will be communicated to those charged with governance at the conclusion of the audit.

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Also during this phase, the engagement team will evaluate identified control deficiencies and determine whether these deficiencies, individually or in combination, are significant deficiencies or material weaknesses based upon both quantitative and qualitative factors. The significance of a control deficiency depends on the potential for a misstatement, not on whether a misstatement actually has occurred. Any significant deficiencies or material weaknesses must be communicated in writing to those charged with governance.

The audit culminates in our report on your audited financial statements, which will include an opinion on the fair presentation of the basic financial statements as they conform to accounting principles generally accepted in the United States of America. If necessary (as determined by requirements of "Government Auditing Standards" issued by the comptroller general of the United States (the "Yellow Book")), we will include a report on compliance of your internal control structure with applicable laws and regulations based on the auditors' understanding of the control structure.

At the completion of the audit, we will submit the following draft reports to management:

- Year-end financial statements with auditors' report;
- Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with the Yellow Book (if required);
- Management letter, which will offer recommendations to improve internal controls, administrative efficiencies, and profitability;
- Report on matters required by SAS 114, which includes a discussion of new accounting procedures implemented, proposed audit adjustments, significant audit estimates, and any additional applicable items; and
- Other reports as necessary under statutory requirements.

Once the reports have been reviewed by management and are approved in final form, we will be available to meet with your board and/or audit committee to review the reports and address questions. Auditing standards require the auditor's report not be dated earlier than the date on which the auditor has obtained sufficient appropriate audit evidence to support the opinion. Among other things, sufficient appropriate audit evidence includes evidence that the audit documentation has been reviewed and the entity's financial statements, including disclosures, have been prepared and the organization has asserted it has taken responsibility for the financial statements. We will discuss your acceptance procedures with you at the start of the engagement to determine who within your entity assumes responsibility for the statements.

This will ensure the engagement is properly planned to provide sufficient time for review and acceptance procedures by your organization so final reports are available in advance of any and all reporting deadlines.

Single Audit Approach

The Crowe audit team has experience with more than 100 single audit clients and with several federal cognizant agencies. During the audits, we have worked closely with a variety of federal agencies including the departments of Agriculture, Education, Labor, Transportation, Health and Human Services, and Housing and Urban Development, as well as the Environmental Protection Agency.

We will begin our single audit procedures (in years when federal expenditures exceed $500,000) by developing a comprehensive understanding of laws and regulations that have a direct, material effect on the determination of amounts in your financial statements. This understanding will be based on:

- Identification of federal award programs and total federal expenditures;
- Determination of major federal award programs;
- Discussions with your staff;
- Review of Board minutes, prior audits, and grant and contractual agreements; and
- Review of the relevant federal program requirements from the "OMB Circular A-133 Compliance Supplement" issued by the Office of Management and Budget and the "Catalog of Federal Domestic Assistance."

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Crowe's single audit approach is based on guidance available in OMB Circular A-133 and Government Auditing Standards issued by the Comptroller General of the United States. When testing your major federal programs, we follow the suggested audit procedures included in the Compliance Supplement. For federal programs for which guidance is not available, we will establish programs using applicable grant agreements and federal regulations.

Key Elements of the Audit Process
Crowe's audit team will work closely with your management team through the entire single audit process, which includes the following elements:

Phase I: Planning

- Gain an understanding of your major internal control systems and environment related to your major federal grants;
- Review your administrative systems for federal and other grant programs;
- Assess risk related to federal programs;
- Conduct a brainstorming session in accordance with SAS 99, including federal and other grant program administration;
- Obtain the "Schedule of Expenditures of Federal Awards" (SEFA);
- Review your prior year SEFA and "Schedule of Findings and Questioned Costs";
- Prepare an analysis of federal programs according to type (i.e. Type A or Type B Program);
- Determine major programs by type based on the audit risk analysis in the assessment performed; and
- Determine the reliance to be placed on your systems of internal control for federal and other grant programs through documentation and control testing.

Phase II: Fieldwork

- Review audit programs from the Compliance Supplement to determine the adequacy of the programs;
- Review and document the requirements of the programs to be tested;
- Revise programs as necessary based on program requirements;
- Interview staff, management, counsel, and officials based on planning;
- Determine sample selection methodology and the types of procedures that will be performed using selected transactions and documents;
- Select the transactions and documents for testing;
- Perform the audit procedures as documented in the audit programs;
- Document testing results; and
- Evaluate the results of testing and determine areas that require further examination.

Phase III: Review of Testing Results

- Establish the review protocol for evaluation of results;
- Review potential findings and questioned costs and communicate with your management;
- Review compliance requirements and compare expected results to the exceptions noted to evaluate materiality; and
- Draft a summary of the testing results.

Phase IV: Reporting

- Review federal, state, and other grant reporting requirements;
- Determine which internal control findings are significant deficiencies or material weaknesses;
- Prepare findings and draft the auditor's reports;
- Review draft reports with your management; and
- Evaluate management feedback and proposed corrective action, make revisions as necessary, and finalize the reports.

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Audit Technology Tools

Crowe utilizes several key technology systems to improve audit efficiency and effectiveness. Our use of technology in the audit process benefits you in the following ways:

- **Efficiency.** Your audit files are designed with you in mind including planning forms, audit programs and procedures, and other unique aspects of the District. This promotes efficiency and allows for easy documentation, exchange and review of information.
- **Communication.** When you have a question, all client information is at our fingertips to access at anytime no matter where we are located, even from prior year audits. Questions on workpapers or other issues can be accumulated and sent via e-mail in order to reduce the number of interruptions to your daily routine during audit fieldwork.
- **Technical Information.** In addition to our extensive industry experience, the Accounting Research Manager (ARM) system allows us to provide up-to-date technical information quickly. Accounting standards and support can be provided to management at any time during the audit process.

Our auditing philosophy, commitment, attitude and technology effectively distinguish us with our clients and in the marketplace.

Accounting Research Manager

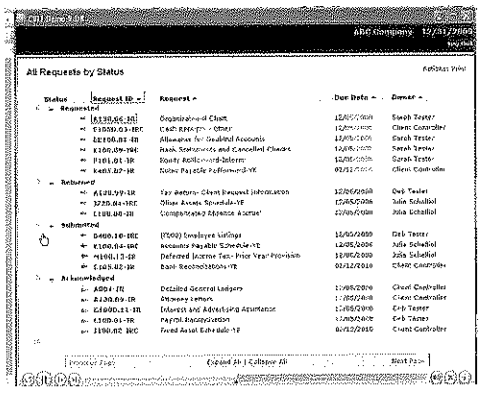
Accounting Research Manager (ARM), is a comprehensive online database of expert-written analytical accounting, auditing, as well as primary source data. It includes the full suite of publications from the Financial Accounting Standards Board, Governmental Accounting Standards Board, Emerging Issues Task Force, Securities and Exchange Commission, American Institute of Certified Public Accountants, and International Accounting Standards Board. In addition, interpretive analyses are provided in many areas.

Automated Workpapers

Automated Workpapers (AWP) was developed using a database system to achieve a nearly paperless audit. AWP also allows us the ability to query prior year audit databases for client information.

CiRT

Crowe has recently developed an innovative tool for our clients, as well as our own Audit personnel to more effectively manage the many requests for information necessary to conduct an audit. CiRT is a secure web-based repository that allows Auditors to post requests for pre-audit information, and for Client personnel to respond (most often via attachments). As needed, Client personnel can ask clarifying questions and can even delegate requests to other client personnel. All CiRT requests/responses and questions/answers are maintained in an easy-to-access website for both the current year and the prior year. And, because all CiRT requests are tracked by assigned individual, status, due date and complete date, both Client and Audit management are easily able to monitor the progress and quickly address any issues in the audit information request/response process.



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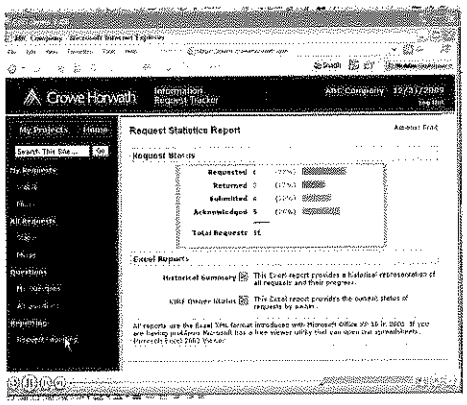
CiRT offers clients improved efficiency, effectiveness, and auditor/client communication because it:

- Provides one place to post all information requests/responses, thus eliminating missing or repeated requests
- Enables Clients to ask questions regarding requests, the answers to which are automatically saved;
- Allows Client management to easily re-assign tasks internally and review completed responses before submission
- Retains prior year's audit information requests/responses for reference and/or re-use in the current year
- Displays the status of all requests by status, due date, completion date, and assigned responder
- Is accessible at all times, to both Client and Crowe personnel, from any web-connected computer
- Uses an encrypted connection to send documents, avoiding shipping or faxing expenses and e-mail security risks



Auditing and/or operational analysis of business applications which have high volumes of data frequently calls for the use of computer-assisted audit tools. Crowe has licensed two particularly powerful PC-based audit tools and has developed specialists with the necessary expertise to employ them quite effectively as part of our audit/review procedures:

Monarch

Monarch is a report extraction utility which allows the auditor to selectively convert the fields contained within standard business application reports into data files for further analysis.

Audit Control Language

ACL (Audit Control Language) is a data manipulation utility which allows the auditor to interpret data from virtually any type of data file format for the following purposes: footing, sorting, summarizing, selecting, extracting, re-calculating, sampling, matching, merging, re-aging, and detecting gaps/duplicates.

These techniques may include testing the accuracy, completeness and integrity of individual accounts or transactions. Or, they may be used to address the need to perform ad-hoc and perhaps exhaustive application of differing criteria to analyze the operational quality of assets represented by such data. Because of the tremendous speed and storage capabilities of such tools, our financial auditors will be able to electronically examine a much higher percentage of original data than if left to purely manual testing methods. In summary, with the use of Monarch and ACL, our audit procedures can be far more effective in providing value-added information regarding your business applications.

Proposed Segmentation of Engagement

We have provided, on the following page, a tentative schedule for performing key phases of the audit and estimated number of hours for each level of staff necessary to complete each phase of the audit.

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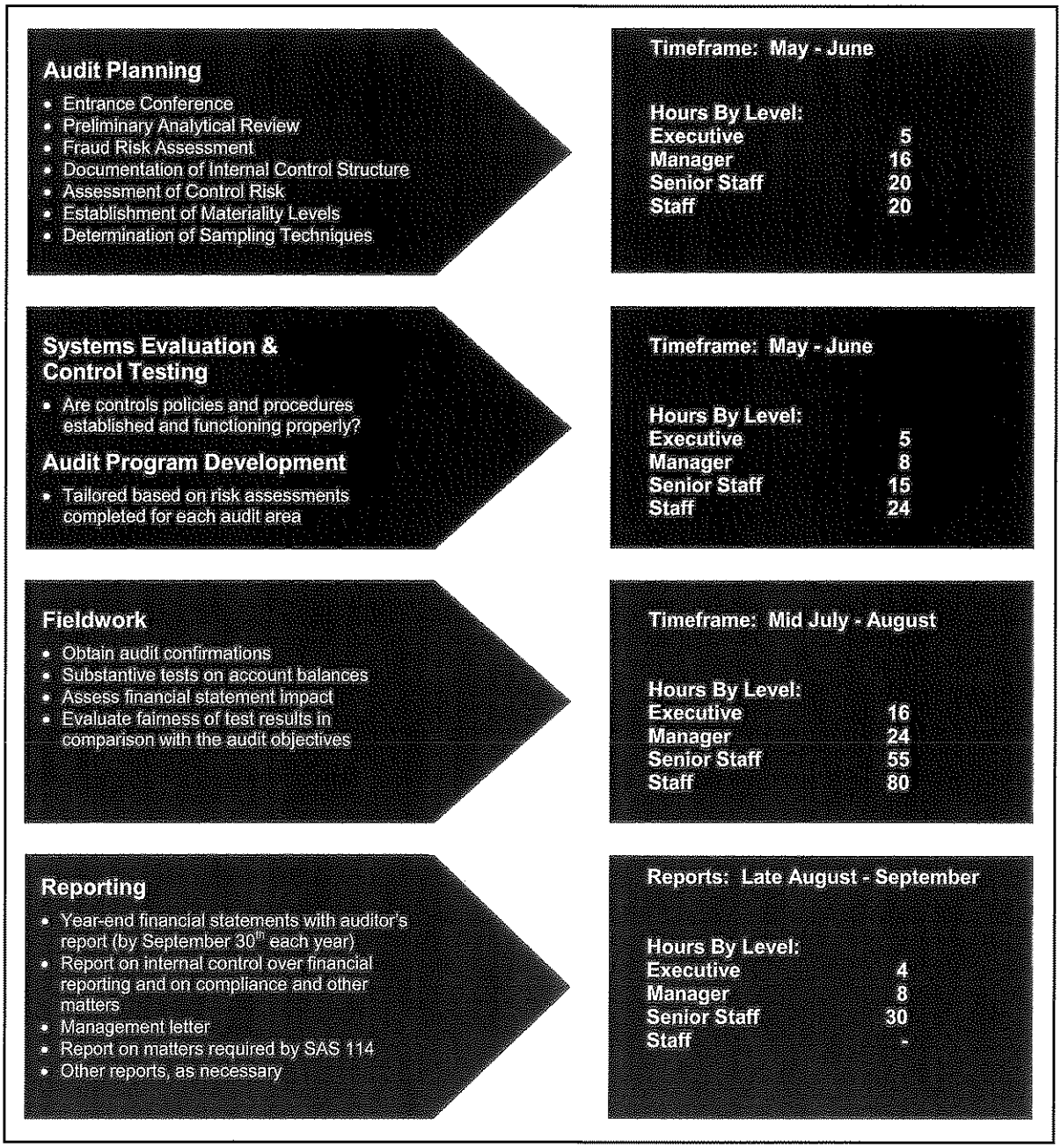

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Additional Information

There is no additional information.

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Fees

In accordance with the District's request for proposals we have provided below our total maximum fee, including all direct and indirect costs and out-of-pocket expenses for the fiscal years ending June 30, 2009, 2010 and 2011.

Service	2009	2010	2011
Audit Fees	$39,500	$41,000	$42,700

Fee Assumptions

We assume that we will be provided auditable balanced trial balances for all funds at year end, that all bank accounts and investment accounts will be reconciled to the trial balances through the end of the year being audited, that interfund and transfer accounts will balance, that beginning fund equity amounts will be reconcilable to prior year audited ending fund equity and that certain schedules as identified in the previous section, will be prepared for us to support or clarify amounts reported on the trial balances. We assume that the District will cooperate with our requests for information such as explanations of account activity. We also assume that the District will prepare the information to us for the Management's Discussion & Analysis of the Annual Financial Statements, the Introductory and Statistical Sections (in accordance with GASB Statement No. 44) of the CAFR.

Additionally, we assume the District will provide a copy of the capital assets ledger, including current year additions and dispositions and depreciation by function. We assume that requested records such as invoices, contracts, grant agreements and supporting documentation will be located and provided to us. The District will provide us the information necessary to prepare the cash and investment note as required by GASB Statement No. 40. Our fee also assumes that the District will prepare all modified accrual entries and provide us the trial balances electronically.

Our fee does not include implementation of any other future accounting pronouncements, increase in major programs (above the one assumed), substantial changes in: tax base, debt issuances, and/or government requirements that may change, thus, the scope or amount of auditing necessary to complete our engagements may increase beyond what is currently anticipated. Should such events occur, we would present you with our estimate of any possible increase prior to beginning our audit for a given year. An equitable adjustment in the proposed fee will be negotiated if the cost of time required for performance of the audit service is increased or decreased pursuant to a change in scope of the audit requested by the District or required by State or Federal regulations.

We also assume that the District will appoint an individual responsible for reviewing and accepting the annual financial statements. This is a requirement of Statement of Auditing Standards Number 103 which was effective for the fiscal year ended June 30, 2007 and going forward.

Our proposed fee for the Single Audit assumes one major program to be audited. If additional major programs are identified, we would provide the District with our estimated fee for the work.

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Rates for Additional Professional Services

Because we choose to set professional fees for services through a combination of market place analysis, the anticipated assistance provided by the District's staff in the audit process, and the value of services received by the District, the staff billing rates for additional services does not directly correlate with the fixed fee structure proposed. For additional services outside of the fixed fee structure, the current billing rate structure for the engagement team is as follows:

Executive	$245 -	$350
Senior Manager/Manager	$130 -	$240
Senior Staff	$100 -	$125
Staff	$ 85 -	$95

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Additional Services

We have provided additional services Crowe has to offer, throughout our proposal.

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Audit Team

Key Personnel

Crowe's audit experience and organizational structure offer clear advantages. However, the ultimate success of our relationship is largely attributable to one key component – our people. The proposed Engagement Team is well qualified to provide outstanding, timely, and personalized service to the District. The work that we will perform for the District will be conducted in a timely, planned and orderly manner, without the uncertainty and confusion associated with a delayed, last minute performance. Your Engagement Team is available to address your needs and concerns.

We would like to emphasize our commitment to maintaining professional staff continuity in servicing this audit engagement. Many of our clients rely on having the same resources available to them because it reflects a commitment to their organization and a deeper understanding of what their organization is trying to achieve. Our staff builds a relationship based upon integrity, trust, and mutual respect, which is a primary reason that we maintain long-term professional relationships. In addition, we provide active Executive involvement in the audit fieldwork and presentations to allow you to directly benefit from their industry knowledge and expertise. This active involvement in the project by Crowe executives is also critical to ensure adequate supervision of the audit and continually improve upon efficiency.

The engagement executives that you would deal with take pride in their client service ethic and in responding promptly to client inquiries. Their policy is to check voice mail throughout the day and return phone calls usually on the day received or within 24 hours at the latest. Likewise, they are typically able to access e-mail even when out of the office and respond promptly.

We have provided resumes for several individuals who are available to serve on your audit team for your approval. The resumes found in **Appendix B** detail educational background as well as educational level, years of experience, professional affiliations and client names for governmental audits. The audit team and role are listed below:

Name	Role
John C. Weber, CPA	Signing Executive
Todd Buikema, CPA	Senior Manager
David Virgilio, CPA	Senior Staff

Our engagement team has extensive experience in government auditing. The experience of each team member, educational background, along with memberships in professional organizations relevant to the performance of this audit, is included in each team member's resume. Additionally, Mr Buikema is a current member of the Illinois CPA Society's Governmental Report Review Committee and serves as the School District Subcommittee Chair.

Continuing Professional Education

Each of our accountants are educated in their chosen profession and hold a minimum of a four-year college degree in accounting. Several have advanced degrees and/or multiple degrees in related areas. In addition, we provide an average of 60-80 hours of continuing professional education each year for every member of our professional staff, which exceeds the 40 hour standard imposed by the AICPA. This continuing education helps assure that we stay abreast of current technical developments to continually enhance the professional skills of our staff and support the Firm's overall quality control system.

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Because of Crowe's industry specializations your engagement team members have extensive experience serving government and other exempt organizations. During the past three years, the audit engagement team members have attended classes and conferences including the following topics: GAAP Updates; Auditing Standard Updates; Governmental and Single Audit Report Review; FASB Updates; Financial Reporting for Non-Profit Organizations; Peer Review and Quality Control; and Compliance and Performance Auditing. In addition, several members of the firm have taught or led seminars sponsored by professional organizations.

Our Human Resources staff maintains a full-time employee to administer an HR database of all licensing and related CPE requirements. Careful monitoring and management of this process serves to ensure that all professionals have met the requirements of their licenses.

Staff Continuity

We would like to emphasize our commitment to maintaining professional staff continuity in servicing this engagement. Many of our clients rely on having the same resources available to them because it reflects a commitment to their organization and a deeper understanding of what their organization is trying to achieve. Our staff builds a relationship based upon integrity, trust, and mutual respect, which is a primary reason that we maintain long-term professional relationships.

In assigning staff to engagements, we place high importance on maintaining continuity of staff from one year to the next. This is important from both a client service as well as an engagement efficiency perspective. As our staff gains familiarity with a client, they are able to complete the engagement more efficiently and are able to identify recommendations for improvement within our client's operations.

As with any accounting firm, it does at times become necessary to replace a member of the engagement team. When this occurs they are replaced with someone of comparable skills and experience. While we strive to maintain continuity, the turnover that is inherent in today's environment provides for staff rotation and the additional benefit of a fresh approach. We have been very successful over the years in appropriately staffing our jobs and this has resulted in high client retention rates and tremendous growth for the firm.

Staff Turnover

Crowe is a firm that has as much focus on its people as it does its clients. We have an annual personnel survey sent to all employees to provide feedback to firm leadership and to continuously improve our internal programs. Crowe scores in "the highest quartile" year after year according to our independent surveyor, Burke and Associates, in regards to employee satisfaction. These results are further highlighted by the fact that our 2008 personnel survey had an 85% response rate across the firm, which indicates a workforce that believes their voice makes a difference and they want to spend the time to improve the culture even further. This response rate was not an anomaly as this high rate has been consistent the past five years. The survey results, response rate and "Best of the Best" rankings are probably some of the reasons why we have very satisfied employees and supports why our firm turnover is significantly less than other national service firms.

Crowe's low turnover rate results in continuity of service, which enables us to service clients with more experienced personnel. This very low turnover will allow us to offer you experienced resources, value-added services, industry specialization, and overall better personal service. Our staff continuity also enables us to develop and maintain an in-depth understanding of your operations, management style, and operating practices, which ultimately will allow us to serve your organization more effectively over time. This commitment to people also resides at our executive level where you will find a more hands-on approach than other national service providers. Our culture stresses the importance of executive presence throughout projects and engagements. Our goal is to establish and maintain a long-term relationship with you. Active, personal involvement by your executives, managers and other experienced professionals is the key to a successful relationship.

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Equal Opportunity Statement

Crowe abides by the principles of equal employment opportunity. Therefore, the firm complies with all relevant federal and state laws, regulations and guidelines when conducting personnel activities. The firm continues to recruit, hire, train and promote persons in all job titles without regard to race, color, creed, religion, sex, age, national origin, sexual orientation, Vietnam era veteran, disabled veteran or handicap status. For personnel actions such as compensation, benefits, promotions or transfers, only valid position-related requirements are considered. Continuing professional education, as well as social and recreational programs, are planned in accordance with equal opportunity standards.

A staff member, who has a physical or mental disability which substantially limits one or more major life activity, is provided the same opportunities accorded other individuals in all areas of employment, provided the staff member is otherwise able to perform the essential functions of the position.

Crowe is committed to diversity and equality in the work place and strives to create a work environment that leverages the diversity of all people. The following are highlights of the resources and activities devoted to the promotion of diverse populations within the firm:

Inclusion and Diversity Initiative

Crowe's promotes an inclusive work environment fostering mutualism where respect, trust and integrity are valued and all people are free to contribute in ways that enable them to reach their full potential and make a difference to our clients, our people and our communities.

Crowe is committed to creating a progressive work environment that leverages the diversity of all people. The diversity initiative works to help us understand, appreciate and address the unique perspectives and needs of all of our personnel, clients and those we impact throughout the communities in which we work.

Crowe strives to be inclusive by involving all employees, regardless of gender, religion, race, ethnicity, culture, language, education, geographic location, color, sexual orientation, national origin, age, physical ability, level, experience, opinions, beliefs, or thoughts, in the activities and life of the organization so everyone feels respected, valued, and capable of performing their best work.

We recognize that our goal to increasingly deliver unique and valuable solutions for our clients will be driven by a diverse work force. Our diversity initiative is built upon the concept of mutualism, which is the collaboration of differences to achieve greater value.

Mutualism supports our belief that a diverse work force enhances the creativity and innovative thinking which is fundamental to Crowe's success. Building our initiative upon the basis of mutualism furthers our understanding of the needs of our people, our clients, and our communities, leading to a competitive advantage as we compete for talent, move to new markets, seek new clients, and expand our geographic footprint.

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Appendix A: Peer Review Report

MOSS-ADAMS LLP

CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS CONSULTANTS

December 21, 2007

To the Executives of
Crowe Chizek and Company LLC
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe Chizek and Company LLC (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2007. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of Crowe Chizek and Company LLC in effect for the year ended June 30, 2007, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards.

* * * * *

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

Moss Adams LLP

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Attachment to the Peer Review Report of Crowe Chizek and Company LLC
Description of the Peer Review Process

Overview

Firms enrolled in the AICPA Center for Public Company Audit Firms (the Center) Peer Review Program have their system of quality control periodically reviewed by independent peers. These reviews are system and compliance oriented with the objective of evaluating whether:

> The reviewed firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers has been designed to meet the requirements of the Quality Control Standards established by the AICPA.
>
> The reviewed firm's quality control policies and procedures applicable to non-SEC issuers were being complied with to provide the firm with reasonable assurance of complying with professional standards.

A peer review is based on selective tests directed at assessing whether the design of and compliance with the firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers provides the firm with reasonable, not absolute, assurance of complying with professional standards. Consequently a peer review on the firm's system of quality control is not intended to, and does not, provide assurance with respect to any individual engagement conducted by the firm or that none of the financial statements audited by the firm should be restated.

The Center's Peer Review Committee (PRC) establishes and maintains review standards. At regular meetings and through report evaluation task forces, the PRC considers each peer review, evaluates the reviewer's competence and performance, and examines every report, letter of comments, and accompanying response from the reviewed firm that states its corrective action plan before the peer review is finalized. The Center's staff plays a key role in overseeing the performance of peer reviews working closely with the peer review teams and the PRC.

Once the PRC accepts the peer review reports, letters of comments, and reviewed firms' responses, they are maintained in a file available to the public. In some situations, the public file also includes a signed undertaking by the firm agreeing to specific follow-up action requested by the PRC.

Firms that perform audits or play a substantial role in the audit of one or more SEC issuers, as defined by the Public Company Accounting Oversight Board (PCAOB), are required to be registered with and have their accounting and auditing practice applicable to SEC issuers inspected by the PCAOB. Therefore, we did not review the firm's accounting and auditing practice applicable to SEC issuers.

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Planning the Review for the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers

To plan the review of Crowe Chizek and Company LLC, we obtained an understanding of (1) the nature and extent of the firm's accounting and auditing practice, and (2) the design of the firm's system of quality control sufficient to assess the inherent and control risks implicit in its practice. Inherent risks were assessed by obtaining an understanding of the firm's practice, such as the industries of its clients and other factors of complexity in serving those clients, and the organization of the firm's personnel into practice units. Control risks were assessed by obtaining an understanding of the design of the firm's system of quality control, including its audit methodology, and monitoring procedures. Assessing control risk is the process of evaluating the effectiveness of the reviewed firm's system of quality control in preventing the performance of engagements that do not comply with professional standards.

Performing the Review of the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers

Based on our assessment of the combined level of inherent and control risks, we identified practice units and selected engagements within those units to test for compliance with the firm's quality control system. The engagements selected for review included engagements performed under the Government Auditing Standards, audits performed under FDICIA, and audits of Employee Benefit Plans. The engagements selected for review represented a cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagement reviews included examining working paper files and reports and interviewing engagement personnel.

The scope of the peer review also included examining selected administrative and personnel files to determine compliance with the firm's policies and procedures for elements of quality control pertaining to independence, integrity, and objectivity; personnel management; and acceptance and continuance of clients and engagements. Prior to concluding the review, we reassessed the adequacy of scope and conducted a meeting with firm management to discuss our findings and recommendations.

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MOSS-ADAMS LLP

CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS CONSULTANTS

December 21, 2007

To the Executives of
Crowe Chizek and Company LLC
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of Crowe Chizek and Company LLC (the firm) in effect for the year ended June 30, 2007, and have issued our report thereon dated December 21, 2007. The matter described below was not considered to be of sufficient significance to affect the opinion expressed in that report, which should be read in conjunction with this letter.

Engagement Performance
Comment – The firm's quality control policies and procedures require audit documentation that documents the nature, timing and extent of procedures performed, the results of procedures performed and audit evidence obtained and conclusions reached on significant matters. During our review we noted several instances where audit procedures performed and/or conclusions reached specifically related to the updating of responses from inquiries of attorneys and the use of specialists were not clearly documented. In all instances through discussions with firm personnel and review of additional information provided we became satisfied that the firm had taken appropriate action to support their audit reports.

Recommendation – The firm should emphasize to firm professionals the firm's policies and procedures related to audit documentation in the specific areas noted above and monitor this through increased emphasis by engagement reviewers.

Moss Adam LLP

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Crowe

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Member Horwath International

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South Bend, Indiana 46624-0007
Tel 574.232.3992
Fax 574.236.8692
www.crowechizek.com

December 21, 2007

Center for Public Company Audit Firms Peer Review Committee
American Institute of Certified Public Accountants
220 Leigh Farm Road
Durham, NC 27707

Ladies and Gentlemen:

This letter represents our response to the letter of comments issued in connection with our firm's peer review for the year ended June 30, 2007. The matters discussed in this letter will be given special emphasis in our monitoring procedures.

Engagement Performance

We will emphasize the firm's policies and procedures related to audit documentation for use of a specialist and for updating responses from inquiry of attorneys. This will be accomplished with communication to firm professionals during January of 2008, continuing professional education courses, and monitoring through increased emphasis by engagement reviewers.

Cordially,

Crowe Chizek and Company LLC

Crowe Chizek and Company LLC

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Appendix B: Resumes

Crowe Horwath

Mr. John C. Weber, CPA
Executive, Public Sector Services

Qualifications

Mr. John Weber has over sixteen years experience in public accounting. Mr. Weber has experience with governmental and non-profit organizations providing auditing and consulting services.

Representative Clients

School Districts
- **Arlington Heights School District #25* ****
- **Berwyn North School District #98***
- **Community Consolidated Unit School District #59* ****
- Plainfield Community Consolidated School District #202* **
- Rockford Public School District
- **Springfield Public School District #186* ****
- **West Aurora School District #129***

Higher Education
- **College of DuPage* ****
- **Lake County College***
- **Lincoln Land Community College* ****
- **Moraine Valley Community College* ****
- **Northern Illinois University (NCAA)**
- University of Illinois at Chicago (NCAA)

Municipalities
- Village of Bolingbrook
- **City of Burbank**
- **City of Plano**
- **Village of Glenwood**
- **Village of Gurnee****
- **Village of Hillside****
- **Village of Rantoul* ****

Special Districts
- **Chicago Transit Authority* ****
- **Metra***
- Metropolitan Water Reclamation District of Greater Chicago* **
- **Northern Indiana Commuter Transportation District***
- **Pace* ****

Counties
- Will County* **
- Will County Circuit Clerk
- Forest Preserve District of Cook County* **
- St. Clair County Circuit Clerk

Not-for-Profit
- Conference USA
- **Action for Children***
- **Illinois Clean Energy Community Foundation**
- **Chicago Futabaki Japanese School**
- Springfield Ball Charter School
- Three Fires Council Inc. Boy Scouts of America

State of Illinois
- **Illinois Department of State Police – Metropolitan Enforcement Groups**
- **Office of the Auditor General**
  - Illinois Department of Revenue
  - Illinois Department of Corrections
  - Illinois Environmental Protection Agency
  - **Illinois State Treasurer's Office**
  - **Southern Illinois University**

National
- **Broward County Florida Sheriff's Department**
- City of Boulder, Colorado
- City of Dayton, Ohio
- Indiana Bureau of Motor Vehicles
- Indiana State Lottery Commission
- Kentucky Lottery Corporation**
- Marion County Indiana Sheriff's Department
- **North Texas Tollway Authority**

Current clients are indicated in bold

* Federal Compliance audit performed in accordance with OMB circular A-133
** Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting

Consulting Engagements

Financial Advisory
- Capital Budgeting
- Departmental Costing Analysis
- Litigation Support
- Management of an Internal Audit Department
- Management Recruiting
- Operational and Procedural Audits

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Crowe Horwath

Mr. John C. Weber, CPA
Executive, Public Sector Services

Business Process Reengineering

- Procedures Manual Development
- Departmental Re-Structuring
- Transition Auditing

Information Technology

- Needs Analysis/System Implementation
- Fund Structure and Chart of Accounts

Certifications

Certified Public Accountant, Florida, Illinois, Indiana, Kentucky, Texas

Professional Affiliations

American Institute of Certified Public Accountants – Government Audit Quality Center Representative
Illinois CPA Society – Ethics Committee
Illinois Government Finance Officers Association

Education

Elmhurst College, Elmhurst, Illinois
Bachelor of Science in Accounting

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Crowe Horwath

Mr. Todd Buikema, CPA
Senior Manager, Public Sector Services

Qualifications

Mr. Todd Buikema has twelve years experience in governmental accounting and auditing. He has managed many municipal, school district and local governmental audit engagements and has prepared many comprehensive annual financial reports for successful submission to for the Government Finance Officers' Association and in a similar capacity for the Association of School Business Officials.

Consulting Engagements

Financial Advisory
- Payroll Processes and Procedures
- General Ledger Maintenance

Business Process Reengineering
- Procedural Manuals

Information Technology
- Computer Conversion and Set-Up

Representative Clients

School Districts
- **Springfield School District* ****
- **Berwyn North School District #98***
- North Palos Elementary School District #117*
- Oak Lawn-Hometown School District #123*
- Palos Community Consolidated School District #118* **
- North Shore Schools District #112* **
- Valley View Public Schools * **
- **Crystal Lake Community Consolidated School District No. 47* ****
- **Community Consolidated School District 59* ****
- **Community High School District #155***
- School District U-46*
- Bellwood School District #88 *
- Evanston/Skokie School District #65*
- Lockport Township High School District #205*
- **Maywood, Melrose Park, Broadview School District #89***
- Pennoyer School District #79
- Reed-Custer Community Unit School District #255 U* **
- Special Education District of McHenry County*
- Schiller Park School District #81
- Three Rivers Education for Employment System*
- Woodridge School District #68* **

Not-for-Profit
- Goodwill Industries of Metropolitan Chicago*
- Northeastern Illinois Area Agency on Aging*

Municipalities
- **Village of Bellwood**
- **Village of Rantoul ****
- **Village of Bridgeview**
- **Village of Posen**
- Village of Winfield**
- **Village of Hillside****
- Village of Melrose Park
- City of Berwyn*
- City of Oak Forest
- City of Lockport*
- **Village of Forest Park***
- **Village of Homewood****
- **Village of Glenwood**

Counties
- Will County* **

Special Districts
- **Township of Addison**
- **Joliet Arsenal Development Authority**
- **Norwood Park Fire Protection District**
- **Billy Casper Cook County Golf**
- Elk Grove Rural Fire Protection District

National
- Kentucky State Attorney's Office

Current clients are indicated in Bold

* Federal Compliance audit performed in accordance with OMB circular A-133

** Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting

Certifications

Certified Public Accountant (CPA)

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Crowe Horwath.

Mr. Todd Buikema, CPA
Senior Manager, Public Sector Services

Professional Affiliations

Illinois CPA Society – Governmental Report Review Committee, Subcommittee Chair – School Districts
Association of Certified Fraud Examiners – Associate member

Education

Calvin College, Michigan
Bachelor of Science in Accounting

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Crowe Horwath.

Mr. David P. Virgilio, CPA
Senior Staff, Public Sector Services

Qualifications

Mr. David Virgilio has over three years experience in public accounting. Mr. Virgilio has experience with governmental organizations providing audit services and has prepared comprehensive annual financial reports for successful submission to the Government Finance Officers Association and in a similar capacity for the Association of School Business Officials.

Representative Clients

Municipalities
- **Village of Forest Park***
- **Village of Homewood**
- **Village of Rantoul****
- **Village of Elmwood Park**
- **Village of Elmwood Park Public Library**

School Districts
- **Community High School District #155***
- **Maywood, Melrose Park, Broadview School District #89***
- **Community Consolidated School District #59* ****
- Palos Community Consolidated School District #118* **
- **Berwyn North School District #98***
- **West Aurora School District #129***
- **Arlington Heights School District #25* ****
- **Proviso School District #209***

Special Districts
- **Pace* ****
- **Northern Indiana Commuter Transportation District***
- **Joliet Arsenal Development Authority**
- **Norwood Park Fire Protection District**
- **Township of Orland**
- **Township of Addison**

Counties
- Will County* **

National
- **Arkansas Department of Information Systems**

Current clients are indicated in bold

* Federal Compliance audit performed in accordance with OMB circular A-133

** Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting

Consulting Engagements

- **City of Fort Worth**

Education

Elmhurst College, Elmhurst, Illinois
Master of Science in Accounting

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Appendix C: Publications

We have provided on the following pages a recent article written titled "Avoiding Pitfalls in Single Audits" published in our **Government Advantage** quarterly newsletter.

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CONSULTING

Avoiding Pitfalls in Single Audits

By John C. Weber, CPA

According to a new government study, at least half of all single audits are deficient.[1] Understanding the methodology that providers use to conduct single audits can help government agencies and other recipients of U.S. federal assistance comply with Office of Management and Budget (OMB) requirements, says author John Weber.

For more than 30 years, state and local government entities that receive U.S. federal assistance have had to account for the money they spend by having independent professionals — typically either certified public accounting firms or state agency auditors — perform single audits.

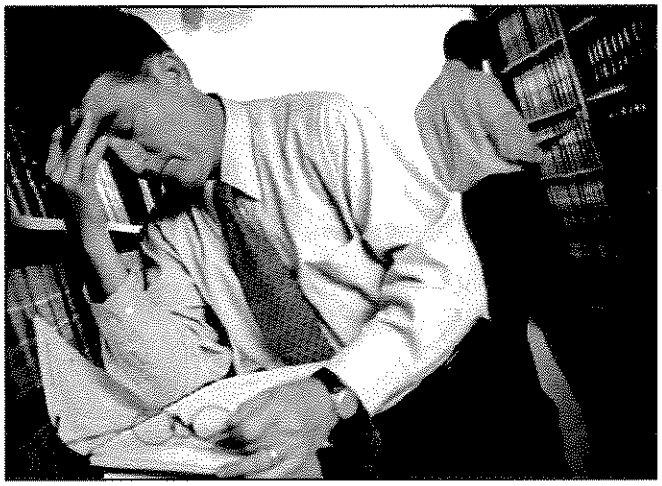
Also known as OMB A-133 audits, single audits eliminate redundancies and inefficiencies associated with individual audits of federal grants and awards that state and local government entities previously had to provide to Washington.

Required of all government entities and not-for-profit organizations that expend $500,000 or more in U.S. federal assistance in any one year, single audits have become an important tool that federal agencies — such as the Department of Education, the Department of Housing and Urban Development, and the Department of Transportation — use to determine if recipients are complying with the conditions of their grants and awards.

In 2002, the Comptroller General of OMB testified at a U.S. House of Representatives hearing about the importance and quality of single audits. The comptroller's testimony revealed that the OMB had discovered a number of deficiencies during an informal review of single audits. Because the selection of audits was not statistically based, however, the OMB said it could not rely on that review.

Soon after, representatives of the OMB, several federal agencies, and many state auditors agreed to conduct a statistically based measure of audit quality. This initiative — the National Single Audit Sampling Project — was conducted under the auspices of the Audit Committee of the President's Council on Integrity and Efficiency, which comprises the presidentially appointed inspectors general of more than 30 federal agencies. The project had two goals:

- To determine the quality of single audits and establish a statistically based measure of audit quality; and
- To recommend changes in single audit requirements, standards, and procedures to improve the quality of single audits.



This article addresses the first of these objectives.

Quality Control Reviews

The National Single Audit Sampling Project performed quality control reviews (QCRs) of a statistical sample of 208 audits randomly selected from a universe of more than 38,000 audits submitted and accepted for the period April 1, 2003, through March 31, 2004.

The sample was divided into two strata: entities that expended $50 million or more of federal assistance and entities that expended at least $500,000, but less than $50 million, in federal assistance.

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The results of these QCRs were published in the "Report on National Single Audit Sampling Project" this past June. While 115 of the 208 single audits were considered acceptable, 30 had significant deficiencies that rendered them of limited reliability and an astonishing 63 were deemed unacceptable and, consequently, unreliable. Based on these findings from the statistical sample, the project determined that:

- 48.6 percent of the entire universe of single audits were acceptable;
- 16.0 percent of the entire universe of single audits were of limited reliability; and
- 35.5 percent of the entire universe of single audits were unacceptable.[2]

Moreover, entities with expenditures of $50 million or more had a higher percentage of acceptable audits, while entities with expenditures of less than $50 million had a higher percentage of unacceptable audits.

Types of Deficiencies

The National Single Audit Sampling Project identified three deficiencies in more than half of all single audits that were examined:

- Not documenting the *understanding of internal controls* over compliance requirements, a deficiency found in 56.5 percent of all single audits reviewed;
- Not documenting *testing internal controls* of at least some compliance requirements, deficiency found in 61.0 percent of all single audits reviewed; and
- Not documenting *compliance testing* of at least some compliance requirements, a deficiency found in 59.6 percent of all single audits reviewed.[3]

Some single audits contained more than one of these deficiencies. The report cites "lack of due professional care" as the principal cause of most of these deficiencies.

The Government Auditing Standards define due professional care as "using sound judgment in establishing scope, selecting methodology, and choosing tests and procedures for the audit. The same sound judgment should be applied in conducting the tests and procedures and in evaluating and reporting the audit results."[4]

In the eyes of the professionals who conducted the National Single Audit Sampling Project, some of the organizations that performed these single audits did not meet the expected standard.

Internal Controls at Work

Suppose a governmental entity received $300,000 in federal assistance to erect a building and hired a contracting firm to do the work. Under such an award, federal regulations would require the contracting firm pay its employees a certain prevailing wage mandated by the federal government.

What type of control would the governmental agency have to have in place to make sure that the contractor pays its employees the correct wages? The control may be that one governmental employee is responsible for obtaining from the contractor copies of its weekly payroll journals to ensure that prevailing wages were paid. That is an example of what an auditor should document to show an *understanding of controls related to a compliance requirement.*

To test the controls, the firm conducting the single audit could verify that the governmental employee is actually receiving, reviewing, and signing off that the contractor paid the required prevailing wages.

To test compliance with the federal law, the auditors could have to examine the payroll journals and compare what the contractor paid Employee A to the prevailing wages that Employee A was supposed to receive based on federal government rules.

Avoiding Problems with Single Audits

Conducting a single audit that complies with all of the steps that the federal government requires takes time, but those steps must be completed if the audit is to withstand future federal scrutiny. If the firm conducting the single audit skips over any of these steps, the consequences could prove expensive to correct.

A single audit submitted to the Federal Audit Clearinghouse, which distributes reports to the appropriate federal agencies, may not be reviewed by those agencies for 18 months or more. By that time, the records associated with the single audit may have been moved to an off-site storage facility, and individuals involved in the processes that were audited may have left the government entity or retired. Trying to reconstruct what happened months or years earlier can become difficult and time-consuming.

Government entities would be better served by vetting the providers of single-audit services up front to understand the audit approach they use, especially with regard to documentation of understanding and testing internal controls.

It's also fair for government entities to ask prospective auditors which staff members are going to perform the single audit, whether or not their single audits have been reviewed by any federal agencies, and what those reviews showed.

Asking a few key questions before the single audit begins can save a lot of time and trouble down the road and can help to ensure that a quality single audit is performed.

To obtain a copy of the "Report on National Single Audit Sampling Project," go to: www.ignet.gov/pande/audit/NatSamProjRptFINAL2.pdf

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John C. Weber is an executive specializing in public sector services with Crowe Chizek and Company LLC in Oak Brook, Ill. He can be reached at 630.706.2099 or jweber@crowechizek.com.

[1] "Report on National Single Audit Sampling Project," the Audit Committee of the President's Council on Integrity and Efficiency, June 2007, pp. 2-3.

[2] Ibid., p. 2.

[3] Ibid., p. 3.

[4] Government Auditing Standards (1994 Revision), paragraph 3.28, as cited in "Report on National Single Audit Sampling Project," p. 16.

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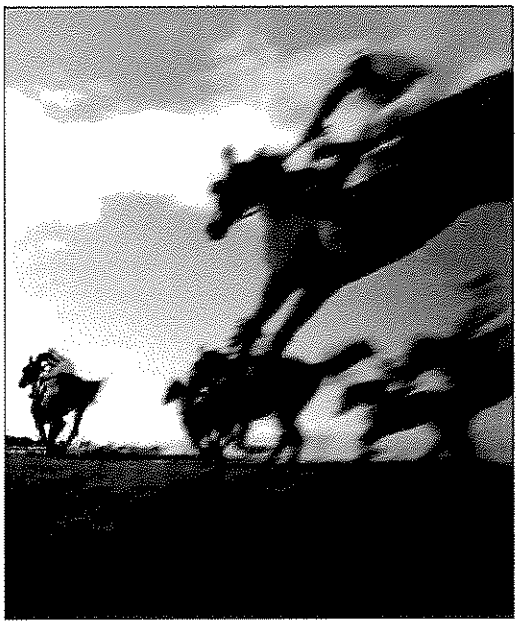

Under U.S. Treasury rules issued in 2005, we must inform you that any advice in this communication to you was not intended or written to be used, and cannot be used, to avoid any government penalties that may be imposed on a taxpayer.

How to Reach Us

Visit us on the Web at www.crowechizek.com or e-mail Annika Jaspers at ajaspers@crowechizek.com for more information.

If you would like to start receiving information via e-mail about topics of importance to you, please sign up on our Web site at www.crowechizek.com/emailsignup.

About Crowe

Crowe Chizek and Company LLC provides innovative business solutions in the areas of assurance, benefit plan services, financial advisory, forensic services, performance services, risk consulting, and tax consulting. Crowe is one of the top 10 public accounting and consulting firms in the United States, serving clients worldwide as a leading member of the Horwath International global professional services organization.

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Appendix D : Required Forms

We provided the forms required by the District's RFP on the following pages.

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OAK PARK AND RIVER FOREST HIGH SCHOOL
PROJECT QUALIFICATION FORM

Per The Oak Park and River Forest High School Board of Education, a responsible bidder is defined by meeting the following criteria and is able to submit evidence of such compliance. By signing this required form, the undersigned agrees that said bidder is responsible as defined below.

PREVAILING WAGE

The contractor shall comply with the present Prevailing Wage Act (820 ILCS 130) which provides that no less than the prevailing rate of wages, as founded by the Department of Labor, shall be paid to all laborers, workmen and mechanics performing work on this contract. The most current list of prevailing wages can be obtained without charge by writing the Conciliation Mediation Service, Illinois Department of Labor, 705 Stratton Office Building, Springfield, Illinois 62706.

SEXUAL HARRASSMENT

Each Bidder certifies that he has complied with the requirement of 2-105 of the Illinois Human Rights Act (775ILLs5/2-105)-1257) with respect to sexual harassment policies. The terms of that law, as applicable, are hereby incorporated into this contract.

DRUG FREE WORKPLACE

The bidder or contractor, having 25 employees or more, does hereby certify pursuant to Section 3 of the Illinois Drug-Free Workplace Act (30ILCS580/3) that he shall provide a drug-free workplace for all employees engaged in the performance of work under the contract by complying with the requirements of the Illinois Drug-Free Workplace Act and, further certifies that he is not ineligible for award of this contract by reason of debarment for a violation of the Illinois Drug-Free Workplace Act.

NON-DISCRIMINATION AFFIRMATION

Vendors must assure that all persons employed by the vendor, and all applicants for such employment, will not be discriminated against because of their race, religion, nationality, gender, disability, physical characteristics or sexual orientation. Vendor must also comply with all rules and regulations of the Illinois Department of Human Rights, Illinois Human Rights Commission and the Equal Employment Opportunity Commission.

STRUCTURAL WORK ACT

Vendor shall comply with all pertinent provisions of the Structural Work Act, (Ill.Rev.Stat., ch. 48, pars. 60-69).

CONFLICT OF INTEREST

By signing below, vendor certifies that they are in accordance with the School Code, and the Public Officer Prohibited Practice Act, 50 ILCS 105/0.01 et seq., no Board of Education member or District employee shall be directly or indirectly involved or own an interest in any contract, work, or business of the District, or in the sale of any article by or to the District.

Signed: _____ Name (printed): *John C. Weber*

Title: *Executive* Company Name: *Crowe Horwath LLP*

Address: *One Mid America Plaza, Suite 700, Oakbrook Terrace, IL 60181*

Telephone Number: *630.706.2099* Date: *April 3, 2009*

Oak Park and River Forest High School
District 200
201 North Scoville Avenue
Oak Park, IL 60302

NON-COLLUSION AFFIDAVIT

STATE OF ILLINOIS

SS:

Cook COUNTY

The undersigned bidder or agent, being duly sworn, on oath says that s(he) has not, nor has any other member, representative, or agent of the firm, company, corporation or partnership represented by him/her, entered into any combination, collusion or agreement with any person relative to the price to be bid by anyone at such letting, nor to prevent any person from bidding nor to induce anyone to refrain from bidding, and that this bid is made without reference to any other bid and without any agreement, understanding or combination with any other person in reference to such bidding.

S(he) further states that no person or persons, firms, or corporation has, have or will receive directly or indirectly, any rebate, fee, gift, commission or thing of value resulting from such sale.

Bidder of Agent

For Crowe Horwath LLP
Firm or Corporation

Subscribed and sworn to before me on this 2nd day of April, 2009.

My commission expires:

6/18/2012

Notary Public

Signature:

COLLEEN M. GRAHAM
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
June 18, 2012

CERTIFICATION

The Bidder hereby certifies that the bidder is not barred from bidding on this contract as a result of a violation of either the bid-rigging or bid-rotating provisions of Article 33E of the Criminal Code of 1961, as amended.

Signature

PROPOSAL for PROFESSIONAL SERVICES

April 3, 2009

Mr. Tim Keeley, Purchasing Coordinator
Oak Park & River Forest High School District #200
Business Office, Room 270A
201 North Scoville Avenue
Oak Park, IL 60302

Proposal to Provide Auditing Services for
Oak Park & River Forest High School District #200
For the Fiscal Year Ending June 30, 2009 – 2011

Presented by:
Andrew L. Mace, CPA
Principal

Miller Cooper & Co., Ltd.
650 Dundee Road, Suite 250
Northbrook, IL 60062

Tel: 847-205-5000
Fax: 847-205-1400

Web Site: www.millercooper.com

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MILLER
COOPER
&Co.,Ltd

ACCOUNTANTS AND CONSULTANTS

April 3, 2009

Mr. Tim Keeley
Purchasing Coordinator
Oak Park & River Forest High School District #200
Business Office, Room 270A
201 North Scoville Avenue
Oak Park, IL 60302

Transmittal Letter

Miller Cooper is pleased to have the opportunity to submit our proposal to perform accounting and auditing services for Oak Park Elementary School District #200 (School District #200). Based on our conversations with you and our familiarity with the District, we understand that your immediate needs in the scope of the audit are:

The annual shall consist of preparation and examination of the basic financial statements conducted in accordance with generally accepted auditing standards, requirements under the Single Audit Act, and the regulations prescribed by the Illinois State Board of Education. The District maintains the following funds that should be included in the audit examination: Educational, Operation & Maintenance, Restricted Building, Bond & Interest, Transportation, Social Security/Municipal Retirement, Fire Prevention & Safety, Working Cash, Tort, Dental Self Insurance, Medical Self Insurance and Activity. The audit shall include a review of the system of internal controls of Oak Park and River Forest High School High School District 200 to ensure that there is effective control over revenue, expenditures, assets and liabilities, and a proper accounting of resources, liabilities and accounting operations.

The audit shall also consist of tests of compliance with requirements of applicable state laws and regulations of material effect on the financial statements.

The examination shall be sufficient in scope so as to render an opinion on the fairness of the representations contained in the individual and combined balance sheets and related statements of revenues and expenditures, and changes in fund equity for the year then ended in accordance with generally accepted accounting principles for state and local governments.

1751 Lake Cook Road, Suite 400, Deerfield, IL 60015 ■ 500 West Madison Street, Suite 3350, Chicago, IL 60661
847.205.5000 ■ Fax 847.205.1400 ■ www.millercooper.com

an independent member of BAKER TILLY INTERNATIONAL

We believe Miller Cooper is qualified to service School District #200's needs for the following reasons:

• We have extensive experience with school districts and local governments beyond just the audit function, including cost and fee studies, financing, internal controls, and systems review. Miller Cooper has assisted many governments in obtaining and maintaining their ASBOI and GFOA Certificates, implemented GASB #34, provided litigation support on tax objections, fraud and tax verification and assisted several communities with hiring key financial staff.

• Our experience with various districts and related agencies will make the audit process flow more smoothly due to our understanding of the operations of Illinois School Districts.

• We have assisted many clients with completing their implementation of GASB #34.

• We have a 100% success rate in assisting clients in obtaining either the Association of School Business Officials International ("ASBOI") or the Government Finance Officers Association's financial reporting awards.

- Andrew Mace is a reviewer for ASBOI's Certificate of Excellence program.

• Miller Cooper, an Illinois-based firm is the proper size, with the appropriate expertise and proximity to be highly responsive to your needs.

• We provide unsurpassed personal attention to our clients, which leads to quality service and an effective working relationship.

• Our firm is committed to providing prompt, efficient, and personal service and the overall perspective that our clients value.

• Our Principals, Managers and staff have extensive experience in serving Chicago area school districts and government units and their management. They are active in several professional groups (Illinois Association of School Business Officials, Illinois CPA Society Government Executive Committee, GFOA-TARC Committee, Illinois Association of Park Districts, Illinois Comptroller's Local Government Advisory Board).

Andrew L. Mace, CPA, Principal, will be responsible for handling the District's ongoing needs, and ensuring that the Firm meets your time requirements and provides the knowledge, guidance and technical skills you require. Andy's professional accounting career began in 1986 and he continues to focus on school district and government clients. Regarding the School District #200's audit, Andy has committed to spend at least twelve hours of exclusive time on the audit engagement, over and above routine meetings, etc.

Betsy Allen, CPA, Senior Manager, and Colleen DeKraker, CPA, Manager, both of whom are members of Miller Cooper's government practice group will each play key roles in this audit. Betsy brings more than 16 years of professional accounting and Colleen has been a practicing accountant for more than nine years.

Miller Cooper and all of its personnel are independent of School District #200. All staff assigned to the engagement are properly licensed in Illinois, remain in excellent standing with professional guidelines, and have never been subject to disciplinary actions.

This proposal is a firm and irrevocable offer for 60 days. However, this agreement may be revoked by the District at any time.

Miller Cooper will provide the responsive and professional service you require and deserve. If you have any questions regarding this proposal, please call Andrew L. Mace, Principal, at (847) 205-5000. He is authorized to represent the Firm.

Once again, we appreciate your consideration, and we hope to have the opportunity to work with you.

Sincerely,
MILLER COOPER & CO., LTD.

Andrew L. Mace, CPA
Principal

Profile of Miller Cooper

Miller Cooper & Co., Ltd. is a well respected and growing 188-person local firm with a strong presence metro-Chicago. In operation for more than 85 years, with a full time commitment to governmental and nonprofit areas of specialization, the Firm is ranked in the top 11 Chicago accounting firms by *Crain's Chicago Business*. We provide a broad spectrum of accounting, tax and consulting services. Our professional staff located in Northbrook and Chicago is comprised of:

	Firm	Governmental
Principals (Partners)	**31**	**3**
Managers	**29**	**4**
Supervisors	**39**	**5**
Staff	**89**	**22**
TOTAL	**188**	**34**

The Firm is a member of the Private Companies Section of the American Institute of Certified Public Accountants and Baker Tilly International. Through our affiliation with Baker Tilly, Miller Cooper joins forces with more than 20,000 licensed CPAs, with more than 125 offices in the US, and a presence in Europe, Asia and Latin America.

As a member of the AICPA, our Firm is required to undergo and pass an examination of quality controls, conducted by trained CPA's from other firms every three years. Our most recent review, for which we received an unqualified report, was October 2007.

Additionally, no letter of comments was issued. The report covered our government work. The firm is pre-qualified to perform audits for the Illinois Office of the Auditor General. Miller Cooper's Illinois license registration number is 060-004571.

Profile of Miller Cooper

Qualifications

Members of our audit team have extensive experience and knowledge of the school district and governmental sectors. Resumes are included on pages 10 through 12.

Our information technology department consists of 20 full time people who assist clients with system design, selection, implementation and ongoing support. They also assist the audit staff with the IT portions of the audit. Additionally, we believe Miller Cooper is qualified to service your organization for the following reasons:

- We are the proper size firm with the appropriate expertise to be responsive to your needs.

- Project team continuity promotes efficiency for multiple year engagements.

- We have extensive experience with GASB #34 implementation.

- We have an outstanding record with the ASBOI and GFOA certificate programs.

- We understand the unique operations of Illinois School Districts. Andrew Mace has over 20 years experience auditing Illinois School Districts. All project Principals and Managers have direct experience with school districts that share several attributes with your District.

- We are committed to providing prompt, efficient and personal service. Our sizeable staff allows us to more easily meet your financial report filing deadline.

- Members of your service team have provided a wide range of services to their clients.

This includes the following:

- ASBOI and GFOA Certificate success.
- GASB #34 implementation planning, policy development and report drafting.
- Operational studies, including business office and activity fund reviews.
- Benefit plan consulting including 403(b) compliance – We have an entire department devoted to benefit plans.
- Computer system design and control evaluations – We have an entire department devoted to IT.
- Investment policies.
- Contract compliance and fee audits.
- Tax Increment Financing and compliance.
- Budgeting.
- Tax levies.
- Financial projections.
- Financing, including refunding and arbitrage rebates.
- Escrow verifications.
- Single Audit Act of 1984, as amended.
- Cost, rate and privatization studies.

- We are property licensed in Illinois.

Profile of Miller Cooper

Continuing Education Requirements Maintained and Surpassed

Miller Cooper provides extensive continuing education courses internally for professionals at various levels, and members of the Firm also take outside continuing education courses when appropriate. In that regard, each member of the team has maintained the required 24 hours of governmental continuing education for each biennial reporting period. Additionally, Miller Cooper staff have completed programs which provide the necessary guidance and resources to assist local government clients in obtaining and maintaining their expertise in the issues facing Illinois School Districts and other local governments.

- All key professional staff who will be assigned to the engagement are properly licensed to practice in Illinois.

- There will be a minimum of a field Principal, a review Principal, one senior manager, one supervisor/senior and one staff accountant assigned to this engagement. Our staff turnover is below industry averages, and we maintain audit team continuity for the term of the contract to ensure maximum efficiency. At times, we may add new staff accountants as the other members of the team advance.

- Miller Cooper will meet or exceed the requirements of the request for proposal.

- The firm meets the independent standards of the GAO's *Standards for Audits of Governmental Organizations, Programs, Activities and Functions*.

- The firm has the required experience with the necessary AICPA statements on auditing standards and statements of position, the pronouncements of the Governmental Accounting Standards Board, the ASBOI and GFOA Financial Reporting award programs, and GASB #34 implementations.

- Andrew Mace has over 20 years experience providing accounting, auditing and consulting services to Illinois School Districts and other government units and will be actively involved in the engagement.

- Timing of the Audit: Miller Cooper will meet the delivery schedule outlined in this proposal. It is dependent upon all workpapers, records, adjusted trial balances and information from third parties being available as outlined in the request for proposal.

References

Miller Cooper currently provides audit and advisory services to more than 30 Illinois School Districts. In fact, several hundred Illinois School District audits have been performed by, and benefited from Andrew Mace, Betsy Allen, and Colleen DeKraker's expertise.

The following Illinois School Districts currently are serviced by Miller Cooper:

Niles Township High School District 219
Susan Husselbee, Director of Fiscal Services
(847) 626-3974

Evanston Township High School District 202
William Stafford, Chief Financial Officer
(847) 424-7101

River Forest School District 90
Anthony Cozzi, Business Manager
(708) 771-8282

Glenbrook High School District 225
Hillarie Siena, Director of Business Affairs
847 486-4720

Township High School District 211
Chris Kontney, Director of Business Services
(847) 755-6648

Resume: Audit Principal – School District #200

Andrew L. Mace, CPA
Principal

Responsibilities

Mr. Mace will serve as the Lead Principal for the District's audit. He will be responsible for directing and coordinating the activities of the audit team, providing District management with status reports on the engagement, as well as with year-round contact.

Relevant Experience

Andy Mace devotes his career to working with local governments, having been drawn to public accounting in the public sector since 1986. Andy's efforts and continuing education are invested in staying ahead of issues and changes impacting local governments. He finds the most successful engagements are those in which the organization values working with accounting professionals who know and understand their business.

He has served numerous villages, more than fifty school districts and vocational or special education cooperatives, and many other local governmental units and not-for-profit organizations. Andy's focus is audit, internal control review and enhancement, and operational consulting.

Education and Professional Activities

Andy holds a BS in Accounting from the University of Illinois at Chicago. He is a Certified Public Accountant, licensed to practice in the State of Illinois. Andy belongs to the Association of School Business Officials International, Illinois Association of School Business Officials, Accounting Committee Member, Illinois CPA Society, Governmental Accounting Executive Committee, and the American Institute of Certified Public Accountants. He is also a reviewer for ASBO International's Certificate of Excellence in Financial Reporting program and serves on the Financial Information Advisory Committee of the Illinois State Board of Education.

Resume: Audit Manager – School District #200

Betsy Allen, CPA
Senior Manager

Responsibilities

Ms. Allen is a Manager practicing on the Government Services Team. She oversees many of the audit procedures, assists with internal control verification and is responsible for the daily management of the engagement.

Relevant Experience

Ms. Allen services a variety of local government units and has significant experience with GASB #34 issues. She has been a practicing CPA for fourteen years, specializing in School District auditing. She has helped numerous districts with their receipt of both the Certificate of Achievement for Excellence from GFOA and the Certificate of Excellence from ASBO.

Betsy has also conducted federal, single audit and state grant audits for clients. Current responsibilities are to provide ongoing assistance with management, establish project timelines, and to perform and supervise the audit fieldwork and financial statement preparation.

Education and Professional Activities

Ms. Allen received a Bachelor of Science Degree from Purdue University. She is a licensed CPA, and has completed numerous continuing professional education classes. Betsy attends the School District seminar hosted by ISBE and IASBO to receive updates in School District auditing.

Ms. Allen is a member of Illinois Association of School Business Officials, and the Illinois CPA Society, where she serves on the Governmental Report Review Committee.

Resume: Audit Staff – School District #200

Colleen B. DeKraker, CPA
Manager

Responsibilities

Ms. DeKraker is a Supervisor practicing on the Governmental Services Team, with a specialty in School District audits.

Relevant Experience

Ms. DeKraker services a variety of local government entities and has significant experience with GASB #34 issues. She has a professional accountant for nine years. Colleen has assisted project teams in securing the Certificate of Achievement for Excellence from GFOA and the Certificate of Excellence from ASBO for several Illinois School Districts. Colleen continues to assist in conducting single audits for local municipalities and school districts.

Colleen provides ongoing communication between the client and the engagement team, and is entrusted to ensure time lines are adhered to, and that all work products comply with the client's
full requirements.

Education and Professional Activities

Ms. DeKraker received a Bachelor of Science Degree from Trinity Christian College in Palos Heights, Illinois. Colleen is a licensed CPA and has completed numerous governmental continuing professional education classes. Ms. DeKraker is a member of the American Institute of Certified Public Accountants, Illinois CPA Society, and serves as Treasurer on the Board of Directors of a nonprofit organization.

Scope of Services

Miller Cooper will perform financial / compliance audits of School District #200's entity wide, major fund and aggregate remaining fund financial statements for the years ending June 30, 2009 through 2011. The scope of services is the same level the District has received in previous years.

We have based this proposal on the scope of services requested.

• Our audit will be conducted in accordance with generally accepted auditing standards prescribed by the American Institute of Certified Public Accountants. Drafts of the financial statements will be available prior to final preparation, and the final reports will be available shortly thereafter.

• Assistance in calculating accrual and capital asset balances.

• We will provide the following reports as requested:

– Comprehensive Annual Financial Report to include all annual financial statements for the District consistent with prior years to include basic financial statements and individual fund financial statements. Supplementary schedules are to be consistent with prior year's reports to meet ASBO Certificate of Excellence requirements.

– Annual Financial Report (ISBE 50-35) to be prepared for submission to the Illinois State Board of Education.

– Annual Federal Financial Compliance Section Report for the District consistent with prior year's report.

– Management letter for the District consistent with prior year's report.

– Other reports, as may be required to be submitted to the Illinois State Board of Education and any other regulatory agencies under the Single Audit Act of 1984

• All members of the Miller Cooper project team are available for questions throughout the year.

Financial Statements

• We will work with your staff as a resource for what needs to be in the report to meet the GASB reporting standards and also to suggest possible additional information that may make the reports more useful to management and their Board. This additional information can be re-evaluated each year to determine if it should stay in the report or be replaced with other data.

• The proposed fees do not include any additional services that may be needed in relation to the District issuing debt securities. We are experienced in issuing consent letters in relation to our auditor's reports being used in the official statements.

• The request for proposal should be considered part of this proposal except where specific modifications have been noted. The proposal does not cover services required to implement accounting or auditing standards that take affect after the date of your last audit, such as GASB 45 that relates to accounting and financial reporting for post employment benefits other than pensions.

Specific Audit Approach

Sample sizes will be based upon our evaluation of the system of internal accounting controls. We use audit guides that set specific sample sizes based upon the evaluation of the controls being used. Standard sample sizes are generally 23 for each major accounting cycle. The GAO Yellow Book requires that representative samples be used to ensure that all transactions have a chance of being selected and that an adequate volume of transactions are tested.

Single Audit testing may occur before or during the regular audit.

We use *Microsoft Excel* for report preparation and workpaper preparation, Caseware for trial balance control and lead schedule preparation and IDEA software for extracting data from files provided. After each audit we will meet with the staff to review any problems that were encountered during the audit in order to make the next year's audit run more smoothly.

Analytical procedures are a required part of the audit process. The two key procedures are to review the actual results against the budget, and to compare the current year versus prior years' performance. Variances are then reviewed with the staff to ensure that they are explained.

The internal accounting control structure will be evaluated based upon completing a questionnaire, our review of the questionnaire, our testing of the system, and our review of the existing policy and procedure manuals.

Testing of applicable laws and regulations will be updated each year based upon our involvement in the governmental arena, requests for information from the District's legal counsel, and review of updates from the various subscription services we receive.

We do not anticipate any potential audit problems as long as the District completes the standard set of items, as they have done in the past, prior to the beginning of fieldwork.

Specific Audit Approach

Project Team Hours By Level of Participant

Staff	60
Senior	112
Manager	32
Principal	24
Quality Control	6
Administration	6
Total	**240**

Principal/Client Contact

We maintain ongoing contact between the District's staff and the Principal through meetings, calls and reviewing minutes of the Board meetings on an ongoing basis. This provides us with the ability to comment on issues that may have accounting or audit significance. We can assist in the proper recording of transactions or the accumulation of data while the issue is current rather than at the end of the year. About 10% of the engagement is directly and exclusively performed by the Principal. Additionally, Andy Mace is present at meetings, reviews all documentation, discusses issues with the District and Miller Cooper colleagues, thereby increasing his total involvement, over and above the specific hours he devotes to the District.

Timing

- The specific audit schedule will be developed each year to meet the requirements of the District. The specific schedule will be reviewed each year to take into account the overall needs of the District. The completion date is dependant upon when the District completes its portion of the year end work. We would like to visit the District for about a week before year-end. Drafts of all reports will be submitted to the Business Manager prior to final preparation.

- Meeting the time schedule will involve detailed planning meetings before the start of each year's engagements to establish when the completed information will be available from each of the departments and outside agencies. It is critical that once the schedules are established, every effort be made to meet the schedule.

- The financial examinations will be performed in accordance with generally accepted auditing standards. The primary purpose of the examination is to express an opinion on the financial statements. Such examinations are subject to inherent risks that errors and irregularities may not be detected. We will promptly notify the proper level of authority if any circumstances are encountered that would require extended services or point toward material errors, defalcations or irregularities.

- The management letter should be viewed as a tool to improve the internal accounting controls and financial operations of the District. We will provide the required disclosures of weaknesses in the internal controls and suggestions to improve the financial operations of the District.

- Miller Cooper plans to meet or exceed the requirements of the District. Consistent with our timely service, all drafts and final documentation will adhere to the time frames set forth by the District, and in compliance with all regulatory guidelines.

Peer Review Letter

EUBANK & BETTS
A Professional Limited Liability Company
CERTIFIED PUBLIC ACCOUNTANTS
3820 Interstate 55 North / Post Office Box 16090 / Jackson, Mississippi 39236-6090
Phone (601) 987-4300 / Fax (601) 987-43 14

October 4, 2007
To the Principals
Miller, Cooper & Co., Ltd.

We have reviewed the system of quality control for the accounting and auditing practice of ***Miller, Cooper & Co., Ltd***. (the firm) in effect for the year ended May 31, 2007. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming to professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel, and obtain an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, audits of *Employee Benefit Plans* and engagements performed under *Government Auditing Standards*. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control at all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control, and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of ***Miller, Cooper & Co., Ltd.*** in effect for the year ended May 31, 2007, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable processional standards.

Eubanks & Betts, PLLC

Professional Fees for School District #200

Professional Rates for Government Audits

The proposed fees are audit and accounting services as defined in the Scope of Services section of Miller Cooper's proposal. If additional time is necessary to prepare additional accounting entries (other than for accruals) or otherwise ready the District's records for audit, we bill that time separately.

Fee estimates are based upon the assumptions that we will not encounter any extraordinary circumstances that would cause a material extension of our normal auditing procedures. We will obtain your authorization before extending our procedures. Extraordinary circumstances could be of the following type: changes in accounting principles (after GASB #45) or auditing standards (after SAS #114), new activities for the District, grants, changes in the compliance requirements or a breakdown in the District's systems of internal controls. The estimate also assumes that the District will provide required supporting documentation and that knowledgeable people will be available during our audit to answer questions as they arise.

- **Hourly rates for additional services**

  Additional services, including performance reviews, will be billed at 75% of Miller Cooper's standard billing rates at the time the services are provided. The schedule of professional fees at 75% currently in effect appears below:

Principal	$298/hour
Manager	$184/hour
Supervisor/Senior	$130/hour
Staff	$110/hour

- **Manner of Payments**

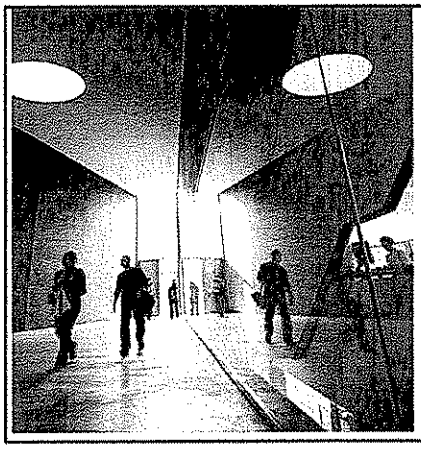
  Progress billings will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the Firm's dollar cost bid proposal. Interim billings will be made on a monthly basis. Payment is due within 30 days of the date of the invoice.

Professional Fees for School District #200

Based on the complete services outlined in Miller Cooper's proposal, in accordance with the requirements set forth by School District #200's RFP, our fee structure is as follows:

For the Fiscal Year Ending June 30:	2009	2010	2011
Audit services	$34,000	$35,000	$36,000

If Miller Cooper will incur any fees for obtaining statistical information then those fees will be in additional to the audit fees.



Oak Park and River Forest High School District 200

Professional Audit Proposal

April 3, 2009

Virchow Krause & company

an independent member of BAKER TILLY INTERNATIONAL

Timothy Cole
1301 West 22nd Street, Suite 400
Oak Brook, IL 60523
P: 630.645.6211
F: 630.645.6261

Virchow Krause & company

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PROJECT QUALIFICATIONS FORM

April 3, 2009

Mr. Tim Keeley
Purchasing Coordinator
Oak Park and River Forest High School District 200
201 N. Scoville Ave.
Oak Park, IL 60302

Dear Mr. Keeley:

Virchow, Krause & Company, LLP (Virchow Krause) is delighted to have this opportunity to express our desire to continue working with Oak Park and River Forest High School District 200 (the "District").

Given the size and scope of your operations, the District needs and deserves a comprehensive audit. You should also insist on a responsive partner with significant school district expertise, who is willing to support you year-round and be your go-to technical resource. We have assembled a stellar team of professionals to serve you who have dedicated their entire careers to serving public sector clients. We believe Virchow Krause is the best choice for the District, and we would like to provide some evidence to support our claim.

Incomparable Value Beyond the Audit
While we will continue to deliver the audit services you need and desire in the timeline you have provided, we take our service beyond the annual reports and opinions. As you know, we strive to go beyond the audit, to educate your staff and support your operations.

Virchow Krause has nearly 2,000 audit clients across the firm. Our clients include governmental entities, not-for-profit organizations and both privately-held and publicly-traded companies. They choose Virchow Krause because our depth of experience, industry-specific knowledge, and commitment to their success.

Genuine Focus on School Districts and Governments
Our Public Sector Group includes nearly 200 full-time employees currently providing services to more than 190 K-12 school districts, 300 municipalities, 30 counties, and over 60 higher education institutions or related organizations. We are eager to keep you on our list of clients who are committed to continuous improvement and who seek solutions beyond the basics.

This specialization allows us to more deeply understand the unique issues you face and provide you with solutions that exceed your needs. *What does specialization mean to you?* It means many things: competent staff, depth of experience, vast resources, networking ability, and substantial expertise in all financial areas of your organization. This is not filler work for our people; the professionals chosen to serve you work year-round in the governmental area. Our professionals are easily accessible and can do the necessary work quickly and efficiently.

Our understanding of Your Needs
Our proposal includes audit services for the fiscal years 2009, 2010 and 2011. The purpose of our audit will be to express an opinion on the fair presentation of the District basic financial statements in conformity with accounting principles generally accepted in the United States of

America. Our services will be provided as specified within your RFP within the timelines you require, by the personnel specified in this proposal response. The key to providing these services is communication. The audit team will be in constant communication with District staff to ensure that we understand the District's objectives and are met with as minimal disruption possible.

I am authorized to make representations for Virchow, Krause & Company, LLP and can be contacted at 630.645.6211, or via email at tcole@virchowkrause.com. Our proposal represents a firm and irrevocable offer good for 90 days.

We appreciate the invitation to submit this proposal for audit services and we hope to continue working with your District in the years to come.

Sincerely,

VIRCHOW, KRAUSE & COMPANY, LLP

Timothy Cole, CPA, Partner

LARGE FIRM RESOURCES WITH LOCAL SERVICE

Virchow, Krause & Company, LLP was founded in 1931 with one central objective: To use our expertise to help our clients improve their businesses. Originally a certified public accounting firm, we have grown steadily over the years, broadening our service offerings and expanding our geographic presence to meet the evolving needs of our clients. With more than 1,375 staff in nine offices across the Midwest, we are now the 17th largest public accounting firm in the U.S., according to Public Accounting Report's Top 100 of 2008.

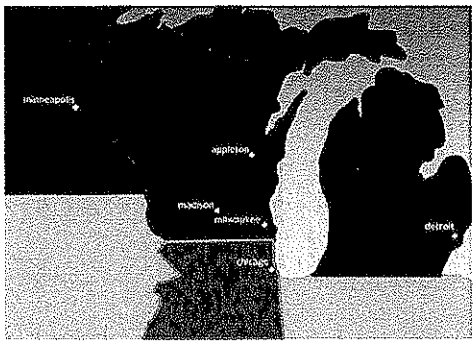
We strive to provide consultative, proactive, and professional service to help you anticipate challenges and seize opportunities. Your Virchow Krause team reviews new standards and related guidelines in the school district industry to determine how they affect your organizations operations. We meet regularly to discuss the impact of potential changes and decide how to effectively and efficiently address them. We provide local resources and personal service to meet your requirements as a school district, while offering capabilities that scale to meet your future needs.

Virchow Krause is an independent member of Baker Tilly International, the eighth largest accounting and business service network in the world. All of Baker Tilly's high quality, independent firms are committed to providing the best possible service – in their own marketplaces and around the world. All firms within the network adhere to the same high quality standards and share skills, resources, and expertise to create best practices.

Virchow Krause is dedicated to meeting the ever-changing, global needs of our clients. As part of this commitment, Virchow Krause will change its name in the summer of 2009 to signal our position as the exclusive Baker Tilly branded firm in the U.S. within Baker Tilly International. With our name change, we will strengthen our connection to the Baker Tilly International network of more than 145 independent accounting and consulting firms located in more than 110 countries, enhancing Virchow Krause's ability to deliver the highest quality services to our clients throughout the world.

FIRM FACTS

- Recognized as the 17th largest U.S. CPA and consulting firm according to the 2008 Public Accounting Report's "Top 100."
- Founded in 1931 with the central objective to use our expertise to help our clients improve their businesses.
- More than 1,375 skilled employees and experienced partners; offices in Illinois, Michigan, Minnesota, and Wisconsin.
- *Crain's Chicago Business* recently ranked Virchow Krause as one of the largest accounting and consulting firms in Chicago with more than 180 employees, including 23 partners.



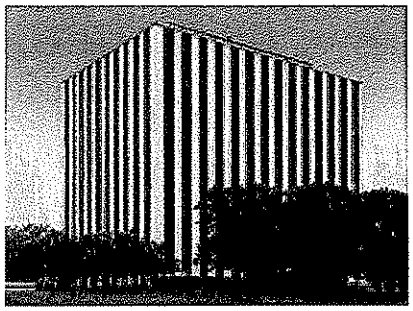
We are one of the few CPA firms with a Public Sector Group, consisting of nearly 200 professionals, *dedicated entirely to serving public sector clients*. Because of this specialized focus, our staff understands the issues the public sector faces and has the experience to find effective solutions. All staff members assigned to the Village's audit are Virchow Krause staff who specialize in governmental accounting and auditing.

While we intend to deliver the audit services the District needs and desires in the timeline you have provided, we intend to extend our services to you beyond the annual reports and opinion. We strive to go *beyond* the audit, to educate your staff and support your operations. The staff assigned to your engagement specialize in helping school districts achieve the ASBO Certificate of Excellence.

For more than 75 years, Virchow Krause has understood that our business demands absolute integrity, a belief in the value of trusted relationships, and a willingness to collaborate with – not dictate to – every client. We will continue to deepen and enhance our partnership with the District as, together; we work to help you realize your vision.

THE OFFICE SERVING YOU

You will be served by our State and Local Government service group located at 1301 West 22nd Street, Suite 400 in our Oak Brook, Illinois, shown here. The office maintains a complement of 40 professional and support staff. These team members and their experience levels are broken down in the chart below. Each member of our Oak Brook staff focuses on serving local governments. An engagement partner, senior accountant and manager, all of whom are full-time employees, are assigned to your audit.



Level	No.
Partners	4
Senior Managers	2
Managers	7
Senior Accountants	10
Staff Accountants	13
Senior Associate Accountant	1
Support/Administrative	3

REFERENCES

This section of our proposal presents a listing of references for whom Virchow Krause has performed significant engagements. Specific references are listed below; you are welcome to contact any of our clients for reference purposes.

Client	Wheaton School District 200
Engagement Type	Audit
Partner	Tim Cole
Dates	1999 - Current
Contact	Bill Farley, Assistant Superintendent of Business Operations 130 West Park Avenue Wheaton, IL 60187 630.682.2025

Client	Township High School District 214
Engagement Type	Audit
Partner	Tim Cole
Dates	2000 - Current
Contact	Debra Parenti, Associate Superintendent for Finance and Operations 2121 South Goebbert Road Arlington Heights, Illinois 60005 847.718.7600

Client	Naperville School District 203
Engagement Type	Audit
Partner	John Rossi
Dates	1999 – Current
Contact	David Zager, Assistant Superintendent of Finance 203 Hillside Road Naperville, IL 60540 630.420.6300

Client	Ridgewood High School District 234
Engagement Type	Audit
Partner	John Rossi
Dates	1995 – Current
Contact	Cheryl Flinn, Business Manager 7500 W. Montrose Ave. Norridge, IL 60706 708.456.4242

We intend to meet all of the timelines and requirements as stated in your RFP.

OUR UNDERSTANDING OF YOUR NEEDS

A. Comprehensive Annual Financial Report to include all annual financial statements for the District consistent with prior years to include basic financial statements and individual fund financial statements. Supplementary schedules are will be consistent with prior year's reports to meet ASBO Certificate of Excellence.
B. Annual Financial Report (ISBE 50-35) for the District to be prepared for submission to the Illinois State Board of Education.
C. Annual Federal Financial Compliance Section Report for the District consistent with prior year's report.
D. Management letter for the District consistent with prior year's report.
E. Other report, as may be required to be submitted, to the Illinois State Board of Education and any other regulatory agencies under the Single Audit Act of 1984.

OUR RESPONSE TO YOUR NEEDS

- We perform an audit of the financial statements of the governmental activities and each major fund, which collectively comprise the basic financial statements of the District to determine that the financial statements present fairly the financial position and results of financial operation in accordance with generally accepted accounting principles. Our examination is conducted in accordance with auditing standards generally accepted in the U.S.

- We express an opinion on the basic financial statements, and accept "in relation to" responsibility for the supplemental data. If any issues arise which would cause a qualification of our opinion, we bring the matter to the attention of the District before finalization of the report to determine whether the problem leading to such qualification can be resolved.

- We commence our examination at a time mutually agreed upon with the staff of the District.

- We request assistance from your personnel in locating documents.

- We prepare all audit reports.

- We guarantee that all audit work is performed by employees of Virchow Krause.

- Upon completion of the audit, we provide the District with all audit adjustments including appropriate back-up documentation and we meet with your designated personnel to discuss these final adjustments, before they are made.

- We conduct an exit conference with the District personnel.

- We are prepared to present the audited financial statements at a Board meeting.

AUDIT APPROACH

Managing Risks and Uncertainties to Assure Success

From our experience with public sector clients, we have concluded that project risk is inherent to the nature of the business — each new engagement presents challenges and risks that directly impact performance on the engagement. Some risks are common to all engagements, and typically include:

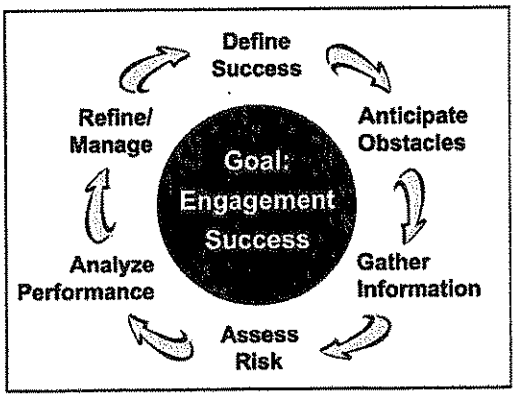
- Risk that communication of engagement requirements will be misinterpreted
- Risk that client personnel are not available to support the effort
- Risk that the final report or presentation may not meet client expectations
- Risk of changes in project personnel or client personnel
- Risk of not meeting project deadlines or of cost overruns

We want to ease concerns about the above factors and other risks of which you may be aware. We find the best way to reduce project risk is to address it during the engagement planning stage.

Engagement Planning

To identify factors that can impede success, we evaluate risk areas and develop solutions to reduce the risks and their impact. This is accomplished through a combination of inspecting for common project risks and from the extensive practical knowledge and experience of senior project management. During this planning stage, we discuss this risk assessment with you, focusing on what could go wrong and why is important in preventing an occurrence. We discuss strategies for reducing specific risks and, in the course of these discussions, clients frequently think of additional risk areas unique to their organization that have not been previously considered. Our experience shows that during this valuable meeting, our clients provide thoughtful comments and suggestions on how to reduce risks that threaten the success of the engagement.

Most projects require regular communications between you and our firm to discuss progress. Prior to these meetings, it is important for the project team to reassess project risks to regularly share reassessment results. This approach ensures that throughout the project there is constant and appropriate focus on prior and emerging risk factors. These steps set Virchow Krause apart; we do everything we can to ensure we understand your expectations upfront, so that we can exceed them.



Proposed Engagement Timing
To be meaningful, financial statements must be available within a reasonable period after the end of the year. It is important to schedule the audit field work in a manner that minimizes the disruption of your staff, yet allows the work to be completed and reports delivered within the stated deadlines.

The final audit schedule is based upon the results of our initial planning and upon consideration of your staff members' schedules. To expedite the audit, it is preferable to schedule a significant amount of the audit work prior to your year-end. The availability of your personnel is generally better at this time affording a better chance of identifying major issues that might arise so they can be addressed thoughtfully before year-end.

Report drafts are reviewed with management prior to the end of fieldwork, presuming the District has its fully-adjusted trial balances and all supporting work papers available on or before the start date of fieldwork.

Planning Phase
We visit your site upon finalization of the contract to gain an understanding of the District's internal control structure and computer systems through interviews with your personnel, direct observation, and reference to policy manuals. We document this understanding through memoranda, checklists and by obtaining samples of the various forms used (such as purchase orders) with appropriate approvals. We also obtain current interim financial statements and analytically review receipts and expenditures by comparing them to the budget and/or the balances as of the same period of the prior year.

Test Plan
Based upon the planning results, we assess the District's likeliest areas of risk and plan the audit accordingly. A detailed time budget is prepared and, after conferring with the District, the audit is scheduled. Standard government audit work programs are modified and sample sizes are determined.

Analytical Procedures
During preparation for Final Audit, we arrange confirmations and identify outstanding potential problems. We request information such as charts of accounts, insurance coverage, significant contracts and other matters of interest. Our firm uses CaseWare audit management and reporting software.

In the Final Audit Procedures, the exact activities in this phase depend upon the results of the test plan. In general, this phase includes:

1. General ledger trial balance preparation.

2. Document review.

3. Test expenditures and revenue items for propriety and compliance with the stated internal controls.

Sample sizes depend on our evaluation of controls and the overall transaction population, but typically range from 25-60 items. With "good" internal control evaluation results and initial sample results that support our evaluation, further transaction tests may proceed as follows:

a) *Expenditures* – Analytical review of account balances to identify accounts for further testing of all expenditures over a specified amount. Also tested are fund reasonableness, account classification, and certain bidding procedures.

b) *Revenues* – Member premiums are agreed to the approved amounts in the board minutes. Interest earned is tested in conjunction with our testing of investments.

4. Cash balances, banking transactions, collateralization of deposits and investment balances are each reviewed for: proper documentation, balance accuracy, appropriateness of collateral, legal propriety and adherence to the District's policies.

Adjustments
Proposed adjustments, if any, are reviewed with the District.

Closing
An exit conference and discussion of draft reports conclude the audit field work.

Please refer to the chart on the following page for an illustration of the audit segmentation.

	April-July	August	September
Establishing Engagement Objectives			
Kick-off meeting with management	X		
Confirm audit scope, objectives, and approach	X		
Planning meetings	X		
Understand the District and Establish Strategy			
Review predecessor auditor workpapers	X		
Develop understanding of significant processes and internal controls	X		
Identify applicable key processes for assessment related to the significant risks identified during the risk assessment	X		
Review the accounting and reporting of financial transactions and examine the means used to identify, measure, classify, and report on such information, while determining if any area has potential risks of financial mismanagement	X		
Review information technology system to determine if any area has potential risk of financial mismanagement	X		
Review current documentation, including current laws, guidelines, policies and procedures presented by the District	X		
Develop detailed audit plan based upon identified risks and scope of engagement	X		
List of schedules to be prepared and information needed given to the District	X		
Perform Audit Procedures			
Plan internal control testing and review test plan with the District	X	X	
Conduct internal control testing over identified risk areas	X	X	
Document results in the Risk and Control Matrix and identify deficiencies		X	
Document and review findings with the District		X	
Obtain data and perform detail testing		X	
Complete all necessary analysis		X	
Review drafts of financial statement		X	
Provide the District with draft audit opinion, and letter to audit committee		X	
Provide the District with draft Report on Internal Control and Management letter, if necessary		X	
Conclude the Audit			
Finalize opinion and letters		X	X
Audit committee meeting, discuss audit results		X	X
Engagement debrief meeting		X	X

HOURS PER SEGMENT

	Number of Hours Per Segment			
	Partner/ Manager (2)	**Senior Accountant (2)**	**Staff Accountant (1)**	**Total**
Establishing Engagement Objectives	6	2	2	10
Understand the District and Establish Strategy	8	28	30	66
Perform Audit Procedures	28	86	86	200
Conclude the Audit	16	8	0	24
Total	**58**	**124**	**118**	**300**

We plan our engagements to include the staff, senior and manager on site approximately 75% of the total estimated engagement time. This on site time is primarily reserved for the understanding the Village and establish strategy and perform audit procedures segments of the engagement, while the concluding the audit segment is performed on site and at the Virchow Krause office as necessary.

INDEPENDENCE

Virchow Krause will provide the highest possible quality of service to the District, to meet our obligations to the public, and to conform to the standards of our profession. In an effort to meet these goals, we have adopted and adhere to certain policies and procedures. These policies and procedures provide assurance that every audit, accounting, and management advisory services engagement will be completed in accordance with the high standards which the public and our clients expect.

While much attention has been focused on the irregularities of large, multi-national accounting firms, Virchow Krause has always had procedures in place to guard against these types of irregularities. To ensure the highest level of independence in providing auditing and consulting services, our team:

- Ensures that a pre-issuance quality review of audit engagements is completed by another public sector audit partner or manager not otherwise assigned to your engagement.
- Requires strict adherence to all standards adopted by regulatory agencies or outside boards and commissions. As a firm, we have carefully and diligently reviewed these standards and have concluded that we are, and have been, in compliance with the independence standards governing the provision of services to audit clients. We will continue to closely monitor any additional developments to ensure our full compliance. You can be assured that we will fully comply with the principles contained in the GAO pronouncements.

Virchow Krause, its partners and staff, are independent with respect to the District as defined by generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards* (2003 Revision). We will maintain an independent attitude and appearance throughout the full term of the engagement.

QUALITY

Quality really has two components. The District will have its own definition of quality, which involves many aspects such as perceived value, and how we delivered on our promises. The other component to quality is industry-defined; the accounting profession has very strict definitions of what is (and is not) acceptable in terms of quality. We will talk about both components.

Quality and Value from the District's Perspective

The first way that Virchow Krause ensures your satisfaction is related to communication. We don't like surprises, and we are guessing you don't either. We strive to avoid surprises by maintaining frequent and honest communication with you -- communication about the big things and communication about all of the small details as well. We are also proponents of frequent status meetings. Status meetings allow us to communicate our progress on various fronts so that you can rest assured we are managing processes to your satisfaction.

Quality Assurance from an Industry Point of View
Virchow Krause is a member of the PCAOB, Securities and Exchange Commission Practice Section (SECPS) and Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants. As members of these organizations, we have agreed to subject our auditing policies and procedures to periodic independent outside review. Our most recent peer review was successfully completed in August 2006. The review included government engagements.

A copy of the most recent opinion is located in **Appendix I.** As in the past, we have received a "clean" opinion - the highest level of assurance we can obtain regarding our audit practice.

In addition to the external peer review, we perform internal office inspections annually. This ensures that we are maintaining our audit quality at the highest possible standards.

Virchow Krause will retain all working papers for a period of at least seven years from the date of report issuance. All audit working papers of a non-proprietary nature and correspondence will be available for review by your organization and your granting agencies.

Virchow Krause's auditing procedures and workpapers are in full compliance with the applicable federal and state guidelines as indicated elsewhere in this proposal. Because of the large volume of audits we do every year, our workpapers and procedures often undergo review by regulatory agencies.

We are pleased to report that we have never had a finding of substandard work or any other disciplinary action against us by State Boards, AICPA or any other agency.

LICENSE TO PRACTICE IN ILLINOIS

Virchow Krause is licensed and in good standing with the State of Illinois. Our annual firm license is in effect through November 2009. In addition, the key people assigned to your engagement are also licensed and in good standing with the State of Illinois. Should you require copies of these certifications we will be pleased to provide them to you.

Over the last several years, our Public Sector professionals have completed the audits of over 100 different Illinois school districts. We have listed some of these schools for your reference, (those in bold type and highlighted are ASBO Certificate of Excellence recipients).

Cook County	
Winnetka SD 36	847.446.9400
Wilmette Public SD 39	**847.256.2450**
Des Plaines SD 62	847.824.1136
East Maine SD 63	847.299.1900
La Grange Area Dept of Special Ed	708.354.5730
Proviso Area for Exceptional Children	708.450.2100
Rosemont Elementary SD No. 78	847.825.0144
River Grove SD 85½	708.453.6172
Berkeley SD 87	**708.547.3050**
Lindop SD 92	708.345.3110
Westchester 92 ½	708.450.2700
Hillside SD 93	708.449.6491
Brookfield SD 95	708.485.0606
Oak Park Elementary SD 97	708.524.7623
Palatine Elementary District 15	847.963.3000
Western Springs SD 101	708.246.3700
LaGrange SD 102	**708.482.2401**
Lyons SD 103	708.780.2495
Summit SD 104	708.458.0505
LaGrange SD 105	708.482.2700
LaGrange Highlands SD 106	**708.246.3085**
Pleasantdale SD 107	708.784.2015
Willow Springs SD 108	708.839.6828
Indian Springs SD 109	708.496.8700
South Holland SD 151	708.339.1516
Oak Park and River Forest High SD 200	**708.383.0700**
New Trier High School District 203	847.784.6108
Lyons Township High SD 204	708.579.6300
Township High SD 214	847.718.7600
Community High SD 217	708.728.3200
Evergreen Park Community High SD 231	708.424.7400
Ridgewood Community High SD 234	708.456.5880

DuPage County	
Benjamin SD 25	630.231.3852
Glen Ellyn SD 41	**630.790.6413**
Lombard SD 44	**630.827.4400**
Glenbard High School District 87	630.469.9100
Hinsdale High School District 86	630.655.6108
Butler SD 53	630.573.2887
Wheaton/Warrenville Community Unit SD 200	630.682.2000
Naperville Community Unit SD 203	630.420.6300

Kane County	
Community Unit SD 300	847.426.1300

Lake County	
Barrington SD 220	847.842.3550

Champaign County	
Champaign Community SD 4	217.351.3800

PROFESSIONAL FEES

You may be able to get an audit done for less money than you will spend with Virchow Krause. We don't offer the cheapest solution, because we have built our business by focusing on quality-- not only in the products and services we offer, but in the people we employ. Serving you with the quality you deserve is a commitment to your success as a client and to our success as a firm. You may get a lower audit quote, but in accepting it you may run the risk of (1) receiving poor service, (2) sacrificing the level of quality of your financial information; and, (3) losing valuable services outside of the traditional audit that you can expect from us. Virchow Krause is committed to the District, and we look forward to continuing to serve you.

We have established our proposed estimated fees to the District at a level to include ample time for in-depth operational review. Our proposed fees are based on your staff preparing the applicable schedules and documentation we need to perform our audit. Any bookkeeping or accounting work we are required to perform will be billed at our standard rates. We have budgeted to staff your engagement with experienced governmental service-focused personnel, ensuring that the engagement will run smoothly.

Proposed Services	2009	2010	2011
Comprehensive Annual Financial Statements	$36,000	$37,000	$38,250
Annual Financial Report	included	included	included
Management Letter	included	included	included
Total per Fiscal Year	**$36,000**	**$37,000**	**$38,250**

Hourly Rates

As noted above, fees do not include bookkeeping or accounting assistance in reconciliation procedures, calculation of accruals or accounting research. We will be pleased to provide any assistance that may be required by the District; however, we will bill that time based on the amount of effort and the level of expertise required to complete the task. Those additional services and related fees will be detailed on our invoices.

Our fees do not include interpretation of complex or unique accounting matters that may arise during the year. In the event that a unique or complex issue arises, we will work with you to determine the level of assistance required and arrange an appropriate fee for our services at that time. We always will communicate if a service is outside the scope of our regular audit services and will ask for your approval before we begin additional work.

Cost Containment

We recognize the pressures that our clients face related to cost control. We have implemented procedures to automate the engagement process as much as possible. Our files are maintained in a paperless environment that allows us to operate in an efficient manner, which helps control the fees related to services.

Fees for any service can vary due to factors such as hourly billing rates, mix of staff, and actual hours of performance. A low fee is not a bargain if adequate attention is not given to the client or the service is less than that which the professional should provide. Partners, managers, and high-level accountants will perform a significant portion of the total engagement hours. We believe this demonstrates our commitment to provide highly trained and experienced individuals to your engagement.

Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with Virchow Krause' dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Terms will be net/30 days from receipt of invoice. A finance charge of 1.5% per month will be added to invoices over 30 days past due.

ADDITIONAL SERVICES OFFERED BY THIS OFFICE

Virchow Krause is more than just an audit firm. We go beyond the role of the traditional financial auditor. Having these resources available gives the District the opportunity to effectively deal with future needs as they arise. The costs of these services vary based upon District need and can be negotiated prior to engagement acceptance. We can provide a variety of consulting services including:

Our consulting services are provided only when GAO standards permit, of course.

Operational Improvements

- Business office studies
- Activity fund reviews
- Operational reviews of specific district functions
- Benchmarking
- Asset and risk management
- Facility management
- Instructional delivery systems
- In-depth internal control structure reviews
- Health care and other insurance cost evaluations
- Budget preparation and presentations
- Resource allocation studies function around program design and performance-methodology based in part upon the Federal government's PART (Program Assessment Ratings Tool)
- Financial planning
- Financial projections
- Cost center evaluations
- Strategic planning
- Steps and lanes salary calculations

Special Education Services

- Caseload surveys - conduct surveys to measure actual caseloads, ideal caseloads, utilization of supporting staff (i.e. psychologists, social workers, etc.) and to quantify actual hours worked in specified areas such as staffing meetings, reporting requirements and the like.
- Analysis of surveys, provide detailed findings on groupings of survey responses, and deliver report to special education administration.

Construction Cost Review

- Construction contracting strategy development
- Contractor bid review
- Construction project controls design and implementation
- Construction project accounting
- Risk matrix and mitigation strategy development
- Controls and contract compliance testing
- Construction cost analysis

Business Function Support

- Accounting assistance on a temporary basis providing skilled people at all levels to support your accounting department during the absence of key employees
- Computer consulting
- EDP installations
- Fixed asset reconciliations
- Hardware and software evaluation and acquisition
- Monthly financial reporting
- Payroll preparation

Customer Service

- Presentations to citizens

Protection

- Computer system in-depth control reviews
- Forensic services & fraud detection
- Manual preparation, accounting and personnel

Funding

- Bond consulting and verification
- Cash flow projections
- Escrow verifications
- Levy preparation

Operational Compliance

- 403(b) and 457 plan reviews
- Analysis of monitoring system of compliance with federal laws and regulations
- COBRA review
- Continuing disclosure requirements
- Payroll tax returns
- Pension and cafeteria plan tax return preparation

Organizational Development

- Retreats for Achieving Goals, Leadership, Strategic Planning, Vision Development, and Effective Boards

DEDICATED SERVICE TEAM

The District is seeking a dedicated engagement team with strong audit, accounting and consulting experience and background in the school district industry that can deliver proactive, consultative service. Each person was chosen to be on your team because of the individual strengths they possess, that will directly benefit the District and complement your work environment. Your Virchow Krause team is comprised of loyal, knowledgeable, and experienced professionals who are prepared to address any issues that may arise during your engagement.

Of particular importance is the specialized knowledge and experience of our firm and individuals on our project team in a number of areas including:

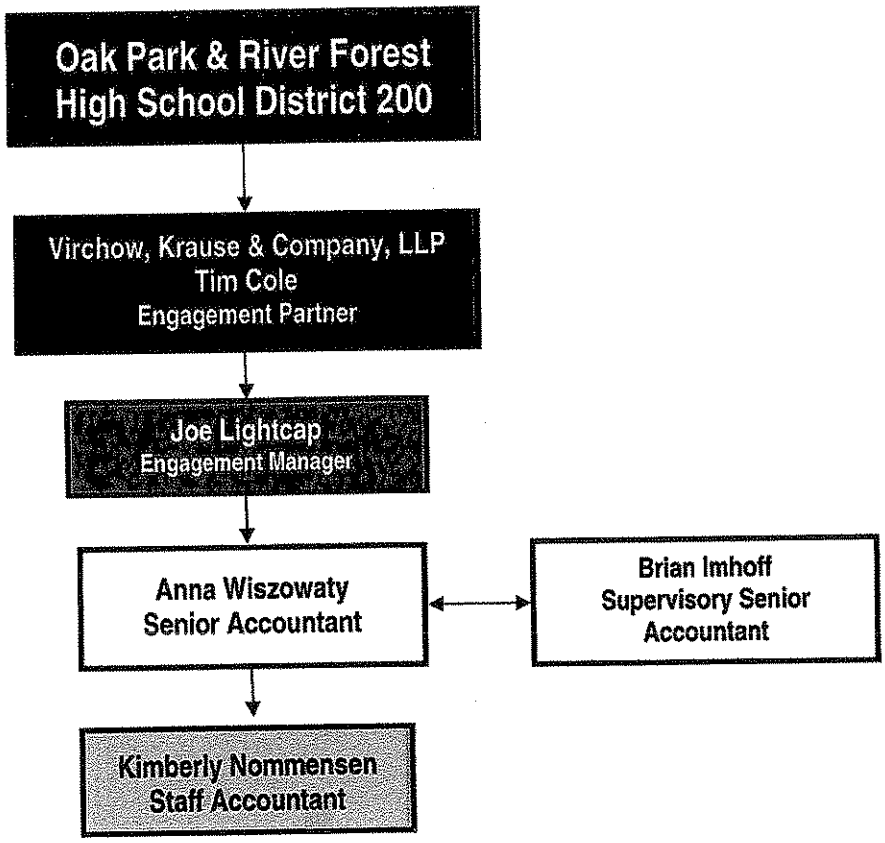
- Helping entities achieve both the ASBO International and the GFOA Certificate of Achievement for Excellence in Financial Reporting.
- Performing efficiency studies of Business Offices.
- Asset and risk management.
- In depth documentation and assessment of internal control systems.
- Understanding all aspects of operations, including organizational, operational and work order system issues.
- Conducting organizational and operational analyses designed to improve financial system effectiveness and efficiency.
- Conducting complex integrated financial system analysis and implementation reviews.
- Developing performance measures and benchmarking.
- Assessing risks in various functions and assisting in design and implementation of policies and procedures.

THE NATURE OF YOUR ENGAGEMENT TEAM

All employees assigned to your engagement specialize in audits of public sector entities and have a continuing professional education plan that includes a significant portion of training.

ORGANIZATIONAL CHART

Your team is structured as shown in the chart below. Professional resumes for each person in the organizational chart can be found on the next few pages.





TIMOTHY COLE, CPA

Partner

630.645.6211
tcole@virchowkrause.com

Tim Cole, Partner with Virchow, Krause & Company, LLP, has worked with governments, primarily local school districts and municipalities, since 1981. When Tim helps clients resolve issues, he focuses on the process, not the people, and greatly enjoys building consensus on troubling issues. Tim's approach to any new situation is to listen well and keep an open mind to non-traditional solutions.

SPECIFIC EXPERIENCE

- Specializes in reviewing financial accounting controls and the design/implementation of new systems.
- Leads strategic planning efforts including educating community members about public finance.
- Works with more than 40 local governments to successfully plan and execute the implementation of Governmental Accounting Standards Board No. 34.

INDUSTRY INVOLVEMENT

- Illinois Association of School Business Officials, Certificate of Excellence in Financial Reporting Award Program Reviewer
- Association of School Business Officials International
- Government Finance Officers Association
- American Institute of Certified Public Accountants
- Illinois CPA Society, Peer Review Committee
- Frequent speaker to local government industry groups, focusing on internal accounting controls and financial management issues.

EDUCATION

University of Notre Dame - Notre Dame, IN
Bachelor of Business Administration in Accounting

PERSONAL REFERENCES

- Mr. Bill Farley, Assistant Superintendent of Business Operations
  Wheaton School District 200
  630.682.2025

- Ms. Debra Parenti, Assoc. Superintendent for Finance & Operations
  Township High School District 214
  847.718.7600

Timothy Cole, page 2

- Mr. Mike Locigno
  Berkley School District 87
  708.547.3050



JOSEPH M. LIGHTCAP, CPA

Manager

630.645.6215
jlightcap@virchowkrause.com

Joe Lightcap, a Manager at Virchow, Krause & Company, LLP, has been with the firm since 2000. He is a member of the Public Sector Practice Group and specializes in providing accounting and auditing services to local governmental entities, including school districts, villages, and special education districts.

SPECIFIC EXPERIENCE

- Manages the day-to-day responsibilities of various accounting and auditing engagements.
- Supervises the work performed by multiple associates during accounting and auditing engagements.
- Prepares comprehensive annual financial reports, which have been awarded Certificates of Excellence in Financial Reporting from the Association of School Business Officials and Government Finance Officers Association.
- Provides strategic planning and implementation services for government units, implementing Governmental Accounting Standards Board (GASB) pronouncements.
- Analyzes clients' control systems to assist in implementing beneficial controls that are cost effective to clients.
- Assists clients in developing account structures in order to comply with state reporting requirements.
- Identifies client opportunities for efficiencies and cost savings.
- Develops "best practices" for his clients.
- Conducts inventories of capital assets.
- Conducts risks assessment standards.
- Licensed CPA in Illinois.

INDUSTRY INVOLVEMENT

- Illinois CPA Society
- Illinois Government Finance Officers Association

EDUCATION

University of Illinois - Urbana-Champaign
Bachelor of Science in Accountancy

Joseph M. Lightcap, page 2

PERSONAL REFERENCES

- Ms. Cheryl Flinn, Business Manager
  Ridgewood High School District 234
  708.456.4242

- Mr. Mathew Zeller, Business Manager
  Queen Bee School District 16
  630.260.6109

- Ms. Melody Salerno, Comptroller
  Village of Hodgkins
  708.579.6700



BRIAN T. IMHOFF, CPA

Senior Accountant

630.645.6217
bimhoff@virchowkrause.com

Brian Imhoff, a Senior Accountant with Virchow, Krause & Company, LLP, has been with the firm since 2004. He is a member of the Public Sector Practice Group. Brian specializes in providing auditing and consulting services to school districts and other governmental entities.

SPECIFIC EXPERIENCE

- Leads and supervises audit engagements for school districts and governmental entities.
- Provides consulting services to clients to improve business processes.
- Reviews and provides guidance for Comprehensive Annual Financial Reports, which have been awarded a "Certificate of Achievement for Excellence" in Financial Reporting.
- Participates in employee benefit plan audits.
- Develops and teaches training courses on concluding an audit.
- Assists in testing and implementing new auditing software.
- Licensed CPA in Illinois.

EDUCATION

Indiana University - Bloomington
Bachelor of Science in Accounting and Finance

PERSONAL REFERENCES

- Ms. Debra Parenti, Assoc. Superintendent for Finance & Operations
  Township High School District 214
  847.718.7600

- Mr. Tom Beerhide, Director of Fiscal Services
  Barrington Community Unit School District 220
  847.842.3550

Virchow Krause & company

AUDIT TEAM



ANNA M. WISZOWATY, CPA

Senior Accountant

630.645.6238
awiszowaty@virchowkrause.com

Anna Wiszowaty, a Senior Accountant with Virchow, Krause & Company, LLP, joined the firm in 2005. She is a member of the Public Sector Practice Group and specializes in providing auditing services to governmental clients, including school districts and municipalities.

SPECIFIC EXPERIENCE

- Provides audit services to school districts and municipalities.
- Participates with the engagement manager and partner to identify and improve client business processes.
- Develops written accounting policies and procedures to improve the operation of the accounting function and strengthen internal controls.
- Licensed CPA in Illinois.

EDUCATION

University of Illinois - Chicago
Bachelor of Science in Accounting
Masters of Science in Accounting

PERSONAL REFERENCES

- Mr. Bill Farley, Assistant Superintendent of Business Operations
  Wheaton School District 200
  630.682.2025

- Ms. Mary Werling, Director of Business Services
  Community Consolidated School District 15
  847.963.30333



KIMBERLY M. NOMMENSEN
Accountant

630.645.6245
knommensen@virchowkrause.com

Kimberly Nommensen, an Accountant at Virchow, Krause & Company, LLP, has been with the firm since 2007. She is a member of the Public Sector Practice Group, and she specializes in serving school districts, villages, and park districts.

SPECIFIC EXPERIENCE

- Assists with the financial statement audits of school districts.
- Performs financial audits of governmental entities, including villages and park districts.
- Compiles workpapers that are necessary to execute audits.
- Performs single audits in accordance with OMB Circular A-133 and State Single Audit Guidelines.

EDUCATION

Carthage College - Kenosha, WI
Bachelor of Arts in Accounting and Business Adminstration

PERSONAL REFERENCES

- Ms. Debra Parenti, Assoc. Superintendent for Finance & Operations
  Township High School District 214
  847.718.7600

- Mr. Tom Beerhide, Director of Fiscal Services
  Barrington Community Unit School District 220
  847.842.3550

TEAM CONSISTENCY

Virchow Krause's turnover is significantly less than the industry average, providing you with continuity and reliable service. The District will benefit by working with a consistent team that is immersed in the public sector industry, offering a thorough understanding of your organization and the challenges you face. As a result, the team members will be able to provide custom solutions that make sense for your organization and its operations – not a generic approach that will not meet your needs. Our turnover rates for the past three years are shown below. The accounting industry average ranges from 25 to 40 percent.

Year	Rate
2008	19%
2007	16%
2006	16%

CONTINUING EDUCATION

Our firm familiarizes our incoming staff with our high standards of addressing auditing and accounting issues specific to our clients. Our extensive training program readies all of our audit professionals each year by continually adding skills and methodology training in complexities of governmental auditing as they advance in their careers.

In order to ensure that our staff meet your expectations, our firm requires all professional staff to obtain a minimum of 120 continuing professional education (CPE) credits every three years with no less than 20 credits in any given year. Almost all of this CPE is specific to governmental auditing and consulting.

Virchow Krause associates working with school district clients regularly attend courses in school district topics and meet or exceed the CPE requirements established by the Government Accountability Office.

Continuing education courses presented and attended by Virchow Krause associates:

- U.S. Department of Education's Fiscal Management Training
- Professional Ethics for CPAs
- Implementing the New RAS Audit Standards
- Student Financial Aid (SFA) Audit Training
- OMB A-133 Audit Training
- New Auditing and Accounting Standards Training
- Staff and Senior Accountants annual training program

Virchow Krause holds annual training sessions for public sector audit personnel on new issues specific to the industry. Current issues are also reviewed at monthly staff meetings.

Virchow Krause & company

APPENDIX I – PEER REVIEW

Virchow Krause & company

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Partners of
Virchow, Krause & Company, LLP
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Virchow, Krause & Company, LLP (the firm) applicable to non-SEC issuers in effect for the year ended March 31, 2006. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (AICPA). The design of the system, and the firm's compliance with it, are the responsibility of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Virchow, Krause & Company, LLP in effect for the year ended March 31, 2006 has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with applicable professional standards.

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

Cherry, Bekaert & Holland, LLP

Richmond, Virginia
August 25, 2006

Virchow Krause & company

Attachment to the Peer Review Report of Virchow, Krause & Company, LLP
Description of the Peer Review Process

Overview

Firms enrolled in the AICPA Center for Public Company Audit Firms (the Center) Peer Review Program have their system of quality control periodically reviewed by independent peers. These reviews are system and compliance oriented with the objectives of evaluating whether:

The reviewed firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers has been designed to meet the requirements of the Quality Control Standards established by the AICPA.

The reviewed firm's quality control policies and procedures applicable to non-SEC issuers were being complied with to provide the firm with reasonable assurance of complying with professional standards.

A peer review is based on selective tests and directed at assessing whether the design of and compliance with the firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers provides the firm with reasonable, not absolute, assurance of complying with professional standards. Consequently a peer review on the firm's system of quality control is not intended to, and does not, provide assurance with respect to any individual engagement conducted by the firm or that none of the financial statements audited by the firm should be restated.

The Center's Peer Review Committee (PRC) establishes and maintains peer review standards. At regular meetings and through report evaluation task forces, the PRC considers each peer review, evaluates the reviewer's competence and performance, and examines every report, letter of comments, and accompanying response from the reviewed firm that states its corrective action plan before the peer review is finalized. The Center's staff plays a key role in overseeing the performance of peer reviews working closely with the peer review teams and the PRC.

Once the PRC accepts the peer review reports, letters of comments, and reviewed firms' responses, these documents are maintained in a file available to the public. In some situations, the public file also includes a signed undertaking by the firm agreeing to a specific follow-up action requested by the PRC.

Firms that perform audits or play a substantial role in the audit of one or more SEC issuers, as defined by the Public Company Accounting Oversight Board (PCAOB), are required to be registered with and have their accounting and auditing practice applicable to SEC issuers inspected by the PCAOB. Therefore, we did not review the firm's accounting and auditing practice applicable to SEC issuers.

Virchow Krause & company

Attachment to the Peer Review Report of Virchow, Krause & Company, LLP
Description of the Peer Review Process (cont.)

Planning the Review for the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers

To plan the review of Virchow, Krause & Company, LLP, we obtained an understanding of (1) the nature and extent of the firm's accounting and auditing practice, and (2) the design of the firm's system of quality control sufficient to assess the inherent and control risks implicit in its practice. Inherent risks were assessed by obtaining an understanding of the firm's practice, such as the industries of its clients and other factors of complexity in serving those clients, and the organization of the firm's personnel into practice units. Control risks were assessed by obtaining an understanding of the design of the firm's system of quality control, including its audit methodology, and monitoring procedures. Assessing control risk is the process of evaluating the effectiveness of the reviewed firm's system of quality control in preventing the performance of engagements that do not comply with professional standards.

Performing the Review for the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers

Based on our assessment of the combined level of inherent and control risks, we identified practice units and selected engagements within those units to test for compliance with the firm's system of quality control. The engagements selected for review included engagements performed under the *Government Auditing Standards,* audits performed under FDICIA and audits of Employee Benefit Plans. The engagements selected for review represented a cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagement reviews included examining working paper files and reports and interviewing engagement personnel.

The scope of the peer review also included examining selected administrative and personnel files to determine compliance with the firm's policies and procedures for the elements of quality control pertaining to independence, integrity, and objectivity; personnel management; and acceptance and continuance of clients and engagements. Prior to concluding the review, we reassessed the adequacy of scope and conducted a meeting with firm management to discuss our findings and recommendations.

Virchow Krause & company

APPENDIX II – NON-COLLUSION AFFIDAVIT

Oak Park and River Forest High School
District 200
201 North Scoville Avenue
Oak Park, IL 60302

NON-COLLUSION AFFIDAVIT

STATE OF ILLINOIS

SS:

DuPage COUNTY

The undersigned bidder or agent, being duly sworn, on oath says that s(he) has not, nor has any other member, representative, or agent of the firm, company, corporation or partnership represented by him/her, entered into any combination, collusion or agreement with any person relative to the price to be bid by anyone at such letting, nor to prevent any person from bidding nor to induce anyone to refrain from bidding, and that this bid is made without reference to any other bid and without any agreement, understanding or combination with any other person in reference to such bidding.

S(he) further states that no person or persons, firms, or corporation has, have or will receive directly or indirectly, any rebate, fee, gift, commission or thing of value resulting from such sale.

Timothy Cole
Bidder of Agent

For Virchow, Krause & Co.,LLP
Firm or Corporation

Subscribed and sworn to before me on this 2 day of April, 2009.

My commission expires:

01/17/11
Notary Public

Signature:

OFFICIAL SEAL
JANE E ROBY
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/17/11

CERTIFICATION

The Bidder hereby certifies that the bidder is not barred from bidding on this contract as a result of a violation of either the bid-rigging or bid-rotating provisions of Article 33E of the Criminal Code of 1961, as amended.

Signature

Virchow Krause & company

APPENDIX III –
PROJECT QUALIFICATIONS FORM

OAK PARK AND RIVER FOREST HIGH SCHOOL
PROJECT QUALIFICATION FORM

Per The Oak Park and River Forest High School Board of Education, a responsible bidder is defined by meeting the following criteria and is able to submit evidence of such compliance. By signing this required form, the undersigned agrees that said bidder is responsible as defined below.

PREVAILING WAGE

The contractor shall comply with the present Prevailing Wage Act (820 ILCS 130) which provides that no less than the prevailing rate of wages, as founded by the Department of Labor, shall be paid to all laborers, workmen and mechanics performing work on this contract. The most current list of prevailing wages can be obtained without charge by writing the Conciliation Mediation Service, Illinois Department of Labor, 705 Stratton Office Building, Springfield, Illinois 62706.

SEXUAL HARRASSMENT

Each Bidder certifies that he has complied with the requirement of 2-105 of the Illinois Human Rights Act (775ILLs5/2-105)-1257) with respect to sexual harassment policies. The terms of that law, as applicable, are hereby incorporated into this contract.

DRUG FREE WORKPLACE

The bidder or contractor, having 25 employees or more, does hereby certify pursuant to Section 3 of the Illinois Drug-Free Workplace Act (30ILCS580/3) that he shall provide a drug-free workplace for all employees engaged in the performance of work under the contract by complying with the requirements of the Illinois Drug-Free Workplace Act and, further certifies that he is not ineligible for award of this contract by reason of debarment for a violation of the Illinois Drug-Free Workplace Act.

NON-DISCRIMINATION AFFIRMATION

Vendors must assure that all persons employed by the vendor, and all applicants for such employment, will not be discriminated against because of their race, religion, nationality, gender, disability, physical characteristics or sexual orientation. Vendor must also comply with all rules and regulations of the Illinois Department of Human Rights, Illinois Human Rights Commission and the Equal Employment Opportunity Commission.

STRUCTURAL WORK ACT

Vendor shall comply with all pertinent provisions of the Structural Work Act, (Ill.Rev.Stat., ch. 48, pars. 60-69).

CONFLICT OF INTEREST

By signing below, vendor certifies that they are in accordance with the School Code, and the Public Officer Prohibited Practice Act, 50 ILCS 105/0.01 et seq., no Board of Education member or District employee shall be directly or indirectly involved or own an interest in any contract, work, or business of the District, or in the sale of any article by or to the District.

Signed: Timothy Cole Name (printed): Timothy Cole

Title: Partner Company Name: Virchow, Krause & Co., LLP

Address: 1301 W. 22nd Street, Ste 400, Oak Brook, IL 60523

Telephone Number: 630.645.6211 Date: 4/2/09

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Cheryl L. Witham

DATE: April 21, 2009

RE: Building Automation System Proposal

BACKGROUND

Automated Logic of Chicago is a proprietary company that has been providing our electronic controls and software for all of our heating and air conditioning systems over the last 12 years.

SUMMARY OF FINDINGS

Automated Logic will be providing all the controls and software updates for the 4 HVAC units that were bid through Wight & Co. concerning the renovations for 09/10 budget year.

Automated Logic will also be providing controls and software update`s for the Science room (129-137) renovations for 09/10 budget year.

By contracting with Automated Logic directly, the district will save the contactor`s overhead cost as well as some of the architectural fees. This would be a large cost savings to the District.

RECOMMENDATIONS

It is recommended that the Board of Education accept The Automated Logic Proposal at the April 21st Board meeting as presented.

AUTOMATEDLOGIC®
CHICAGO

BUILDING AUTOMATION SYSTEM (BAS) PROPOSAL

Prepared For: **Attn:**	Oak Park River Forest High School Robert Zummallen	**Date:**	4-9-09
Project Info:	2009 OPRF Renovations	**Prepared By:**	Elizabeth Franzo Service Representative 708.417.8856
Terms:	• This proposal is valid for 30 days and reflects payment in 30 days. • This proposal is based upon Automated Logic – Chicago receiving a contract for this work that contains terms and conditions commensurate with AIA 201, 1997 edition. • In no event shall Automated Logic – Chicago be held liable for any incidental or consequential damages.		

Project Description:

- Automated Logic – Chicago (ALC) is pleased to provide the following proposal for the Oak Park River Forest 2009 Interior Renovations per the scope listed below based on plans dated 3-19-09 and specifications dated 3-19-09 submitted by Wight Architects. Automated Logic - Chicago will provide all necessary engineering, software, hardware, installation, project management, commissioning, programming, training, and warranty for a complete, turnkey system. This proposed system will seamlessly interface to all existing Oak Park River Forest High School Web CTRL systems.

Scope of Work:

- **Qty Six (6) Air Handling Units (AH-S1, AH-S2, AH-A5, AH-A6, AH-XD6, AH-XD7):** For AH -S1 and AH-S2 provide:
  - Space air temperature
  - Discharge air temperature
  - Mixed air temperature
  - Return air temperature
  - Occupied space temperature set point
  - Unoccupied space temperature set point
  - (1) Carbon Dioxide Sensor
  - Steam 1/3 valve position
  - Steam 2/3 valve position
  - Outside air damper position
  - Return air damper position
  - Supply fan status
  - Exhaust fan status
  - Compressor status
  - Filter status
  - Unoccupied override
  - Supply fan enable
  - Exhaust fan enable
  - Humidifier enable
  - Condensing unit stages
  - Low limit alarm
  - Supply fan alarm
  - Filter alarm

2400 Ogden Ave • Suite 100 • Lisle, Illinois 60532 • 630/852 1700 • FAX 630/852 9330 • www.ALCchicago.com

For AH-A5

- Cold deck temperature
- Hot deck temperature
- Mixed air temperature
- Return air temperature
- (1) Carbon dioxide sensor
- Steam 1/3 valve position
- Steam 2/3 valve position
- Chilled water valve position
- (2) Hot deck control valve position
- Cold deck control valve position
- Outside damper position
- Return damper position
- Hot deck temperature set point
- Cold deck temperature set point
- Supply fan status
- Low limit status
- Filter status
- Supply fan enable
- Humidifier enable
- Low limit alarm
- Supply fan alarm
- Filter alarm

AH-A6

- Space air temperature
- Discharge air temperature
- Mixed air temperature
- Return air temperature
- Occupied space temperature set point
- Unoccupied space temperature set point
- (1) Carbon Dioxide Sensor
- Steam 1/3 valve position
- Steam 2/3 valve position
- Chilled water valve position
- Cold deck temperature set point
- Hot deck temperature set point
- Exhaust air damper position
- Outside air damper position
- Return air damper position
- Supply fan status
- Return fan status
- Low limit status
- Filter status
- Unoccupied override
- Supply fan enable
- Return fan enable
- Humidifier enable

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- Low limit alarm
- Supply fan alarm
- Return fan alarm
- Filter alarm

AH-XD6 and AH-XD7:

- Space air temperature
- Discharge air temperature
- Mixed air temperature
- Return air temperature
- Occupied space temperature set point
- Unoccupied space temperature set point
- (1) Carbon Dioxide Sensor
- Steam 1/3 valve position
- Steam 2/3 valve position
- Exhaust air damper position
- Outside air damper position
- Return air damper position
- Supply fan status
- Return fan status
- Low limit status
- Filter status
- Unoccupied override
- Supply fan enable
- Return fan enable
- Humidifier enable
- Low limit alarm
- Supply fan alarm
- Return fan alarm
- Filter alarm

Clarifications:

- Provide all required air handler valves, dampers, damper motors, and actuators to be furnished to mechanical contractor for installation.
- Provide all necessary low voltage control wiring per local installation code with Union Electricians. This proposal is based on open cable run in concealed accessible locations.
- Provide existing control demo per plans and specifications
- Provide interlock with 8 lighting points for start and stop
- Provide (24) hours of on-site operator training.
- Provide 1 year warranty for all ALC components
- This proposal is based on labor during normal business hours.
- This proposal is based upon Automated Logic – Chicago receiving a contract for this work that contains terms and conditions commensurate with AIA 201, 1997 edition.
- In no event shall Automated Logic – Chicago be held liable for any incidental or consequential damages.

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Exclusions:

- Liability for existing controls and equipment to remain.
- Variable Frequency Drives (VFD) or Variable Speed Drives (VSD).
- Fire dampers, smoke dampers, combination fire/smoke dampers, or any associated actuators/interlock wiring.
- Cutting, patching, or painting.
- Fiscal responsibility for liquidated damages.
- Permits, fees, or performance and/or payment bonds.
- Testing & Balancing.
- Premium time.
- Smoke detectors to be provided by electrical contractor and installed by mechanical contractor.
- All disconnect switches, manual operating switches, multispeed switches, pushbutton stations, and pilot lights furnished and installed by electrical contractor.

Project Budget:

BASE Building Automation System $119,058.00
Includes Web Control 4.1 upgrade

Thank you for your consideration of Automated Logic - Chicago for this project. Please feel free to contact me anytime for clarifications or scope modifications.

Offered By:
Automated Logic – Chicago
2400 Ogden, Suite 100
Lisle, IL 60532

Liz
Elizabeth Franzo
Service Representative
Cell: (708) 417-8856

Accepted By:
(Client)_____
(Sign Name)_____
(Print Name & Title)_____
(Address)_____
(City)_____
(State, Zip)_____
(Purchase Order)_____
(Date)_____

Project Break Out (Based on Base Building Project Cost):

Cost Per Unit

AH-A5 - $19,499

AH-S1 - $20,531

AH-S2 - $20,531

AH-A6 - $19,499

AH-XD6 - $19,499

AH-XD7 - $19,499

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Oak Park and River Forest High School
District 200
201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Cheryl L. Witham, CFO

DATE: April 21, 2009

RE: Contract for Summer Construction Work with Wight Construction Inc.

BACKGROUND

Wight Construction provides design-build construction services for the District. At the March Finance Committee Meeting, Jack Lanenga presented a listing of summer construction projects for the Board of Education review and approval.

SUMMARY OF FINDINGS

The contract for services to design-build the District's summer projects is a standard form of agreement and is typical for the type of projects that the District intends to complete this summer. This contract includes a listing of the projects, the estimated costs to complete those projects and the agreed upon fees to complete those projects. In the future, the Administration will present contracts of this nature for Board approval of construction work.

RECOMMENDATIONS

That the Board of Education approves the Standard Form of Agreement Between Owner and Design-Builder with Wight Construction Company at the April 21st Special Board of Education Meeting.

STANDARD FORM OF AGREEMENT BETWEEN OWNER AND DESIGN-BUILDER

Based on

Cost of the Work Plus a Fee

PUBLIC

STANDARD FORM OF AGREEMENT BETWEEN OWNER AND DESIGN-BUILDER

Based on

Cost of the Work Plus a Fee

THIS AGREEMENT is made as of the 21 day of April, 2009 .

BETWEEN the Owner:	Oak Park and River Forest High School 201 N. Scoville Oak Park, Illinois 60302
and the Design-Builder:	Wight Construction, Inc. 2500 N. Frontage Road Darien, IL 60561
The Project is:	Provide total professional Design Build services and all labor, material and equipment in such for the renovation of existing air handling equipment, science labs, fire dampers and water proof membrane at football stadium as described in the attached Project Scope Document. (Exhibit A).

The Owner and Design-Builder agree as set forth below.

ARTICLE I
THE PROJECT TEAM AND EXTENT OF AGREEMENT

1.1 **The Project Team.** The Design-Builder, the Owner and the Design-Builder's consultants and subcontractors, collectively called the "Project Team", shall work cooperatively from the beginning of Design through construction completion.

1.2 **Extent of Agreement.** The Contract Documents represent the entire agreement between the Owner and the Design-Builder and supersedes all prior negotiations, representations or agreements. This Agreement shall not be superseded by any provisions of the documents for construction and may be amended only by written instrument signed by both Owner and Design-Builder.

1.3 **Definitions**

1.3.1 *Contract Documents*, which constitute the entire Agreement between the Owner and Design-Builder, consist of:

1.3.1.1 This Contract, including all exhibits thereto.
1.3.1.2 Scope Change Orders.
1.3.1.3 Written amendments to this Agreement.
1.3.1.4 Owner's Project Criteria
1.3.1.5 Plans and Specifications

1.3.2 *Day or Days* shall mean calendar days unless otherwise specifically noted in the Contract Documents.

1.3.3 *Hazardous Conditions* are any materials, wastes, substances and chemicals deemed to be hazardous under applicable Legal Requirements, or the handling, storage, remediation, or disposal of which are regulated by applicable Legal Requirements.

1.3.4 *Legal Requirements* are all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

1.3.5 *Owners Project Criteria* are developed by or for the Owner to describe Owner's program requirements and objectives for the project, including use, space, price, time, site and expandability requirements, as well as submittal requirements and other requirements governing Design-Builder's performance of the Work.

1.3.6 *Project* is the construction of the facilities described above.

1.3.7 *Site* is the land or premises on which the Project is located.

1.3.8 *Subcontractor* is a person or entity that has a direct contract with the Design-Builder to perform any work in connection with the Project, as well as all sub-subcontractors, suppliers and materialmen.

1.3.9 *Substantial Completion* is the date on which the Work, or agreed upon portion of the Work, is sufficiently complete so that the Owner can occupy and use the Project or a portion thereof for its intended purposes.

1.3.10 *Work* is comprised of all Design-Builder's construction and other services required by the Contract Documents, including procuring and furnishing all materials, equipment, services and labor reasonably inferable from the Contract Documents

ARTICLE 2
DESIGN-BUILDER'S SERVICES & RESPONSIBILITIES

2.1 **General Services.** Design-Builder's Representative shall be reasonably available to Owner and shall have the necessary expertise and experience required to supervise the Work. Design-Builder's Representative shall communicate regularly with Owner and shall be vested with the authority to act on behalf of Design-Builder.

2.1.1 Design-Builder shall provide Owner with a monthly status report detailing the progress of the Work, including whether (i) the Work is proceeding according to schedule, (ii) discrepancies, conflicts or ambiguities exist in the Contract Documents that require resolution, (iii) health and safety issues exist in connection with the Work, and (iv) other items require resolution so as not to jeopardize Design-Builder's ability to complete the Work for the Contract Price and within the Construction Schedule(s).

2.1.2 The parties shall meet within seven (7) days after execution of the Agreement to discuss issues affecting the administration of the Work and to implement the necessary procedures, including those related to submittals and payment, to facilitate the ability of the parties to perform their obligations under the Contract Documents.

2.2 **Design Professional Services.** Design-Builder shall, consistent with applicable state licensing laws, provide through qualified, licensed design professionals employed by Design-Builder, or procured from

qualified, independent licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit the Design-Builder to complete the Work consistent with the Contract Documents. The Project Team shall work closely together to see that design is accomplished in accordance with the Contract Documents and any changes that have been agreed to.

2.3 Design/Preconstruction Services

2.3.1 Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim design submissions that Owner may wish to review, which interim design submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements. On or about the time of the scheduled submissions, Design-Builder and Owner shall meet and confer about the submissions, with the Design-Builder identifying during such meetings, among other things, the evolution of the design and any significant changes or deviations from the Contract Documents, or, if applicable, previously submitted design submissions. Minutes of the meetings shall be maintained by the Design-Builder and provided to all attendees for review. Following the design review meeting Owner shall review and approve the interim design submissions in a time that is consistent with the turnaround times set forth in Design-Builder's schedule.

2.3.2 **Preliminary Evaluation.** The Design-Builder shall provide a preliminary evaluation of the Project's feasibility based on the Owner's Program and other relevant information.

2.3.3 **Preliminary Schedule.** The Design-Builder shall prepare a preliminary schedule of the Work for the Owner's written approval. The schedule shall show the activities of the Owner, Architect/Engineer and Design-Builder necessary to meet the Owner's completion requirements. The schedule shall be updated as necessary reflecting the information then available

2.3.4 **Preliminary Estimate.** When sufficient Project information has been identified, the Design-Builder shall prepare for the Owner's written approval a preliminary estimate utilizing area, volume or similar conceptual estimating techniques. The estimate shall be updated as necessary reflecting the information then available. If the preliminary estimate or any update exceeds the Owner's budget, the Design-Builder shall meet with the Owner to discuss appropriate adjustments.

2.3.5 **Schematic Design Documents.** The Design-Builder shall submit for the Owner's written approval Schematic Design Documents, based on the Owner's Program, Budget and relevant information. Schematic Design Documents shall include drawings, outline specifications and other conceptual documents illustrating the Project's basic elements, scale, and their relationship to the site. One set of these documents shall be furnished to the Owner. The Design-Builder shall update the preliminary schedule and estimate based on the Schematic Design Documents.

2.3.6 **Design Development Documents.** The Design-Builder shall submit for the Owner's written approval Design Development Documents based on the approved Schematic Design Documents. The Design Development Documents shall further define the Project including drawings and outline specifications fixing and describing the Project size and character, and other appropriate elements incorporating the structural, architectural, mechanical, and electrical systems. One set of these documents shall be furnished to the Owner. The Design-Builder shall update the preliminary schedule and estimate based on the Design Development Documents.

2.3.7 **Construction Documents.** The Design-Builder shall submit for the Owner's written approval Construction Documents based on the approved Design Development Documents. The Construction Documents shall set forth in detail the requirements for construction of the Work, and shall consist of drawings and specifications based upon codes, laws or regulations enacted at

the time of their preparation. Construction shall be in accordance with these approved Construction Documents. One set of these documents shall be furnished to the Owner. The Design-Builder shall update the schedule and estimate based on the Construction Documents.

2.3.8 Owner's review and approval of interim design submissions and the Construction Documents is for the purpose of mutually establishing a confirmed set of Contract Documents compatible with the requirements of the Work. Neither Owner's review nor approval of any interim design submissions and Construction Documents shall be deemed to transfer any design liability from Design-Builder to Owner.

2.3.9 To the extent not prohibited by the Contract Documents or Legal Requirements, Design-Builder may prepare interim design submissions and Construction Documents for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

2.3.10 **Legal Requirements.** The Design-Builder shall give notices and comply with laws, ordinances, rules, regulations and lawful orders of public authorities relating to the Project.

2.3.10.1 The Contract Price and/or Construction Schedule(s) shall be adjusted to compensate Design-Builder for the effects of any changes in the Legal Requirements enacted after the date of the Agreement affecting the performance of the Work. Such effects may include, without limitation, revisions Design-Builder is required to make to the Construction Documents because of Legal Requirements.

2.4 **Bidding/Construction Phase Services.**

2.4.1 The Construction Phase will commence upon the issuance by the Owner of a written notice to proceed with construction.

2.4.2 Design-Builder shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. Design-Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

2.4.3 The Design-Builder shall keep such full and detailed accounts as may be necessary for proper financial management under this Agreement, and shall furnish the Owner with an estimated cash flow schedule for the Project, if requested. Design-Builder shall provide the Owner with a Schedule of Values allocated to major segments of work for the Project, if requested.

2.4.4 Unless otherwise provided in the Contract Documents to be the responsibility of Owner or a separate contractor, Design-Builder shall provide through itself or subcontractors the necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities to permit Design-Builder to complete construction of the Project consistent with the Contract Documents.

2.4.5 Design-Builder shall employ only subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Owner may reasonably object to Design-Builder's selection of any Subcontractor, provided that the Contract Price and/or Construction Schedules(s) shall be adjusted to the extent that the Owner's decision impacts Design-Builder's cost and/or time of performance.

2.4.6 The Design-Builder shall provide the Owner with a design and construction schedule for the Project (**Exhibit B**). This Construction Schedule indicates the dates for the starting and completion of the various stages of the design and construction, including the dates when

information and approvals are required from the Owner and contains the necessary information to allow the Owner to monitor the progress of the work. It shall be revised as required by the conditions of the Work.

2.4.7 The Design-Builder shall assist the Owner in securing the building permits necessary for the construction of the Project.

2.4.8 The Design-Builder shall take necessary precautions for the safety of its employees on the Work, and shall comply with all applicable provisions of federal, state and municipal safety laws and shall include in all subcontracts provisions which require its subcontractors to be responsible for the safety of their employees on the Work, and to comply with all applicable provisions of federal, state and municipal safety laws.

2.4.9 The Contract Price and/or Construction Schedule(s) shall be adjusted to compensate Design-Builder for the effects of any changes in the Legal Requirements enacted after the date of the Agreement affecting the performance of the Work.

2.4.10 The Design-Builder shall keep the premises of the Project free from accumulation of waste materials caused by the Design-Builder's operations. At the completion of the Work, the Design-Builder shall remove from the Project all tools, surplus materials, construction equipment, machinery, and waste materials.

2.4.11 The Design-Builder shall maintain in good order at the site one record copy of the drawings, specifications, shop drawings, Change Orders and other Modifications, marked currently to record changes made during construction. These shall be delivered to the Owner upon completion of the Project, along with electronic drawing files on diskette utilizing Auto Cad software.

2.4.12 The Design-Builder shall be permitted to install a 5"diameter stainless steel identification plaque at a publicly visible location to be determined jointly.

2.5 Warranties

2.5.1 The Design-Builder warrants to the Owner that all materials and equipment furnished under this Agreement shall be new, unless otherwise specified, unless existing material is designated to be reused, and that all construction work shall be of good quality, free from improper workmanship and defective materials. The Design-Builder agrees to correct all work performed by it under this Agreement which proves to be defective in material or workmanship within a period of one year from the date of Substantial Completion as defined in Paragraph 6.2, provided that this warranty covers equipment, accessories and parts manufactured by others only to the extent of liability to Design-Builder on the part of the manufacturer thereof, and no warranty is provided for Owner provided equipment. Any warranty or guarantee obtained by Design-Builder from any such manufacturer shall be deemed to have been obtained for the benefit of Owner.

2.5.2 The Design-Builder shall secure required certificates of inspection; testing or approval required for building construction and deliver them to the Owner.

2.5.3 The Design-Builder shall collect all equipment manuals and deliver them to the Owner, together with all written warranties from equipment manufacturers.

2.6 **Tax Exemption.** If in accordance with the Owner's direction an exemption is claimed for taxes, the Owner agrees to defend, indemnify and hold harmless the Design-Builder from any liability, penalty,

interest, fine, tax assessment, attorneys fees or any other expense or cost incurred by the Design-Builder as a result of any action taken by the Design-Builder in accordance with the Owner's direction.

2.7 **Additional Services.** The Design-Builder shall provide or procure the following Additional Services upon the request of the Owner. A written agreement between the Owner and Design-Builder shall define the extent of such Additional Services.

2.7.1 Documentation of the Owner's Program, establishing the Project budget, investigating sources of financing, general business planning and other information and documentation as may be required to establish the feasibility of the Project.

2.7.2 Consultations, negotiations and documentation supporting the procurement of Project financing.

2.7.3 Surveys, site evaluations, legal descriptions and aerial photographs.

2.7.4 Appraisals of existing equipment, existing properties, new equipment and developed properties.

2.7.5 Soils, subsurface and environmental studies, reports and investigations required for submission to governmental authorities or others having jurisdiction over the Project.

2.7.6 Consultations and representations in securing building permits, before governmental authorities or others having jurisdiction over the Project.

2.7.7 Investigating or making measured drawings of existing conditions or the verification of drawings or other Owner-provided information.

2.7.8 Artistic renderings, models and mockups of the Project or any part of the Project or Work.

2.7.9 Inventories of existing furniture, fixtures, furnishings and equipment which might be under consideration for incorporation into the Work.

2.7.10 Interior design and related services including procurement and placement of furniture, furnishings, artwork and decorations.

2.7.11 Making revisions to the Schematic Design, Design Development, Construction Documents or documents forming the basis of the Contract Price after they have been approved by the Owner, and which are due to causes beyond the control of the Design-Builder.

2.7.12 Design, coordination, management and other services supporting the procurement of materials to be obtained, or work to be performed by the Owner, including but not limited to telephone systems, computer wiring networks, sound systems, alarms, security systems and other specialty systems which are not part of this Agreement.

2.7.13 Estimates, proposals, appraisals, consultations, negotiations and services in connection with the repair or replacement of an insured loss.

2.7.14 The premium portion of overtime work ordered by the Owner including productivity impact costs.

2.7.15 Document reproduction exceeding the limits provided for in this Agreement.

2.7.16 Obtaining service contractors and training maintenance personnel, assisting and consulting in the use of systems and equipment after the initial start up, and training and balancing of systems

and equipment.

2.7.17 Services for tenant or rental spaces not a part of the Agreement.

2.7.18 Services requested by the Owner or required by the Work which are not specified in the Contract Documents and which are not normally part of generally accepted design and construction practice.

2.7.19 Serving or preparing to serve as a witness in connection with any proceeding, legal or otherwise, regarding the Project.

ARTICLE 3
OWNER'S RESPONSIBILITIES

3.1 The Owner shall provide full information in a timely manner regarding its requirements for the Project.

3.2 The Owner shall designate a representative who shall be fully acquainted with the Project, and have authority to approve changes in the scope of the Project. Owner's representative shall render approvals and decisions promptly, and furnish information expeditiously and in time to meet the dates set forth in the Schedule. The Owner's designated representative is:

1. Cheryl Witham, Chief Financial Officer: Financial and cost reporting issues/functions
2. Jack Lanenga, Assist. Superintendent of Operations: Day to day construction issues/coordination

Any change in the Owner's designated representative shall be mutually agreeable by both parties and such change shall be documented in writing within five days upon agreement.

3.3 If the Owner becomes aware of any fault or defect in the Work or nonconformance with the Drawings or Specifications, it shall give prompt written notice thereof to the Design-Builder.

3.4 The Owner shall furnish a legal description and certified land survey of the site, giving, as applicable, grades and lines of streets, alleys, pavements and adjoining property, rights-of-way restrictions, easements, encroachments, zoning, deed restrictions, elevations and contours of the site; locations, dimensions and complete data pertaining to existing buildings, other improvements and trees; and full information concerning available services and utility lines, both public and private, above grade and below grade, including inverts and depths.

3.5 The Owner shall furnish services of geotechnical engineers and other consultants when such services are deemed necessary by the Design-Builder. Geotechnical engineers or other consultants shall be selected by mutual agreement. Such services shall include, as required, applicable test borings, test pits, soil bearing values, percolation tests, air and water pollution tests, and other necessary operations for determining subsoil, air and water conditions, with reports and appropriate professional recommendations.

3.6 The services and information required by the above paragraphs shall be furnished with reasonable promptness at Owner's expense and the Design-Builder shall be entitled to rely upon the accuracy and the completeness thereof.

3.7 At Design-Builder's request, Owner shall promptly furnish reasonable evidence satisfactory to Design-Builder that Owner has adequate funds available and committed to fulfill all of Owner's contractual obligations under the Contract Documents. If Owner fails to furnish such financial information in a timely manner, Design-Builder may stop Work under Section 15.3 hereof or exercise any other right

permitted under the Contract Documents.

3.8 Owner shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees.

3.9 The Owner shall pay for all utility connection fees and special facility charges, if required, rendered by utilities for connection of permanent utility services to the Project.

3.10 Owner is responsible for all work performed on the Site by separate contractors under the Owner's control. Owner shall contractually require its separate contractors to cooperate with, and coordinate their activities so as not to interfere with, Design-Builder in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents.

3.11 The Owner shall communicate with Architect/Engineer, consultants, subcontractors, and suppliers only through the Design-Builder.

ARTICLE 4
HAZARDOUS CONDITIONS & DIFFERING SITE CONDITIONS

4.1 **Hazardous Conditions.** Unless otherwise expressly provided in the Contract Documents to be a part of the Work, Design-Builder is not responsible for any Hazardous Conditions encountered at the Site. Upon encountering any Hazardous Conditions, Design-Builder will stop Work immediately in the affected area and duly notify the Owner and, if required law, all government or quasi-government entities with jurisdiction over the project Site.

4.1.1 Upon receiving notice of the presence of suspected Hazardous Conditions, Owner shall take the necessary measures required to ensure that the Hazardous Conditions are remediated or rendered harmless. Such necessary measures shall include Owner retaining qualified independent experts to (i) ascertain whether Hazardous Conditions have actually been encountered, and, if they have been encountered, (ii) prescribe the remedial measures that Owner must take either to remove the Hazardous Conditions or render the Hazardous Conditions harmless.

4.1.2 Design-Builder shall be obligated to resume Work at the affected area of the Project only after Owner's expert provides it with written certification that (i) the Hazardous Conditions have been remove or rendered harmless and (ii) all necessary approvals have been obtained from all government and quasi-government entities having jurisdiction over the Project or Site.

4.1.3 Design-Builder will be entitled to an adjustment in its Contract Price and/or Construction Schedule(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by the presence of Hazardous Conditions.

4.1.4 To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly for any of them, and their officers, directors, employees and agents, from and against any and all claims, losses, damages, liabilities and expenses, including attorney's fees and expenses, arising out of or resulting from the presence, removal or remediation of Hazardous Conditions at the Site.

4.1.5 Notwithstanding the preceding provisions of the Section 4, Owner is not responsible for Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable. Design-Builder shall indemnify, defend and hold harmless

Owner and Owner's officers, directors, employees an agents from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from those Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable.

4.2 **Differing Site Conditions.** Concealed or latent physical conditions or subsurface conditions at the Site that (i) materially differ from the conditions indicated in the Contract Documents or (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work are collectively referred to herein as "Differing Site Conditions". Design-Builder will be entitled to an adjustment in the Contract Price and/or Construction Schedule(s) to the extent Design-Builder's cost and/or time of performance are adversely impacted by the Differing Site Condition.

4.2.1 Upon encountering a Differing Site Condition, Design-Builder shall provide prompt written notice to Owner of such condition, which notice shall not be later then seven (7) days after such condition has been encountered. Design-Builder shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered.

ARTICLE 5
SUBCONTRACTS AND OTHER AGREEMENTS

5.1 The Design-Builder shall act on behalf of the Owner as the Owner's agent. All subcontracts shall be deemed to have been obtained for the benefit of the Owner and the Owner shall be deemed to be a third-party beneficiary of each and every subcontract.

5.2 Those portions of the work that the Design-Builder does not perform with the Design-Builder's own personnel shall be performed under subcontracts or by other appropriate agreements with the Design-Builder. The Design-Builder shall only obtain bids and/or proposals from such Subcontractors and from suppliers of materials or equipment fabricated especially for the work. The Owner may request specific persons or entities from whom the Design-Builder shall obtain bids; however, the Design-Builder is not obligated or required to seek bids or contract with anyone to whom the Design-Builder has reasonable objection.

5.3 Subcontracts or other agreements shall conform to the payment provisions of Article 14 and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner.

5.4 Design-Builder shall notify Owner of the identity of all Subcontractors and material suppliers, if requested by the Owner, prior to entry of such Subcontractors or material suppliers into the project and shall provide copies of Contracts, Performance and Payment Bonds, if required, and Insurance Certificates to Owner.

5.5 The Owner and Design-Builder shall determine together, the lowest qualified bidder.

5.6 Design-Builder acknowledges that Owner is a public entity obligated by law to publicly bid work in excess of $20,000.00.

ARTICLE 6
DATE OF COMMENCEMENT, SUBSTANTIAL COMPLETION AND FINAL COMPLETION

6.1 Consistent with the Construction Schedule (Exhibit B) Construction shall commence **on/or before June 15, 2009, as soon as possible**. The Design-Builder shall diligently prosecute the Work and achieve final completion no later than **August 24, 2009**

6.2 If the Design-Builder is delayed in the progress of the Project by acts or neglect of the Owner, Owner's employees, separate contractors employed by the Owner, changes ordered in the Work not caused by the fault of the Design-Builder, labor disputes, fire, unusual delay in transportation, adverse weather conditions not reasonably anticipatable, unavoidable casualties, or conditions defined in Article 4, or other causes beyond the Design-Builders' control, or by delay authorized by the Owner's pending arbitration or another cause, the Construction Schedule shall be reasonably extended by Change Order.

6.3 **Commencement of Warranties.** Warranties called for by this agreement or by the Drawings and Specifications shall commence on the Date of Substantial Completion of the Project or designated portion thereof, as reflected by the Certificate of Substantial Completion.

ARTICLE 7
COMPENSATION

The Design-Builder shall be paid by the Owner a Contract Price consisting of the Cost of the Work as defined in Article 8 and the Design-Builder's fee as set forth below:

7.1 **Design/Preconstruction Phase Compensation.** The cost of services performed by the Architect/Engineer Contracted directly with the Owner and is computed separately and is independent from the Design-Builder's compensation for work or services directly performed by the Design-Builder; these costs shall be shown as separate items on the applications for payment.

7.1.1 The Owner shall compensate the Design-Build Contractor for services performed during the Design/Preconstruction Phase as described in Article 2 as follows:

7.1.1.1 Preconstruction services shall be performed for a Lump Sum Fee of **Twenty Five Thousand Dollars and 00/100 ($25,000).**

7.1.1.2 Architectural/Engineering services shall be performed for a Lump Sum Fee of **One Hundred Twenty Six thousand Three Hundred Nine Dollars and 00/100 ($126,309).**

7.1.1.3 Environmental Design and Onsite Management Fees shall be performed for a Lump Sum Fee of **Eleven Thousand Dollars and 00/100 ($11,000)**

7.1.2 Compensation for Design/Preconstruction Phase Services shall be equitably adjusted if such services extend beyond **60** days from the date of this Agreement for reasons beyond the reasonable control of the Design-Builder or as provided in Article 12.

7.1.3 Payments for Design/Preconstruction Phase Services shall be due and payable within twenty (20) days following presentation of the Design-Builder's monthly invoice to the Owner. If the Owner fails to pay the Design-Builder as agreed, then the Design-Builder shall have the right to stop the Work and be entitled to payments due plus interest as provided in Paragraph 13.2.

7.2 **Bidding/Construction Phase Compensation.** The Owner shall compensate the Design-Builder for Work performed following the commencement of the Bidding and Construction Phase on the following basis:

7.2.2 The cost of the Work as allowed in Article 8; and

7.2.3 The Design-Builder's Fee shall be based on 3.14% of the Cost of the Work but no lower than the amount of **Sixty One Thousand Three Hundred Fifty Five Dollars and 00/100 ($61,355),** subject to adjustment as provided in Paragraph 7.5. The Design-Builder's Fee shall be paid proportionally to the ratio that the monthly Cost of the Work bears to the total estimated Cost of the Work.

7.3 Payment for Construction Phase Services shall be as set forth in Article 13.

7.4 **Design-Builder's Fee.** The Design-Builder's Fee includes the following:

7.4.1 General and administrative expenses of the Design-Builder's principal and branch offices other than the field office, except as may be expressly included in Article 8; and

7.4.2 The Design-Builder's capital expenses, including interest on the Design-Builder's capital employed for the Work.

7.5 **Adjustment in the Design-Builder's Fee.** Adjustment in the Design-Builder's Fee shall be made as follows:

7.5.1 For changes in the Work as provided in Article 12, the Design-Builder's Fee shall be adjusted as follows:

Changes shall be priced at the "direct cost" of the charge, except that (i) the cost of Overhead Items attributable to such change shall be charged at 10% of such direct cost; and (ii) the fee with respect to such change shall be charged at 5% of such direct cost, exclusive of the Overhead Items or at a negotiated fixed fee as agreed to by design builder and owner.

If contingency funds are used for scope changes related/integral to the scope of work as defined within this agreement, then there will be no additional overhead/construction management/design fees added.

7.5.2 For delays in the Work not caused by the Design-Builder, there will be an equitable adjustment in the Design-Builder's Fee to compensate the Design-Builder for increased expenses; and

7.5.3 If the Design-Builder is placed in charge of managing the replacement of an insured or uninsured loss, the Design-Builder shall be paid an additional Fee in the same proportion that the Design-Builder's Fee bears to the estimated Cost of the Work.

ARTICLE 8
COST OF THE WORK

8.1 The term Cost of the Work shall mean costs necessarily incurred by the Design-Builder in good faith in the proper performance of the Work approved by the Owner. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in this Article 8.

8.1.1 **Labor Costs**

8.1.1.1 Wages of construction workers directly employed by the Design-Builder to perform the construction of the Work at the site or, at the off-site workshops.

8.1.1.2 Wages or salaries of the Design-Builder's supervisory and administrative personnel in connection with performance of the Work when stationed at the site.

8.1.1.3 Wages or salaries of the Design-Builder's personnel engaged off-site, but only for that portion of their time required for the Work. Personnel engaged at shops or on the road in expediting the product or transportation of materials or equipment, shall be considered stationed at the field office, and their salaries paid for that portion of their time spent on this Work.

8.1.1.4 Costs paid or incurred by the Design-Builder for taxes, insurance contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pension (but not merit bonuses) provided such costs are based on wages and salaries included in the Cost of the Work under Clauses 8.1.1. through 8.1.1.3.

8.1.1.5 Payments properly made by Design-Builder to Subcontractors and Design Consultants for performance of portions of the Work, including any insurance and bond premiums incurred by Subcontractors and Design Consultants.

8.1.1.6 Costs incurred by the Design-Builder in preparing and maintaining progress schedules and reports, including computer and data processing expenses.

8.1.2 **Subcontract Costs**

8.1.2.1 Payments made by the Design-Builder to Subcontractors in accordance with the requirements of the subcontracts properly entered into under this Agreement.

8.1.2.2 Cost of premiums for all bonds required entered into under this agreement

8.1.3 **Costs Of Materials & Equipment Incorporated In The Completed Construction**

8.1.3.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

8.1.3.2 Cost of materials described in the preceding Clause 8.1.3.1. in excess of those actually installed but required to provide reasonable allowance for waste and for spoilage. Unused excess materials, if any, shall be properly stored during the performance of the Work and turned over to the Owner at the completion of the Work or, at the Owner's option, shall be sold by the Design-Builder; amounts realized, if any, form such sale shall be credited to the Owner as a deduction form the Cost of the Work.

8.1.4 **Costs Of Other Materials And Equipment, Temporary Facilities And Related Items**

8.1.4.1 Also defined as "General Conditions" per Division 1 of the CSI Master Format 16 Divisions.

8.1.4.2 Costs, including transportation and maintenance, of all materials, supplies, office

equipment, computers, software, temporary facilities and hand tools (not owned by the workmen) consumed in the performance of the Work by the Design-Builder. Any items used but not consumed, which are paid for by Owner, shall become the property of the Owner and shall be delivered to Owner upon completion of the Work in accordance with instructions furnished by Owner. Design-Builder may, however, agree to purchase any such items from Owner at a purchase price equal to the original cost to Owner less the reduction in fair market value resulting directly from use of any such item in connection with the Work or such other price which is mutually acceptable to Owner with any information and documentation necessary to verify the period of time for which such items were used in connection with the Work.

8.1.4.3 Rental charges of all necessary trailers, machinery and equipment, exclusive of hand tools, used at the site of the Work, whether rented from Design-Builder or others, including installation, minor repairs and replacements, dismantling, removal, transportation and delivery costs thereof. Such rental charges shall be consistent with those generally prevailing in the location of the Project.

8.1.4.4 Costs of removal of debris from the site.

8.1.4.5 Costs in connection with performance of the Work of telegrams and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

8.1.4.6 Costs of all temporary utilities, fencing, winter conditions, site access remediation or stabilization costs.

8.1.4.7 Site security costs as approved by the Owner.

8.1.5 **Miscellaneous Costs**

8.1.5.1 Also defined as "General Conditions" per Division 1 of the CSI Master Format 16 Divisions.

8.1.5.2 Sales, use or similar taxes imposed by a governmental authority which are related to the Work and for which the Design-Builder is liable.

8.1.5.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Design-Builder is required by the Contract Documents to pay.

8.1.5.4 Fees of testing laboratories for tests required by the Contract Documents, deemed necessary by the Design-Builder.

8.1.5.5 All fuel and utility costs incurred in the performance of the Work.

8.1.5.6 Sales, use or similar taxes, tariffs or duties incurred in the performance of the Work.

8.1.5.7 Deposits lost for causes other than the Design-Builder's fault or negligence.

8.1.5.8 Expenses for local travel to and from the site for all of the Design-Builder's personnel for all work that is required to be performed at the project site.

8.1.5.9 Expenses for travel, lodging and subsistence for the Design-Builder incurred while

traveling in discharge of his duties associated with the work. All long distance travel requiring airfare and overnight accommodations shall be pre-approved by the Owner.

8.1.5.10 Losses and expenses for personal injury and property damage not compensated by insurance or otherwise sustained by the Design-Builder in connection with the Work, provided they have resulted from causes other than the fault or neglect of the Design-Builder. Such losses shall include settlements, made with the written consent and approval of the Owner.

8.1.6 **Other Costs**

8.1.6.1 Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner.

8.1.6.2 Costs incurred by the Design-Builder in repairing or correcting defective, damaged or nonconforming Work, provided that such defective, damaged or nonconforming Work was beyond the reasonable control of the Design-Builder, or caused by the ordinary mistakes or inadvertence, and not the negligence, of the Design-Builder or those working by or through the Design-Builder.

8.1.6.3 Demobilization and remobilization costs.

8.1.7 **Emergencies: Repairs To Damaged, Defective Or Nonconforming Work** - The Cost of the Work shall also include costs that are incurred by the Design-Builder:

8.1.7.1 In taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, to the extent not caused or capable of prevention through proper performance of the Work by the Design-Builder, a Subcontractor or anyone for whom either is responsible.

8.1.7.2 In correcting defective, damaged or non-conforming Work, but only is such Work is performed, supplied or damaged by a Subcontractor, or material supplier and not corrected by them, provided that such defective, damaged or non-conforming Work did not result from the fault or negligence of the Design-Builder, and only to the extent that the cost of correcting the defective, damaged or non-conforming Work is not recoverable by the Design-Builder from the Subcontractor or material supplier or others and the Design-Builder is not compensated therefore by insurance or otherwise. In no event shall the total cost of defective, damaged or non-conforming Work, together with all reimbursable costs, exceed the Estimated Cost of the Work, without written approval in advance from the Owner.

8.1.7.3 Costs as defined herein shall be actual costs paid by the Design-Builder, subject to Article 10 of the Agreement. All payments made by the Owner pursuant to this Article 8, whether those payments are actually made before or after the execution on the Contract, are included within the Estimated Cost of the Work specified in Article 7. Provided, however, that in no event shall the Owner be required to reimburse Design-Builder for any portion of the Cost of the Work incurred prior to the Commencement Date unless Design-Builder has received the Owner's written consent prior to incurring such cost.

8.2 Design-Builder hereby agrees and acknowledges that there shall be no duplication of payments for any of the items comprising the Cost of the Work including the General Conditions Costs, notwithstanding any itemization or provision contained in the Contract documents to the contrary, including without

limitations, this Article 8.

8.3 The Cost of the Work includes an Allowance for Unforseeable Conditions ("Allowance") in the amount of **$0.00** for use by the Design-Builder for costs that could not be expected or predicted and were not specifically allocated or budgeted at the time of this Agreement. The Design-Builder shall provide the Owner with notice of anticipated charges against the Allowance in excess of **$0.00** for approval by the Owner's designated representative as identified in Section 3.2. The Allowance will not increase the fee or profit of the Design-Builder as established in Section 7. All amounts remaining in the Allowance at final completion of the Project shall revert to the Owner.

ARTICLE 9
COSTS NOT TO BE REIMBURSED

9.1 The Cost of the Work shall not include:

9.1.1 Salaries and other compensation of the Design-Builder's personnel stationed at the Design-Builder's principal office or offices other than the site office, except as specifically provided in Article 8.

9.1.2 Expenses of the Design-Builder's principal office and offices other than the site office except specifically provided in Article 8.

9.1.3 Overhead and general expenses, except as may be expressly included in Article 8, including but not limited to the costs of Design-Builder's taxes, licenses or other levies in connection with the general conduct of its business, including Federal and State income taxes.

9.1.4 The Design-Builder's capital expenses, including interest on the Design-Builder's capital employed for the Work.

ARTICLE 10
DISCOUNTS, REBATES AND REFUNDS

10.1 Cash discounts obtained on payments made by the Design-Builder shall accrue to the Owner if (1) the Design-Builder included them in an Application for Payment and received payment therefore from the Owner, or (2) the Owner has deposited funds with the Design-Builder with which to make payments. Cash discounts for items or services not paid for by Owner shall accrue to the Design-Builder. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Design-Builder shall make provisions so that they can be secured.

ARTICLE 11
ACCOUNTING RECORDS

11.1 The Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Contract.

ARTICLE 12
CHANGES IN THE PROJECT

12.1 **Scope Change Orders.** Any work not contained in the Contract Documents shall be a change and shall be performed by Design-Builder only pursuant to a written Change Order to this Agreement issued by Owner if such work increases or decreases the Contract Price. Such a Change Order may increase or decrease the Work within the general scope of this Agreement. If this Change Order causes an increase in

the cost of the work Design-Builder shall be paid a lump sum acceptable to both parties. If the parties are unable to agree upon a lump sum for the additional work, Design-Builder shall be reimbursed for the cost of such work, as determined in accordance with Article 8. If the Change Order causes a decrease in the cost of the Work, the Contract Price shall be decreased by the amount of Design-Builder's determination of the decrease of the cost in labor, materials and equipment no longer required, based upon the Schedule of Values furnished pursuant to Paragraph 2.1.3. All Change Orders to the Project Scope shall reflect the following:

a) A change in the Work;
b) The amount of the adjustment in the Contract Price; if any
c) The extent of the adjustment in the Contact Time, if any.

12.2 **Concealed Conditions.** If concealed or unknown conditions that affect the performance of the Work and vary from those indicated by the Contract Documents are encountered, which conditions are not ordinarily found to exist or which differ materially from those generally recognized as inherent in work of the character provided for under this Agreement, notice by the observing party shall be given promptly to the other party and, if possible, before conditions are disturbed. The Contract Price and Construction Schedule shall be equitably adjusted for such concealed or unknown conditions by Change Order upon claim made by Design-Builder.

12.3 If Owner requests a proposal for a change in the Work from the Design-Builder and subsequently elects not to proceed with the change. a Change Order shall be issued to reimburse Design-Builder for reasonable costs incurred for estimating services and services involved in the preparation of proposed revisions to the Contract Documents.

12.4 **Construction Change Directives**

12.4.1 A Construction Change Directive is a written order or email, prepared and signed or verbally given by the Owner, directing a change in the Work and stating a proposed basis for adjustment, if any, in the Contract Price or Construction Schedule, or both.

12.4.2 A Construction Change Directive shall be used in the absence of total agreement on an adjustment on the term of a Change Order.

12.4.3 If the Construction Change Directive provides for an adjustment to the Contract Price, the adjustment shall be based on 12.5.

12.4.4 Upon receipt of a Construction Change Directive, the Design-Builder shall advise the Owner of the Design-Builder's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Price or Construction Schedule. Upon agreement with the Contract Price and/or Construction Schedule, Design-Builder shall proceed with the change in the work.

12.4.5 A Construction Change Directive signed by the Design-Builder indicates the agreement of the Design-Builder therewith, including adjustment in Contract Price and Construction Schedule or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

12.5 **Minor Changes in the Work**

12.5.1 Minor Changes in the Work do not involve an adjustment in the Contract Price and/or Construction Schedule(s) and do not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents.

Design-Builder may make minor changes in the Work consistent with the intent of the Contract Documents, provided, however that Design-Builder will record such changes, where appropriate, on the documents maintained by Design-Builder.

12.6 Contract Price Adjustments

12.6.1 The increase or decrease in Contract Price resulting from a change in the Work shall be determined by one or more of the following methods:

12.6.1.1 Unit prices set forth in the Agreement or as subsequently agreed to between the parties;

12.6.1.2 A mutually accepted, lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by Owner;

12.6.1.3 Cost, fees and any other markups set forth in the Agreement; and

12.6.1.4 If the net result of both additions and deletions to the Work is a decrease in the Contract Price, there shall be no overhead or profit adjustment to the Contract Price.

12.6.2 If the Owner and Design-Builder disagree upon whether Design-Builder is entitled to be paid for any services required by Owner, or if there are any other disagreements over the scope of Work or proposed change to the Work, Owner and Design-Builder shall resolve the disagreement pursuant to Article 16 hereof. As part of the negotiation process, Design-Builder shall furnish Owner with a good faith estimate of the costs to perform the disputed services in accordance with Owner's interpretations. If the parties are unable to agree and Owner expects Design-Builder to perform the services in accordance with Owner's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon Owner issuing written order to Design-Builder (i) directing Design-Builder to proceed and (ii) specifying Owner's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its Applications for Payment an amount equal to of its reasonable estimated cost to perform the services, and Owner agrees to pay such amounts, with the express understanding that such payment by Owner does not prejudice Owner's right to argue that it has no responsibility to pay for such services.

12.7 Emergencies

12.7.1 In any emergency affecting the safety of persons and/or property, Design-Builder shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Construction Schedule(s) on account of emergency work shall be determined as provided in this Article 12.

ARTICLE 13
PAYMENTS TO THE DESIGN-BUILDER

13.1 Monthly Progress Payments

13.1.1 On or before the **7th** day of each month, Design-Builder shall submit for Owner's review and approval its Application for Payment requesting payment for all Work performed as of the date of the Application for Payment. The Application for Payment shall be accompanied by copies of

all necessary supporting documentation.

13.1.2 The Application for Payment may request payment for equipment and materials not yet incorporated into the Project, provided that (i) Owner is satisfied that the equipment and materials are suitably stored at either the Site or another acceptable location, (ii) the equipment and materials are protected by suitable insurance and (iii) upon payment, Owner will receive the equipment and materials free and clear of all liens and encumbrances.

13.1.3 The Application for Payment shall constitute Design-Builder's representation that the Work has been performed consistent with the Contract Documents, has progressed to the point indicated in the Application for Payment, and that title to all Work will pass to Owner free and clear of all claims, liens, encumbrances, and security interests upon the incorporation of the Work into the Project, or upon Design-Builder's receipt of payment, whichever occurs earlier.

13.1.4 The Owner shall pay the Design-Builder no later than 20 days after receipt of Pay Application.

13.2 **Dispute of Payments**

13.2.1 On or before the date established in Article 13.1.4, Owner shall pay Design-Builder all amounts due. The Owner waives the right dispute that the Design-Builder is not entitled to all or part of an Application for Payment, unless the Design-Builder is notified in writing at least five (5) days prior to the date payment is due. The notice shall indicate the specific amounts the Owner dispute, the reasons and contractual basis for the disputed, and the specific measures Design-Builder must take to rectify Owner's concerns. Design-Builder and Owner will attempt to resolve Owner's concerns prior to the date payment is due. If the parties cannot resolve such concerns, Design-Builder may pursue its rights under the Contract Documents, including those under Article 15 hereof.

13.2.2 Notwithstanding anything to the contrary in the Contract Documents, Owner shall pay Design-Builder all undisputed amounts in an Application for Payment within the times required by 13.1.4.

13.3 **Right to Stop Work and Interest.** If Owner fails to pay Design-Builder any amount that becomes due, Design-Builder, in addition to all other remedies provided in the Contract Documents, may stop Work pursuant to Section 15.9 hereof. All payments due and unpaid, including disputed amounts shall bear interest at the rate set forth in the Agreement.

13.4 **Interest.** Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payment, shall bear interest commencing five (5) days after payment is due at the rate of one and one-half percent (1.5%).

13.5 **Title Free of Liens.** The Design-Builder warrants and guarantees that title to all Work, materials and equipment covered by an Application for Payment, whether incorporated in the Project or not, shall pass to the Owner upon receipt of such payment by Design-Builder free and clear of all liens, claims, security interests or encumbrances hereinafter referred to as Liens. Design-Builder, at its own expense, shall indemnify, defend and save harmless Owner against Liens filed on the property of Owner by subcontractors, materialmen or suppliers of Design-Builder for amounts due them from Design-Builder for Work, the cost of which has been paid by Owner to Design-Builder.

13.6 **Final Payment.** For purposes of final payment, the procedure under this Agreement shall be as follows:

13.6.1 The Design-Builder shall give written notice to Owner upon substantial completion of the Project, or a designated portion thereof. If Owner has not, in fact, occupied or utilized the Project, or the Designated portion thereof, the Owner's Representative, within five (5) days of

receipt of such notice, shall determine on the basis of an inspection that the work is substantially complete. Design-Builder shall then prepare a Certificate of Substantial Completion for approval by the Owner's Representative which shall establish the date of substantial completion, shall state the responsibilities of Owner and Design-Builder regarding maintenance, heat, utilities, and risk of casualty, and shall list the items of Work (punch list) to be corrected or completed.

13.6.2 When the parties have mutually agreed upon the Certificate of Substantial Completion, Design-Builder shall submit to the Owner's Representative for approval of an Application for Payment of the unpaid balance of the Contract Price for the Project, less an amount equal to one-hundred percent (100%) of the estimated cost of completing all remaining unfinished items of work shown on the punch list. Failure of Owner to pay the amount specified by Owner's Representative shall constitute a breach of this Agreement and Design-Builder shall have no further obligations or responsibility to Owner under this Agreement.

13.6.3 Design-Builder shall, as soon as possible, correct or complete the items of work noted on the punch list without additional expense to Owner. Owner's Representative shall inspect the corrected or completed items of work within five (5) days after notice of correction of completion of each such item of work and if acceptable, shall issue a written notice of acceptance of such items of work to Design-Builder.

13.6.4 Following full completion of the Work and final inspection and acceptance of the Work by the Owner's Representative, Design-Builder shall submit a final Application for Payment for the entire unpaid balance of the contract price, as noted in the final application. Upon final payment, Design-Builder shall issue a duly executed final waiver of lien.

ARTICLE 14
INDEMNITY AND INSURANCE

14.1 **Indemnity.** The Design-Builder shall indemnify, defend and hold the Owner harmless from all claims and suits for damages arising from personal injuries, including death to persons or damage to property and from all expenses for defending such claim or suit, including court costs and reasonable attorney's fees, which result from the of Design-Builder. Design-Builder shall have no duty to indemnify Owner hereunder against claims arising as a result of Owner's sole or contributing negligence.

14.2 **Design-Builder's Insurance.** The Design-Builder shall purchase and maintain the following insurance to cover Design-Builder's operations under this Agreement whether such operations be by itself or by any Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

14.2.1 Workers' Compensation insurance in full compliance with workers' compensation laws of the State of Illinois, together with employer's liability coverage with minimum limits of liability in the amount of:

$500,000 each accident Bodily Injury by Accident
$500,000 policy limit Bodily Injury by Disease
$500,000 each employee Bodily Injury by Disease.

14.2.2 Comprehensive automobile liability insurance covering all owned, hired and non-owned vehicles with the following minimum limits of liability:

Combined single limit: $1,000,000 bodily injury and property damage each accident.

14.2.3 Comprehensive general liability insurance including Independent Contractor's coverage with following minimum limits of liability:

Combined single limit:	$1,000,000 each occurrence
	$1,000,000 personal & advertising injury
	$1,000,000 general aggregate
	$2,000,000products/completed operations aggregate
	$2,000,000 aggregate

14.2.4 The Design-Builder shall carry an umbrella policy to apply excess of the general liability, automobile liability and employer's liability coverages listed above at the following limits of liability: $5,000,000 each occurrence; $5,000,000 aggregate.

14.2.5 The Design-Builder's commercial general liability policy shall also include blanket contractual liability coverage.

14.2.6 Errors and Omissions Insurance with respect to design services in the amount of $5,000,000, which, if written on a "claims made" basis, shall be maintained in full force and effect for four (4) years after the completion of the Work. If at any time during the four (4) year period, Design-Builder shall no longer carry such insurance; it shall provide thirty (30) days prior written notice to Owner.

14.2.7 Owner shall purchase and maintain at its sole expense, until the Date of Substantial Completion and acceptance thereof, all-risks of direct physical loss builder's risk insurance upon the Work at the site to the full insurable value thereof (including all materials, supplies and equipment intended for specific installation in the Work while in transit, at temporary locations, or delivered to the site but not yet incorporated into the Work). This insurance shall include the interests of Design-Builder, Owner, Owner's Representative, subcontractors and sub-subcontractors in the Work, except for the equipment used by the Design-Builder, subcontractors and sub-subcontractors associated with their Work, and shall insure against the perils normally insured against in an all-risks direct physical loss builder's risk policy including the perils of flood, quake and terrorism, and shall be deemed the primary insurance as to covered risks.

Such builder's risk insurance shall be written on a repair or replacement cost basis. The policy (ies) for such insurance shall be secured and maintained by Owner in the full amount of the Contract Price and adjusted for changes in the Contract price affected by the Change Order(s).

14.2.8 Any insured loss shall be adjusted with the Owner and made payable to the Owner as trustee for the insureds, as their interest may appear, subject to the requirements of any applicable mortgage clause and of Owner's construction lender. The Design-Builder, subcontractors and sub-subcontractors shall have the right to consult with the Owner in any loss adjustment, subject to the rights of any applicable lenders. Owner shall purchase an maintain, until the Date of Substantial Completion, all-risk builder's risk insurance upon the Work at the site to the full insurable value thereof (including all materials delivered to the site but not yet incorporated into the improvements). If Owner requests, in writing, that insurance for special hazards be included in the property insurance policy, Design-Builder shall, if possible, include such insurance and the cost thereof shall be charged to Owner by appropriate Change Order.

14.2.9 All insurance required of Design-Builder shall be with insurers having a Best Rating of at least A-Class VII or better. Certificates of insurance reasonably acceptable to Owner shall be filed with Owner prior to commencement of the Work. These certificates shall contain a provision that coverage afforded under the policies shall not be canceled until at least thirty (30) days prior written notice has been given to Owner.

ARTICLE 15
STOP WORK AND TERMINATION OF THE AGREEMENT

15.1 **Owner's Right to Stop Work.** Owner may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed sixty (60) consecutive days or aggregate more than ninety (90) days during the duration of the Project.

15.2 Design-Builder is entitled to an adjustment of the Contract Price and/or Construction Schedule(s) if its cost or time to perform the Work has been impacted by any suspension of stoppage of work by Owner.

15.3 **Owner's Right to Perform and Terminate for Cause.** If Design-Builder persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Subcontractors, (v) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Construction Schedule(s), as such times may be adjusted, or (vi) perform material obligations under the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in Sections 15.4 and 15.5 below.

15.4 Upon the occurrence of an event set forth in Section 15.3 above, Owner may provide written notice to Design-Builder that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Design-Builder's receipt of such notice. If Design-Builder fails to cure, or reasonably commence to cure, such problem, then Owner may give a second written notice to Design-Builder of its intent to terminate within an additional seven (7) day period. If Design-Builder, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Owner may declare the Agreement terminated for default by providing written notice to Design-Builder of such declaration.

15.5 Upon declaring the Agreement terminated pursuant to Section 15.4 above, Owner may enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Design-Builder hereby transfers, assigns and set over to Owner for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items. In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. At such time, if the unpaid balance of the Contract Price exceeds the cost and expense incurred by Owner in completing the Work, such excess shall be paid by Owner to Design-Builder. Notwithstanding the preceding sentence, if Owner's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder shall be obligated to pay the difference to Owner. Such costs and expense shall 8include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expense, incurred by Owner in connection with the reprocurement and defense of claims arising from Design-Builder's default, subject to the waiver of consequential damages set forth in Section 16.6 hereof.

15.6 If Owner improperly terminates the Agreement for Cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Article 15 of the Agreement.

15.7 **Termination for Convenience.** Upon ten (10) days' written notice to Design-Builder, Owner may, for its convenience and without cause, elect to terminate this Agreement. In such event, Owner shall pay Design-Builder for the following:

15.7.1 All Work executed and for proven loss, cost or expense in connection with the Work;

15.7.2 The reasonable costs and expenses attributable to such termination, including demobilization costs and amount due in settlement of terminated contracts with Subcontractors.

15.8 **Design-Builder's Right to Stop Work.** Design-Builder may, in addition to any other rights afforded under the Contract Documents or at law, stop work for the following reasons:

15.8.1 Owners failure to provide financial assurances as required under Section 3.7 hereof: or

15.8.2 Owner's failure to pay amounts due under Design-Builder's Application for Payment.

15.9 Should any of the events set forth in Section 15.9 above occur, Design-Builder has the right to provide Owner with written notice that Design-Builder shall stop work unless said event is cured within seven (7) days from Owner's receipt of Design-Builder's notice. If Owner does not cure the problem within such seven (7) day period, Design-Builder may stop work. In such case, Design-Builder shall be entitled to make a claim for adjustment to the Contract Price and Construction Schedule(s) to the extent it has been adversely impacted by such stoppage.

15.10 **Design-Builder's Right to Terminate for Cause.** Design-Builder, in addition to any other rights and remedies provided in the Contract Documents or by law, may terminate the Agreement for cause for the following reasons:

15.10.1 The Work has been stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, because of court order, any government authority having jurisdiction over the Work, or orders by Owner under Section 15.1 hereof, provided that such stoppages are not due to the acts or omissions of Design-Builder or anyone for whose acts Design-Builder may be responsible.

15.10.2 Owner's failure to cure the problems set forth in Sections 15.9 above after Design-Builder has stopped the Work.

15.11 Upon the occurrence of an event set forth in Section 15.11 above, Design-Builder may provide written notice to Owner that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Owner's receipt of such notice. If Owner fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Owner of its intent to terminate within an additional seven (7) day period. If Owner, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Agreement for its convenience under Article 15 of the Agreement.

15.12 **Bankruptcy of Owner or Design-Builder.** If either Owner or Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code (such party being referred to as the "Bankrupt Party"), such event may impair or frustrate the Bankrupt Party's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

15.12.1 The Bankrupt Party, its trustee or other successor, shall furnish, upon request of the non-Bankrupt Party, adequate assurance of the ability of the Bankrupt Party to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) days after receiving notice of the request; and

15.12.2 The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within sixty (60) days of the institution of the bankruptcy filing and shall diligently prosecute such action

If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to reject the Agreement, declare the Agreement terminated and pursue any other recourse available to the non-Bankrupt Party under this Article 15.

15.13 The rights and remedies under Section 15.13 above shall not be deemed to limit the ability of the non-Bankrupt Party to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code or the right of Design-Builder to stop Work under any applicable provision of this Contract.

ARTICLE 16
DISPUTE RESOLUTION

16.1 If either Design-Builder or Owner believes that it is entitled to relief against the other for any event arising out of or related to the Work or Project, such party shall provide written notice to the other party of the basis for its claim for relief. Such notice shall, if possible, be made prior to incurring any cost or expense and in accordance with any specific notice requirements contained in applicable sections of this Contract. In the absence of any specific notice requirement, written notice shall be given within a reasonable time, not to exceed twenty-one (21) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later. Such notice shall include sufficient information to advise the other party of the circumstances giving rise to the claim for relief, the specific contractual adjustment or relief requested and the basis of such request.

16.2 **Dispute Avoidance and Resolution.** The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Design-Builder and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

16.3 Design-Builder and Owner shall first attempt to resolve disputes or disagreements at the field level through discussions between Design-Builder's Representative and Owner's Representative.

16.4 If a dispute or disagreement cannot be resolved through Design-Builder's Representative and Owner's Representative, Design-Builder's Senior Representative and Owner Senior Representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or disagreement. Prior to any meetings between the Senior Representatives, the parties shall exchange relevant information that shall assist the parties in resolving their dispute or disagreement.

16.5 If after meeting the Senior Representatives determine that the dispute or disagreement cannot be resolved on terms satisfactory to both parties, the parties shall submit the dispute or disagreement to non-binding mediation. The mediation shall be conducted by a mutually agreeable impartial mediator, or if the parties cannot so agree, a mediator designated by the American Arbitration Association ("AAA") pursuant to its Construction Industry Mediation Rules. The mediation shall be governed by and conducted pursuant to a mediation agreement negotiated by the parties or, if the parties cannot so agree, by procedures established by the mediator.

16.6 **Consequential Damages.** Notwithstanding anything herein to the contrary, neither Design-Builder nor Owner shall be liable to the other for any consequential losses or damages, whether arising in contract,

warranty, tort (including negligence), strict liability or otherwise, including but not limited to losses of use, profits, business, reputation or financing.

ARTICLE 17
PROTECTION OF PERSONS AND PROPERTY

17.1 **Safety Precautions and Programs.** The Design-Builder shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

17.2 **Safety of Persons and Property.** The Design-Builder shall take reasonable precautions for the safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

17.2.1 Employees on the Work and other persons who may be affected thereby;

17.2.2 The Work and material and equipment to be incorporated therein, whether in storage on or off the site, under care, custody and control of the Design-Builder or the Design-Builder's subcontractors or sub-subcontractors.

17.3 The Design-Builder shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on the safety of persons or property or their protection from damage, injury or loss.

17.4 The Design-Builder shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and uses of adjacent sites and utilities.

17.5 When use or storage of hazard materials or equipment or unusual methods are necessary for execution of the Work, the Design-Builder shall exercise the reasonable utmost care and carry on such activities under supervision of properly qualified personnel.

17.6 The Design-Builder shall promptly remedy (or use its best efforts to remedy) damage and loss to property caused in whole or in part by the Design-Builder, a subcontractor, a sub-subcontractor or anyone directly or indirectly employed by any them, or by anyone for whose acts they may be liable and for which Design-Builder is responsible, except damage or loss attributable to acts or omissions of the Owner or anyone directly or indirectly employed by it, or by anyone for whose acts they Owner may be liable, and not attributable to the fault or negligence of the Design-Builder.

ARTICLE 18
MISCELLANEOUS

18.1 **Successors and Assigns.** This Agreement shall be binding on the successors, assigns, and legal representatives of the Owner or Design-Builder. Neither party shall assign, sublet or transfer an interest in the Agreement without the written consent of the other.

18.2 **Governing Law.** This Agreement shall be governed by the law of the State of Illinois.

18.3 **Representations and Warranties.** Design-Builder represents and warrants the following to the Owner which representations and warranties shall survive the execution and delivery of this Agreement, any termination of this Agreement and the final completion of the Work:

(i) That it is able to furnish the labor required to manage the Work and perform its obligations hereunder and has sufficient experience and competence to do so;

(ii) That it is authorized to do business in the State of Illinois and properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over him and over the Work and the Project;

(iii) That its execution of this Agreement and its performance thereof is within its duly authorized powers;

18.4 **Discipline of Employees.** Design-Builder shall, at all times, enforce strict discipline and good order among its employees, and shall not employ on the Work any unfit person or anyone not skilled in the task assigned to him.

18.5 **Claims for Damages.** Should either party to this Contract suffer injury or damage to persons or property because of any act or omission of the other party or of any of its employees, agents or others for whose acts it is legally liable, claim shall be made, in writing, to such other party within a reasonable time after the first observance of such injury or damage.

18.6 **Written Notice.** All notices, demands and communications required or which either party desires to give or make hereunder shall be in writing signed by or on behalf of the party giving or making the same, and may be served personally, by United States registered or certified mail, return receipt requested, or by a national courier service guaranteeing overnight delivery:

I.	To Design-Builder:	Wight Construction, Inc. Attn: Ken Osmun 2500 N. Frontage Road Darien, IL 60561
II.	To Owner:	Oak Park and River Forest High School Attn: Cheryl Witham, Chief Financial Officer Attn: Jack Lanenga, Assist. Superintendent of Operations 201 N. Scoville Oak Park, IL 60302

Mailed notices shall be deemed to have been given on the third business day after the date of mailing or upon receipt by either party if personally delivered and a written receipt signed therefore, or one (1) business day following deposit for overnight delivery with a national courier service guaranteeing overnight delivery. Any party hereto may change its address for the service as aforesaid by giving written notice to the other of such change of address in accordance with the provision of this subparagraph.

18.8 **Access to Work.** Owner and its representative shall at all times have access to the Work whenever it is in preparation or progress; provided, however, that such access shall not interfere with the prosecution of the Work by Design-Builder, or its subcontractors or sub-subcontractors or jeopardize their safety. Design-Builder shall permit and facilitate such access to the Work by Owner, its agents, and public authorities concerned with such work.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed and delivered the day and the date first above written.

OWNER:

By: _____

Its: President, Board of Education

Date: _____

DESIGN-BUILDER: Wight Construction, Inc.

By: _____

Its: President - Wight Construction, Inc.

Date: _____

EXHIBIT "A"

Project Scope Document

EXHIBIT "B"

Preliminary Project Schedule

EXHIBIT "C"

Estimate of Project Costs

EXHIBIT "D"

Estimate of General Conditions (Reimbursable Costs per Article 8 of contract)

Oak Park River Forest High School
2009 Summer Interior Renovations
OUTLINE SPECIFICATION - SCOPE VERIFICATION/CLARIFICATION
Prepared: February 27, 2009
Revised Date: March 16, 2009

EXHIBIT A

CSI NO.	ITEM DESCRIPTION	BY WIGHT CONSTRUCTION SERVICES (WIGHT or CM)	BY OPRF HIGH SCHOOL (OWNER)	COMMENTS
010-400	Builders Risk Insurance		X	Owner to purchase and maintain Builders Risk Insurance if desired.
010-700	Permits, Fees	X		Permitting corrdinated by Wight through Cook County ROE.
014-100	Testing Services	X		All construction testing will be arranged by Wight.
015-100	General Requirements	X		Field Personnel will be adequate to man the job. There will be at least one full time Wight Representative on the site at all times while work is being performed. No retainage to be held on General Requirements or the CM fee. Project will be bonded to cover all elements of work.
020-000	**SITEWORK**			
020-700	Selective Demolition	X		All work per construction documents
020-750	Asbestos Abatement	X		All work per construction documents
040-000	**MASONRY**			
042-100	Masonry	X		All patching, coring and tuckpointing as required per contract documents. Includes any required new steel lintels per contruction documents
030-000	**CONCRETE**			
033-100	Cast-In-Place Concrete	X		Concrete floor patching at Science labs. All work as indicated on Construction Documents
060-000	**WOOD & PLASTICS**			
062-400	Casework & Countertops	X		All work per contract documents
080-000	**DOORS & WINDOWS**			
081-100	Doors, Frames, Hardware	X		All work as shown on documents
090-000	**FINISHES**			
092-100	Drywall/Metal Studs/Acoustical Ceilings	X		All work as shown on contract documents
092-200	Plaster patching	X		All work per construction documents
096-800	Flooring (VCT, Sheet flooring, Vinyl Base, Ceramic tile)	X		All work as shown per contract documents
097-100	Special Flooring Systems	X		Waterproofing system at stadium seating area as indicated on construction documents
099-200	Painting	X		All work as shown on documents with the following clarification: 1) Only one wall color assumed. Walls to be sprayed and rolled. Colors by OPRF
100-000	**SPECIALTIES**			
101-100	Visual Display Boards	X		Furnish and install white boards as indicated on construction documents
101-105	Smart Boards	X		Furnish and install all smart boards as indicate don construction documents. All specifications supplied by owner
104-300	Exterior & Interior Signage		X	N.I.C. (By Owner)
105-100	Metal Lockers	X		Any required relocations is included as indicated on construction documents

Oak Park River Forest High School
2009 Summer Interior Renovations
OUTLINE SPECIFICATION - SCOPE VERIFICATION/CLARIFICATION
Prepared: February 27, 2009
Revised Date: March 16, 2009

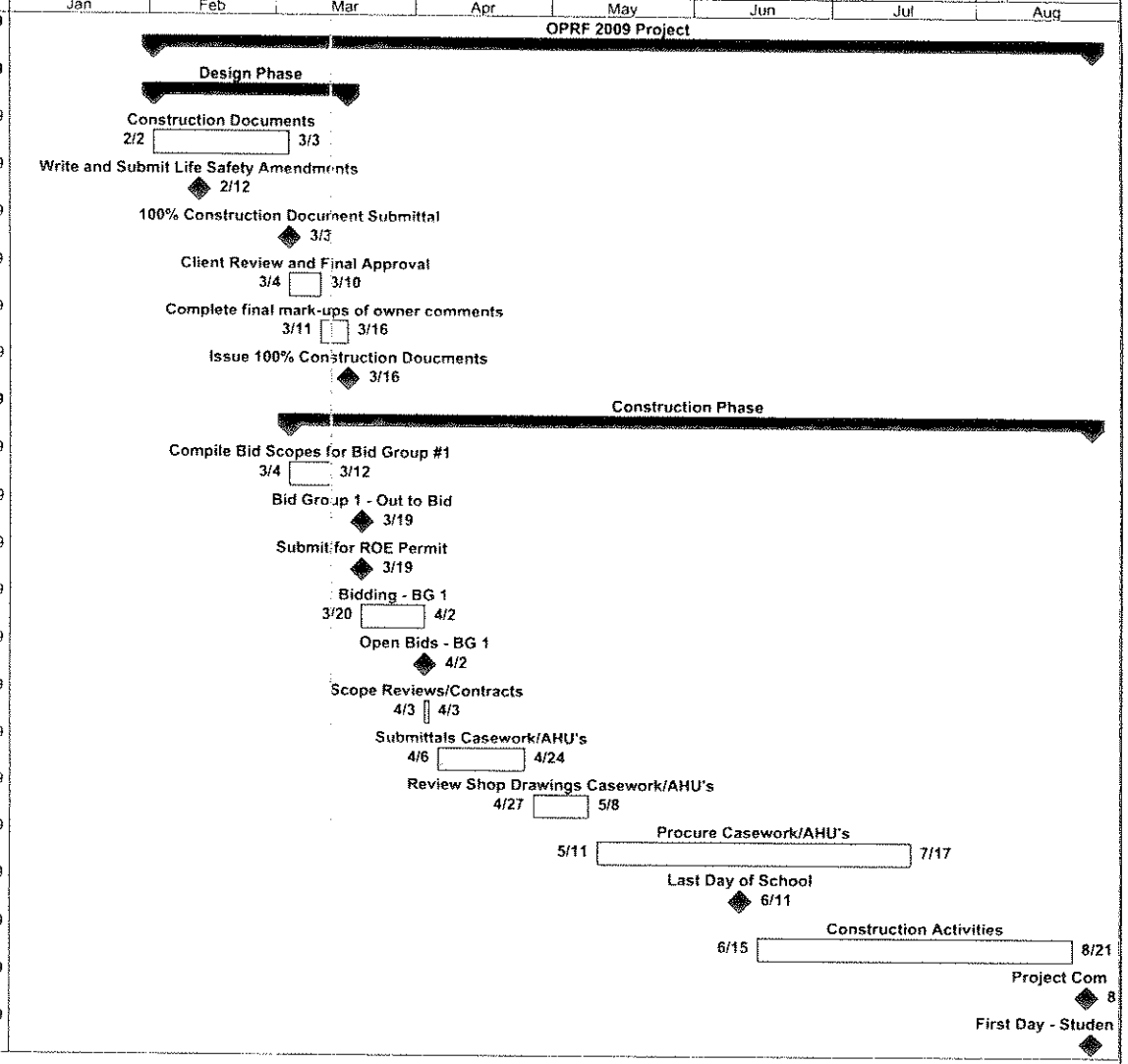
EXHIBIT A

CSI NO.	ITEM DESCRIPTION	BY WIGHT CONSTRUCTION SERVICES	BY OPRF HIGH SCHOOL	COMMENTS
106-100	Wood/Metal Shelving	X		All work as indicated on construction documents
111-000	**EQUIPMENT**			
111-100	Projectors	X		Furnish and install as indicated on construction documents. Specifications to be supplied by owner
111-115	Sciene Lab Storage Cabinets (Acid/Fire)	X		Furnish and install as indicated on construction documents.
111-200	Autoclave	X		Furnish and install as indicated on construction documents. Specifications to be supplied by owner
111-300	Icemaker	X		Furnish and install as indicated on construction documents. Specifications to be supplied by owner
111-400	Dishwasher	X		Furnish and install as indicated on construction documents. Specifications to be supplied by owner
120-000	**FURNITURE**			
120-100	Tables/Storage Carts	X		Furnish and install as indicated on construction documents. Specifications to be supplied by owner
150-000	**MECHANICAL**			
151-100	Plumbing, Pipe & Fittings	X		All plumbing installations and materials to meet codes and ordinances. All work per construction documents. Includes neutralizing basins
151-200	Plumbing Fixtures	X		All work as indicated on documents..
158-400	HVAC Equipment and Components	X		Based on plans and specifications. Includes fume hoods at science labs and fire dampers
159-100	MEP Equipment/Systems Controls		X	N.I.C. (By owner)
160-000	**ELECTRICAL**			
166-100	Lighting and Power	X		All work as shown on documents by the electrical contractor included in his base bid
167-400	Low Voltage/Data Wiring	X		All work per contract documents
168-120	Fire Alarm Systems	X		All work as shown on documents by the electrical contractor included in his base bid.

Oak Park and River Forest High School
2009 Summer Projects
Proposed Schedule 3.16.09
EXHIBIT "B"

Wight

ID	Task Name	Duration	Start
1	**OPRF 2009 Project**	**147 days**	**Mon 2/2/09**
2	**Design Phase**	**31 days**	**Mon 2/2/09**
3	Construction Documents	22 days	Mon 2/2/09
4	Write and Submit Life Safety Amendments	0 days	Thu 2/12/09
5	100% Construction Document Submittal	0 days	Tue 3/3/09
6	Client Review and Final Approval	5 days	Wed 3/4/09
7	Complete final mark-ups of owner comments	4 days	Wed 3/11/09
8	Issue 100% Construction Doucments	0 days	Mon 3/16/09
9	**Construction Phase**	**125 days**	**Wed 3/4/09**
10	Compile Bid Scopes for Bid Group #1	7 days	Wed 3/4/09
11	Bid Group 1 - Out to Bid	0 days	Thu 3/19/09
12	Submit for ROE Permit	0 days	Thu 3/19/09
13	Bidding - BG 1	2 wks	Fri 3/20/09
14	Open Bids - BG 1	0 days	Thu 4/2/09
15	Scope Reviews/Contracts	1 day	Fri 4/3/09
16	Submittals Casework/AHU's	3 wks	Mon 4/6/09
17	Review Shop Drawings Casework/AHU's	10 days	Mon 4/27/09
18	Procure Casework/AHU's	10 wks	Mon 5/11/09
19	Last Day of School	0 days	Thu 6/11/09
20	Construction Activities	10 wks	Mon 6/15/09
21	Project Completion	0 days	Mon 8/24/09
22	First Day - Students in School	0 days	Tue 8/25/09



Oak Park and River Forest High School

2009 Summer Life Safety and Interior Renovations

Cost Breakdown

EXHIBIT "C"

Date: 1/21/2009
Revised: 4/15/2009

ESTIMATED GENERAL CONDITIONS*		
General Conditions (See Exhibit "D" of contract)	6.87%	$126,004.00
Estimated General Conditions Sub-Total:		$126,004.00
ESTIMATED WORK		
Replace coil and required equipment on A-5		$66,000.00
Replace various AHU's XG8, XG9, XD6, XD7, and A6		$530,942.00
Install fire dampers in 67 addition		$24,000.00
Remodel Rooms 129, 131, 135 into two complete labs*		$800,000.00
Re-Coat Waterproofing at stadium		$75,000.00
Estimated Work Sub-Total:		$1,495,942.00
PROFESSIONAL FEES		
Pre Construction Fee	1.36%	$25,000.00
Architectural/Engineering (A/E) Fee	6.88%	$126,309.00
Construction Management (CM) Fee**	3.34%	$61,355.00
Professional Fee Sub-Total:		$212,664.00
Grand total:		***$1,834,610.00***

* Estimate amount includes the costs for items below dealing with abatement of asbestos countertops only.

- Full containment removal of science lab tops
- Generation of Plans, Documents and Specifications
- Air Monitoring of Spaces during and after removal
- Wight Environmental Fees and Onsite Management Time (Per Section 7.1.1.3 of Contract)

*** Recommended Contingency has been removed from project as directed by owner

Oak Park & River Forest High School

Summer 2009 Renovations and Life Safety Work

Design Build General Conditions Estimate

EXHIBIT "D"

Refer to Sections 8.1.4 and 8.1.5 of contract

Project Number: 07-4825-30
Date: January 16, 2009
Rev. April 15, 2009

Description		Units	Quantity	Unit Cost	Sub Total	Percent Total
DIVISION 010-000						
	GENERAL REQUIREMENTS					
010-103	Office equipment/supplies	MO	0	$150	$0	0.00%
010-105	Delivery service/ special mail	LS	1	$250	$250	0.20%
010-108	Printing (Plans, Spec books, etc)	LS	1	$5,000	$5,000	3.97%
010-145	Director Oversight (2 Hrs/Week @ $150/hr)	WK	10	$300	$3,000	2.38%
010-149	Safety Consultant	VISITS	6	$600	$3,600	2.86%
010-153	Project manager (Part Time, 20 Hrs/Week at $120/Hr)	WK	12	$2,400	$28,800	22.86%
010-154	Construction manager (Full Time, 40 Hrs/Week at $100/Hr)	WK	12	$4,000	$48,000	38.09%
010-201	General Liability Insurance	% job	1.00%	$1,495,942	$14,959	11.87%
010-204	Workers Compensation	% payroll	4.25%	$83,400	$3,545	2.81%
010-301	Construction Photos	LS	0	$500	$0	0.00%
010-604	Jobsite Signs	LS	1	$500	$500	0.40%
010-701	General cleaning	LS	1	$10,000	$10,000	7.94%
010-703	Dumpsters (1/week)	WK	10	$385	$3,850	3.06%
010-801	Equipment rental	LS	1	$500	$500	0.40%
010-860	Temporary Protection	LS	1	$1,500	$1,500	1.19%
010-901	Misc. Expenses	LS	1	$1,000	$1,000	0.79%
010-902	Travel expense	WK	10	$150	$1,500	1.19%
TOTAL PROJECT COST:					**$126,004**	**100.00%**

These figures are a current estimate of costs that will be needed to complete the work per contract. The costs incurred for actual work could be higher than estimated, however, they could be less. All costs and expeditures will be reviewed and tracked with Cheryl Witham and Jack Lanenga on a monthly basis.

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Micheline Piekarski, MSM, SNS

DATE: April 21, 2009

RE: Price Increase for District 97 and District 200

BACKGROUND

OPRF is the vendor for the District 97 Breakfast and Lunch program. We prepare and deliver bulk Reimbursable Breakfasts and Lunches which, when served in the designated portions will meet all meal pattern requirements of the National School Lunch and Breakfast Programs and will include the appropriate amounts of meat/meat alternate, vegetables/fruits and grains. The meals will also include all appropriate paper products and condiments.

The program has been very successful. We have been averaging 2000 meals per day.

SUMMARY OF FINDINGS

The price agreed upon for the 2008-09 school year was $.95 for Breakfast and $1.55 for Lunch. In an attempt to satisfy the nutritional needs of the Junior High Students, an additional bread portion is supplied daily. The cost of this serving is added to each day's bill at a rate of $.15 per student.

With the price of gasoline, wheat and higher food costs we are asking for a $.05 increase for Lunch and a $.03 increase for the Snack at District #97. I am asking for a $.05 increase for OPRF.

Breakfast Prices

School	2008-09	2009-10
OPRF	$1.80	$1.85
District 97	$.95	$.95

Lunch Prices

School	2008-09	2009-10
OPRF	$2.30	$2.35
District 97	$1.55	$1.60
District 97 Junior High	$1.70	$1.78

RECOMMENDATIONS (OR FUTURE DIRECTIONS)

This recommendation will be presented to the Board Of Education at the April 30th meeting to approve the increased cost for both Breakfast and Lunch as presented for District 97 and Oak Park and River Forest High School, School Year 2009 –10.

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Micheline Piekarski

DATE: April 21, 2009

RE: Rollover and Approval of the Northern Illinois Independent Purchasing Cooperative's Request for Proposals for Milk Products.

BACKGROUND

Oak Park & River Forest H.S. is the Administrative District for the NIIPC. Per the NIIPC Intergovernmental Agreement:

> *The administrative district, subject to the direction of the Board of Directors, shall perform those necessary functions to obtain bids and award to a preferred vendor the purchase of food and supply items by individual member districts of the Cooperative. This includes the rollover of all bids/RFP's.*

SUMMARY OF FINDINGS

Cloverleaf Dairy will roll over:	Joliet High School District Coal City School District
Cloverleaf Dairy will be awarded:	Kankakee School District #111
Becker's Dairy will roll over:	Arlington Heights #25 Evanston Township H.S. #202 Glenview School District Grant High School Oak Park & River Forest H.S. River Trails School District Westmont School District Evanston/Skokie CCSD #65 J.S. Morton School District Mt Prospect 57/Arlington Heights
Marigold will roll over:	Consolidated School District #158
Marigold will be awarded:	Woodstock District #200 Antioch School District #34 Fox Lake School District #114 Elmhurst School District #205

RECOMMENDATIONS (OR FUTURE DIRECTIONS)

That the following be approved at the April 30, 2009 Regular Board of Education Meeting.

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Micheline Piekarski

DATE: April 21, 2009

RE: NIIPC Food Products and Miscellaneous Non-Food Supplies

BACKGROUND

On April 7, 2009, RFP's were solicited for the NIIPC Food Products and Miscellaneous Non-Food Supplies contract. This contract incorporates high-usage items sold to the NIIPC school districts. Specifications, annual usage and guidelines for the RFP were formulated by the NIIPC evaluation team.

SUMMARY OF FINDINGS

RFP's were received from the following companies: Fox River Foods and Sysco Food Services.

The RFP's were reviewed by the NIIPC evaluation team and it was determined that they both met the criteria outlined in the RFP specifications. The NIIPC evaluation team analyzed the proposals to determine each vendor's composite annual cost of goods.

The results were:

Fox River Foods $15,598,639.35
Sysco Food Service $16,316,529.03

RECOMMENDATIONS (OR FUTURE DIRECTIONS)

In reviewing the RFP's it was the decision of the NIIPC evaluation team to award the business to Fox River Foods. We ask that this be approved at the April 30, 2009 Regular Board of Education Meeting.

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Micheline Piekarski

DATE: April 21, 2009

RE: NIIPC Bread Products Contract RFP

BACKGROUND

On April 7, 2009, RFP's were solicited for the NIIPC Bread Products contract. This contract incorporates all bread products sold to the NIIPC school districts. Specifications, annual usage and guidelines for the RFP were formulated by the NIIPC evaluation team.

SUMMARY OF FINDINGS

RFP's were received from the following companies: Alpha Baking, Co., Campagna-Turano Bakery, Interstate Brands Sales Corp. and Gonnella Bakery.

All RFP's were reviewed by the NIIPC evaluation team and the established scoring system was applied to all qualified RFP's:

Section 1: Technical Score - Maximum possible score 165 points
The possible points for each of the following categories:

50 pts. 1) Variety of products including whole grain.
40 pts. 2) Easy access to online nutritional information.
40 pts. 3) Customer service/operational relations
35 pts. 4) Vendor reputation with regard to record of compliance with legal requirements

Section 2: Cost Score - Maximum possible score of 170 points

The Cost Score was computed by dividing the vendor's total cost of services into the lowest total cost of all bids, then multiplying by the maximum score for price. See attached matrix for analysis.

RECOMMENDATIONS (OR FUTURE DIRECTIONS)

- In reviewing the RFP's it was the decision of the NIIPC evaluation team to award the business at the April 30, 2009 regular Board of Education Meeting to Alpha Baking Co.

NIIPC Bread RFP
2009-10
Results Matrix

Product	Alpha	Turano	Gonella	Interstate	Quantities	Alpha	Turano	Gonella	Interstate
A. Pullman, White	0.0857	0.1036	0.0893	0.0716	276300	$23,678.91	$28,624.68	$24,673.59	$19,783.08
B. Pullman, Whole Grain	0.0857	0.1036	0.0893	0.0813	257,520	$22,069.46	$26,679.07	$22,996.54	$20,936.38
C. Hamburger Buns, White	0.1233	0.195	0.15	0.1691	1,103,700	$136,086.21	$215,221.50	$165,555.00	$186,635.67
D. Hamburger Buns, WG	0.1833	0.3025	0.19	0.2	437,880	$80,263.40	$132,458.70	$83,197.20	$87,576.00
E. Hot Dog Buns, White	0.1233	0.206	0.15	0.15	484,560	$59,746.25	$99,819.36	$72,684.00	$72,684.00
I. 2# Loaf, WG	0.1264	0.1805	0.1389	0.1472	1,870	$236.37	$337.54	$259.74	$275.26
J. Dark Rye, 2# Loaf	0.0957	0.147	0.1389	0.1029	9015	$862.74	$1,325.21	$1,252.18	$927.64
L. Raisin, 2# Loaf	0.1433	0.1666	0.1593	0.2107	6030	$864.10	$1,004.60	$960.58	$1,270.52
M. Texas Toast, 2# Loaf	0.146	0.1768	0.1813	0.1133	4780	$697.88	$845.10	$866.61	$541.57
N. Pan Rolls, White	0.1488	0.175	0.1758	0.1125	143,424	$21,341.49	$25,099.20	$25,213.94	$16,135.20
P. Kaiser Rolls, White	0.2117	0.2712	0.24	0.2337	19,608	$4,151.01	$5,317.69	$4,705.92	$4,582.39
Q. Kaiser Rolls, WG	0.22	0.3025	0.25	0.2987	5820	$1,280.40	$1,760.55	$1,455.00	$1,738.43
R. Kaiser Rolls, Corn dusted	0.1925	0.2341	0.2067	0.2725	5184	$997.92	$1,213.57	$1,071.53	$1,412.64
S. 6" Split Top Sub Bun, White	0.2217	0.335	0.1683	0.2287	42,930	$9,517.58	$14,381.55	$7,225.12	$9,818.09
W. French Roll, 7 ' Hinged	0.35	0.3633	0.3	0.31	17,922	$6,272.70	$6,511.06	$5,376.60	$5,555.82
Y. English Muffins	0.1483	0.4025	0.1583	0.2383	12,840	$1,904.17	$5,168.10	$2,032.57	$3,059.77
Total						$369,970.60	$565,767.48	$419,526.13	$432,932.48
Price Score (170)						170.00	80.03	147.23	141.07
-Technical Score worth 165						165.00	125.00	165.00	75.00
Total Score						335.00	205.03	312.23	216.07

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Cheryl Witham

DATE: April 21, 2009

RE: Field Trip/Charter Bus Service Contract Renewal

BACKGROUND

At this time the District is at the end of a three year contract with R&D Bus Company. The District is able to use a two year extension of this contract.

SUMMARY OF FINDINGS

The FY10 contract pricing will remain the same as the current FY09 prices. With the rise in fuel costs since the inception of this contract, it is apparent that continued service without an increase in rates will be less costly than engaging with a new provider. In addition, the staff has been satisfied with the quality of service and reliability of R&D Bus Company.

RECOMMENDATIONS (OR FUTURE DIRECTIONS)

To present for approval, the one year extension agreement with R&D Bus Company, to the Board of Education at the April 23rd meeting.

R & D BUS COMPANY, INC.
4654 W. WASHINGTON BLVD.
CHICAGO, IL 60644
773-854-2100 ~ 773-854-2116
E-MAIL RDBUSCO@AMERITECH.NET
FAX 773-854-2104 OR 2102

March 16, 2009

Tim Keeley
Oak Park ~~River Forest~~ H.S.
201 N Scoville
Oak Park, IL 60302

Dear Mr. K~~eeley~~,

R & D will continue with the present rates throughout the 09-10 service years.

As with the current contract, we would appreciate the opportunity to discuss price increases ~~should the cost~~ of fuel fluctuate significantly.

Signed:

Ryan Dunn
President
R&D Bus ~~Company~~

Jacques Conway
President
OPRFHS District 200 Board of Education

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Tim Keeley

DATE: April 21, 2009

RE: Executive Bid Summary for Spring 2010 Athletic Uniforms

BACKGROUND

On April 3, 2009, bids were solicited for spring athletic uniforms. Items in this bid include Girls Soccer warm-ups, Girls Badminton warm-up jackets, Boys Volleyball uniform jerseys, Boys Tennis warm-ups, Girls Basketball uniforms and Baseball uniforms. Team uniforms are on a revolving 4-year replacement schedule that will allow for OPRFHS athletes to have high quality competition wear while amortizing the expense of new uniforms over a reasonable period of time.

In concert with the head coaches, the Athletic Director compiled a list of specifications for products to fulfill the needs of the sports listed above. Quality, functionality, and value of the products were all taken into consideration. Emphasis was placed on quality to ensure that the product purchased would meet the needs of the athletic program and be resilient enough to maintain functionality until the next replacement date.

SUMMARY OF FINDINGS

Responses to the solicitation were received from three vendors: Boathouse Sports, Riddell, and Salkeld Sports. Results are as follows:

GENERAL REQUIREMENTS	Boathouse	Riddell	Salkeld
SIGNED PRICE SHEET	YES	YES	YES
REFERENCES PROVIDED	YES	YES	YES
NON-COLLUSION AFFIDAVIT	YES	YES	YES
PROJECT QUALIFICATION FORM	YES	YES	YES

PRICING	Boathouse	Riddell	Salkeld
GIRLS SOCCER WARM-UPS	$ 4,644.00	NO BID	NO BID
GIRLS BADMINTON WARM-UPS	$ 1,260.00	NO BID	$ 864.00
BOYS volleyball Uniforms	$ 1,170.00	NO BID	$ 845.10
BOYS TENNIS WARM-UPS	$ 2,142.00	NO BID	$ 1,170.00
GIRLS BASKETBALL UNIFORM	$ 3,420.00	NO BID	$ 3,960.00
BOYS BASEBALL UNIFORMS	NO BID	$ 3,164.00 (A)	$ 3,360.00

(A) Did not meet product specifications

Oak Park and River Forest High School
District 200
201 North Scoville Avenue • Oak Park, IL 60302-2296

RECOMMENDATIONS (OR FUTURE DIRECTIONS)

In reviewing the bids from the two qualified bidders, the following awards have been recommended:

- Award the Girls Soccer warm-ups and Girls Basketball uniforms to Boathouse Sports. The District has worked with Boathouse on several sportswear items over the years and have found them to be a quality vendor.
- Award the Girls Badminton warm-up jackets, Boys Volleyball uniform jerseys and Boys Tennis warm-ups to Salkeld Sports. The District has worked with Salkeld on several sportswear items over the past five years and have found them to be a quality vendor.
- Award the Baseball uniforms to Salkeld Sports. The apparent low-bidder, Riddell, provided samples of the product that they quoted. The Athletic Director found them to not be comparable to the specified product.

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Tim Keeley

DATE: April 21, 2009

RE: Executive Bid Summary for Otis Elevator Upgrade

BACKGROUND

On March 30, 2009 bids were opened for the Otis Elevator Upgrade. Specifications were established by Robert Zummallen, Director of Buildings and Grounds, in concert with requirements of the State Fire Marshal's office to ensure that the unit conforms to the latest state regulations.

SUMMARY OF FINDINGS

Bids were received from three vendors, Anderson Elevator, Carlson's Elevator and Master Elevator.

Bid results:

Anderson Elevator	$ 69,711.00
Calson's Elevator	$ 87, 409.00
Master Elevator	$119, 500.00

RECOMMENDATIONS (OR FUTURE DIRECTIONS)

For the Board of Education to award the contract for Elevator Upgrade to Anderson Elevator at the April 30th meeting.

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Jason Edgecombe

DATE: April 21, 2009

RE: Certified/Non-Certified FTE Summary

BACKGROUND

This memorandum and its attachment continue the administrative efforts to provide the Board of Education with periodic reports regarding Full Time Equivalent staffing information for all employee groups. As a result of a Board request to begin the budget process earlier than in previous years, we have not yet fully determined staffing levels for all groups. For instance, while faculty staffing is nearly complete, selected sections in English, History and Science are being monitored through April 24th before the FTE is finalized in these Divisions. In the matter of non-certified employee groups, discussions are ongoing regarding the feasibility of reductions in selected areas. Ideally, reductions in non-certified areas would occur through attrition.

The attached document provides FTE staffing information for the most recent four year period with projections for the 2010 fiscal year.

SUMMARY OF FINDINGS

As reflected on the attached document we are presently projecting that faculty FTE will increase by 1.4 in fiscal year 2010 when compared with statistics for the current fiscal year. While the attached document reflects no change in non-certified FTE staffing, as indicated above, staffing reductions should be expected once discussions have been completed. No change in administrative FTE staffing is projected for fiscal year 2010.

We will be happy to respond to questions regarding the contents of this document.

RECOMMENDATION

No recommendation is necessary for this report as this is an information item only.

Oak Park and River Forest High School District 200

Fiscal Year 2010 Certified/Non-Certified Staffing FTE Report –[1,2]

Area/Division/Employee Group	F.T.E 2005-2006	F.T.E 2006-2007	F.T.E 2007-2008	F.T.E 2008-2009	F.T.E 2009-2010	F.T.E. Change 2008-2009 vs 2009-2010
Faculty						
Alternative Program	1.0	1.4	1.4	1.0	1.0	0.00
Business Education	5.1	5.7	5.5	5.8	6.6	0.80
Deans	4.0	4.0	4.0	4.0	4.0	0.00
Driver Education	6.0	6.0	6.0	6.1	6.2	0.10
English	28.2	29.0	28.4	27.2	27.4	0.20
Family and Consumer Sciences	2.50	2.0	2.0	2.0	2.3	0.30
Guidance	11.0	12.0	12.0	12.0	12.0	0.00
History	20.9	22.4	22.0	22.3	22.0	-0.30
ISIT	3.0	3.0	3.0	3.0	3.0	0.00
Mathematics	24.0	26.4	26.2	26.1	26.2	0.10
Music	2.8	3.6	3.0	3.0	3.0	0.00
Physical Education	15.2	15.4	14.8	14.5	14.6	0.10
Science	22.4	24.2	23.2	23.9	23.8	-0.10
Special Education	33.0	38.0	40.0	40.4	40.4	0.00
Speech Arts	1.4	1.6	1.2	1.5	1.3	-0.20
Technology	2.1	2.0	2.0	1.5	1.8	0.30
Visual Arts	4.6	5.4	5.3	5.5	5.4	-0.10
World Languages	19.4	20.0	19.9	20.4	20.6	0.20
Other Assignments/Release Periods[3]	4.6	4.3	4.1	5.1	5.1	0.00
Sub-total	**211.2**	**226.4**	**224.0**	**225.3**	**226.7**	**1.40**
Non-Certified Employee Groups[4]						
Buildings and Grounds	41.75	41.50	40.70	40.70	40.70	0.00
Classified	78.75	80.85	67.80	70.71	70.71	0.00
Food Service	28.40	28.40	19.95	19.95	19.95	0.00
Non-Affiliated	40.75	38.75	41.50	38.88	38.88	0.00
Safety and Support Team	22.60	22.60	18.13	18.13	18.13	0.00
Sub-total	**212.25**	**212.10**	**188.08**	**188.37**	**188.37**	**0.00**
Administration						
Building Administration/Division Heads	8.2	8.6	9.1	**9.6**	**9.6**	0.00
District Administration	6.0	6.0	5.0	**6.0**	**6.0**	0.00
Sub-total	**14.2**	**14.6**	**14.1**	**15.6**	**15.6**	**0.00**
TOTALS	**437.65**	**453.10**	**426.18**	**429.27**	**430.67**	**1.40**

[1] F.T.E. = Full-Time Equivalent of 1.0

[2] F.T.E. = Shown here is a summary of paid employees and excludes employees on unpaid Leaves of Absence and Sabbaticals.

[3] F.T.E. = Spoken Word, Title I, Reading Support, FS Chair, Project Scholar, College Prep, Test Prep and Engage Learning Coordinators.

[4] F.T.E. = For 2008 and beyond, FTE is reported as hours worked based on 2080 hours vs Number of Employees as in prior years.

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Jason Edgecombe

DATE: April 21, 2009

RE: Huskie Pup Childcare Update - RFCC

BACKGROUND

At the February meeting of the Board of Education the administration promised to provide an update on the registration status of TAPP students in the Huskie Pup Childcare Program. With priority registration having closed for TAPP students, an update is presented for Board member consideration. At present there are eight (8) students with infants in the program. Five (5) of these students and their infants will be leaving the program at the end of the current school year with three (3) students having indicated their intention to re-enroll their infants for the 2010 fiscal year. Three (3) additional students sought during the priority registration period (March 16 – 27, which was extended through April 6) for new TAPP students.

To the knowledge of River Forest Community Center (RFCC) Personnel and Mark Wilson, Assistant Principal for Student Services, who has been working closely with a representative from Parenthesis, no additional students are in need of childcare services at this time. However, Mark and the Parenthesis representative are monitoring a developing situation with a middle school student who is expecting in October 2009.

SUMMARY OF FINDINGS

The infant enrollment of the Childcare Center has been capped at 20 by the Department of Children and Family Services (DCFS). The infants of the six (6) TAPP students when combined with the thirteen (13) infants of employees leaves one (1) remaining slot to be filled for the coming school term. On April 27, the RFCC will open registration to the general public for available spots. Should the available infant spot be taken once registration is open to the general public, it would clearly leave the District unable to satisfy the needs of any additional student(s) in need of childcare for the new school term in the fall. In an effort to find ways of subsidizing open slots for potential students in need of childcare services, Mark and the Parenthesis representative are exploring grant opportunities through the Oak Park and River Forest Community Foundation.

Administratively we will continue to monitor the needs of students (present and future) for childcare services in an attempt to be as responsive as possible. We are fortunate to have the RFCC Executive Director Dick Chappell willing to fully cooperate with us in this matter.

RECOMMENDATIONS

This is an information only item.

Oak Park and River Forest High School
District 200

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Cheryl L. Witham, CFO

DATE: April 21, 2009

RE: Triton Community College Intergovernmental Agreement

BACKGROUND

Triton Community College uses the Oak Park and River Forest High School facility for evening adult education classes three nights per week. For FY 2005 – 2006, Triton and the District reviewed the long standing agreement, revised the programs and developed a contract. The contract provides:

- a site manager for the program, paid for by Triton,
- a reimbursement for custodial and security services
- cost sharing for parking
- computer lab and facility use fees.

SUMMARY OF FINDINGS

The new contract reflects a 3% increase in reimbursement amounts for the custodial and security services. All other aspects of the agreement remain the same.

RECOMMENDATIONS

The administration recommends that the Board of Education approve the Intergovernmental Agreement with Triton for FY 2009 - 2010 with a 3% increase in custodial and security services.

INTERGOVERNMENTAL AGREEMENT BETWEEN
TRITON CONTINUING COLLEGE DISTRICT 504
AND
OAK PARK/RIVER FOREST HIGH SCHOOL
DISTRICT 200

Pursuant to the Illinois Intergovernmental Cooperation Act as outlined in 5 ILCS 220/3, this **AGREEMENT** (hereinafter "Agreement") is made and entered into this _____th day of _____, 2009, by and between **CONTINUING COLLEGE DISTRICT 504**, commonly known as Triton College (hereinafter "COLLEGE"), **COUNTY OF COOK AND STATE OF ILLINOIS** and **OAK PARK/RIVER FOREST HIGH SCHOOL DISTRICT 200** (hereinafter "DISTRICT"), **OAK PARK, ILLINOIS**.

WITNESSETH:

WHEREAS, the DISTRICT operates a High School commonly known as OAK PARK/RIVER FOREST HIGH SCHOOL located at 201 North Scoville, Oak Park, Illinois 60302 and agrees to host ESL and Continuing Education (credit and non-credit) classes in said premises; and,

WHEREAS, the COLLEGE desires to use rooms in said premises for ESL and Continuing Education classes;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is hereby agreed by and between the COLLEGE and the DISTRICT as follows:

1. **TERM OF AGREEMENT** - The term of this Agreement will be from August 24, 2009 through and including May 28, 2010, unless sooner terminated as herein set forth. The premises, including Oak Park/River Forest High School, Oak Park, Illinois, shall be made available to the COLLEGE for use on three evenings per week as agreed by the parties from 6:00 p.m. to 10:00 p.m. for the term of this Agreement. The parties may agree, on a case by case basis, to make the premises available prior to 6:00 p.m.

2. **RENT** - The DISTRICT agrees that it shall charge no rent nor assess any costs or fees other than those stated herein to the COLLEGE for use of the rooms provided for ESL and Continuing Education classes.

3. **FACILITIES USE/LAB FEES**

FACILITIES USE FEES: The COLLEGE shall pay $100.00 to the DISTRICT for each ESL or Continuing Education course section that requires the use of the following facilities.

a. Kitchen;
b. Applied arts;
c. Fine arts; and
d. Gym.

The fee shall be paid by the COLLEGE to the DISTRICT at the beginning of each semester. In no event shall the fee exceed $100.00 per course section using the above facilities.

LAB FEES: The COLLEGE shall pay a lab fee per student for each student enrolled in an ESL or Continuing Education course utilizing the DISTRICT's computer lab facilities. The specific amount of the lab fee will be equivalent to the lab fees established by the academic or departmental areas of the College for those specific courses, but in no case shall the fee exceed $52.00 per student per course. The DISTRICT and the COLLEGE shall discuss any courses

with specific computer needs to determine the appropriate lab fees prior to the beginning of the semester. Under no circumstances will the COLLEGE reconfigure the lab computers or add unauthorized software.

4. **UTILITIES AND OTHER SERVICES** - The DISTRICT agrees to provide heat, light, water and electricity for the premises.

The DISTRICT agrees to pay for all heat, light, water, electric and power bills which are charged, levied or taxed with respect to utilities furnished for the COLLEGE'S use and occupancy of the premises.

The DISTRICT agrees to provide custodial service for maintenance of the areas provided. The cost for providing such services shall be $2,379.00 for the academic year 2009-2010. The COLLEGE shall pay the DISTRICT for maintenance services at the end of each semester following the COLLEGE'S receipt of an invoice from the DISTRICT for the amount owed.

The DISTRICT agrees to provide security services for premises on the evenings COLLEGE courses are offered. The COLLEGE staff will adhere to all DISTRICT building security procedures. The cost for providing such security services shall not exceed $5,202.00 for each semester (fall 2009 and spring 2010) for classes offered three (3) nights per week. The COLLEGE shall reimburse the DISTRICT for security services costs at the end of each semester following the COLLEGE'S receipt of an invoice from the DISTRICT for the amount owed.

5. **ACCESS TO ROOMS** - The COLLEGE shall have exclusive use of all rooms provided for ESL and Continuing Education classes on the days and times as stated herein except for cases

of emergency. Except in cases of an emergency, no one affiliated with the DISTRICT shall interrupt any of the ESL and Continuing Education classes or interfere with any student, teacher or administrator attending said classes for any reason, without the advance written approval of an authorized representative of the COLLEGE.

6. **DIRECTORS** – An Extension Center Director shall be hired by the COLLEGE, following consultation and reasonable approval of the DISTRICT. The Extension Center Director shall be an independent contractor of both the COLLEGE and the DISTRICT and shall not be entitled to any of the benefits of employment provided to employees, agents or faculty of the COLLEGE or the DISTRICT, including worker's compensation or accrual of tenure. The Extension Center Director shall be paid $6,912.00 annually. This payment shall be payment for acting as Extension Center Director for twelve (12) hours per week and eighteen (18) weeks per semester. The Extension Center Director shall have the following responsibilities:

a. Supervise COLLEGE students, staff, and faculty when classes are in session at the DISTRICT.

b. Be present and available at the office of the COLLEGE extension center, located at the DISTRICT, from 6:00 p.m. until 10:00 p.m. or until all students have left the premises. If courses are scheduled for earlier than 6:00 p.m., the Director shall provide office coverage no less than thirty (30) minutes prior to the beginning of classes.

c. Assist the Assistant Dean of Continuing Education in determining courses and program offerings for all classes held at the DISTRICT based upon the needs of the continuing. The Director will review the class list with the DISTRICT in advance of

the semester before the COLLEGE finalizes the schedule. The Director will provide assistance by providing, among other support activities, a listing of days the DISTRICT is closed and ensuring that courses shall not be scheduled on such days. The Director may add new courses as necessary and write course outlines and provide other curricular work upon request from the Assistant Dean of Continuing Education.

d. Schedule meetings with the Assistant Dean of Continuing Education upon receiving the schedule for the upcoming semester.

e. Examine new and existing courses to ensure that dates, times, and room locations are correct.

f. Welcome students, faculty, and staff in the office located at the DISTRICT each night that courses are offered.

g. Visit each classroom once during the first two (2) weeks of the course and complete an observation form. The Director shall return the completed form to the Assistant Dean of Continuing Education.

h. Pick up mail for the Extension Center at the COLLEGE each week. Mail will be located in the Learning Resource Building (A-201).

i. Deliver weekly a count of seats, midterms, and finals to the Assistant Dean of Continuing Education's mailbox in the Learning Resource Center.

j. In ample time, notify the Assistant Dean of Continuing Education of all anticipated needs, special requests, and potential problems.

k. Confirm course assignments prior to the beginning of each class to determine that each class will be offered by notifying the Continuing Education Office at the COLLEGE (708-456-0300, ext. 3500).

l. Operate the Extension Center in a monetarily efficient manner with the goals of reducing costs and maximizing revenue for the year.

m. Serve as a liaison between the COLLEGE and the staff at the DISTRICT, particularly regarding effective use of rooms and facilities.

n. Monitor parking in and around the site to ensure safety for instructors and students.

o. Monitor all instructors' assignments and verify completion and submission of student evaluation and survey forms for each class and complete formal evaluations of instructors, to be submitted to the Assistant Dean, within the first two weeks of classes.

p. Actively participate as the Extension Center delegate to the Area Planning Council by attending meetings and providing necessary information regarding the geographic area, the residents, and the educational needs.

q. Provide instructor handouts as appropriate and maintain instructor mailboxes regularly.

r. Be familiar with and complete all forms.

s. Expedite the completion of required forms including, but not limited to, drafts of upcoming semester offerings, midterm verifications, final grade sheets, and attendance forms to comply with all deadlines.

t. Immediately alert the Continuing Education Office at the COLLEGE in the event a teacher is not present.

u. Assist in the marketing effort of the COLLEGE and its programs at functions such as parent nights and open houses and promote COLLEGE programs by providing

brochures, flyers, and speaking with parents and continuing groups about services and courses available.

v. Must be familiar with and communicate emergency plans and be responsible for managing emergency plan if necessary.

w. Notify the DISTRICT of lost or broken DISTRICT equipment.

No secretarial support services shall be provided by the COLLEGE.

In the event the DISTRICT has concerns with the Director's performance related to the above required tasks and responsibilities, the DISTRICT shall notify the Assistant Dean of Continuing Education in writing. Upon receipt of such notice, the Assistant Dean shall investigate this matter. Such investigation shall include consultation with the DISTRICT. The COLLEGE shall take steps, in its sole discretion, to remedy the concerns. In the event the DISTRICT continues to express concerns with the performance of the Director, the COLLEGE will interview all parties and determine whether the Director shall remain in the position.

7. **SUPPLIES** - The COLLEGE will purchase necessary supplies for the operation of ESL and Continuing Education courses offered at the DISTRICT, maximum supply costs not to exceed $1,000.00 for the academic year 2009-2010. The Director will order supplies through the DISTRICT following receipt of approval from the Assistant Dean of Continuing Education at the COLLEGE. The DISTRICT will be reimbursed at the end of each semester for the pre-approved supplies purchased for the COLLEGE courses.

8. **PARKING** – The DISTRICT shall make the parking areas available to students, faculty, and staff of the COLLEGE during the term of this Agreement. The COLLEGE shall pay the DISTRICT $6,000.00 for the academic year 2009-2010 for parking in the Pilgrim Church lot only. The DISTRICT shall provide necessary parking stickers to the COLLEGE for an additional $500.00.

9. **INSURANCE** - The COLLEGE shall provide the DISTRICT with a certificate of insurance in the amount of One Million Dollars ($1,000,000.00) per occurrence, under the COLLEGE'S general liability policy for the period covered by this Agreement.

The DISTRICT shall provide the COLLEGE with a certificate of insurance in the amount of One Million Dollars ($1,000,000.00) per occurrence, under the DISTRICT'S general liability policy for the period covered by this Agreement.

10. **SPECIFIC LOSSES OF EQUIPMENT** – In the event that the DISTRICT'S specific equipment is lost or stolen from facilities in use by the COLLEGE, the DISTRICT shall document the lost equipment and present the Assistant Dean of Continuing Education with the information concerning the lost or stolen equipment. The documentation of the lost or stolen equipment shall provide specific information regarding the equipment, including make and model, to allow the COLLEGE to replace the lost or stolen item with an identical or similar item should the COLLEGE determine it is at fault for the lost or stolen item.

11. **INDEMNIFICATION** - The DISTRICT agrees, to the extent permitted by

Illinois law, to indemnify, hold harmless and defend the COLLEGE, each of its Trustees in their official capacity or individually, its' agents and its' employees against all damages, loss, costs, expenses and attorneys fees for injuries suffered by DISTRICT faculty, staff, students, visitors, invitees, and guests in any way caused by or arising from, incident to, connected with or growing out of the use or occupation of the DISTRICT's facilities by the COLLEGE, or in any other manner caused by, arising from, incident to, connected with or growing out of the condition or state of repair of the DISTRICT's facilities occupied or used by the College, occasioned by or in connection with the use or occupation of the DISTRICT's facilities or the performance of any activities taking place on the DISTRICT'S facilities permitted by the Intergovernmental Agreement during the term of said Intergovernmental Agreement, regardless of whether the DISTRICT's insurance carriers deny coverage of any such damages, losses, costs, expenses and attorney fees.

The COLLEGE agrees, to the extent permitted by Illinois law, to indemnify, hold harmless and defend the DISTRICT, each of its' School Board Members in their official capacity or individually, its' agents and its' employees against all damages, loss, costs, expenses and attorneys fees for injuries suffered by COLLEGE faculty, staff, students, visitors, invitees and guests in any way caused by or arising from, incident to, connected with or growing out of the use or occupation of the DISTRICT'S facilities by the College, or in any other manner caused by, arising from, incident to, connected with or growing out of the condition or state of repair of the DISTRICT'S facilities occupied or used by the College, occasioned by or in connection with the use or occupation of the DISTRICT'S facilities in the performance of any activities taking place on the DISTRICT'S facilities permitted by the Intergovernmental Agreement during the

term of said Intergovernmental Agreement, regardless of whether the COLLEGE'S insurance carriers deny coverage of any such damages, losses, costs, expenses and attorney fees.

12. **FINGER-PRINT BASED CRIMINAL HISTORY RECORDS CHECK** – The COLLEGE shall perform finger-print based criminal history records checks on all COLLEGE employees providing services at the DISTRICT's facilities. The finger-print based criminal history records check shall be sufficient to satisfy the DISTRICT's obligation under Sections 10-21.9 and 34-18.5 of the Illinois School Code (105 ILCS 5/10-21.9 and 105 ILCS 5/34-18.5). The cost of such records checks shall be the sole responsibility of the COLLEGE.

13. **TERMINATION OF AGREEMENT** - Upon thirty (30) days written notice, the COLLEGE or the DISTRICT may terminate this Agreement or any renewal thereof. Classes in session at the time of termination shall be permitted to complete the then current term under the terms and conditions stated herein.

14. **NOTICE** - Any notice required or permitted under this Agreement shall be in writing and shall become effective on the day of mailing thereof by first class mail, or certified mail, postage prepaid addressed:

If to the COLLEGE:

Angela Latham
Vice President, Academic Affairs
Triton College
2000 Fifth Avenue
River Grove, Illinois 60171

cc: Sarie E. Winner
Kusper & Raucci Chartered
30 North LaSalle Street

Suite 3400
Chicago, Illinois 60602

If to the DISTRICT:

Cheryl Witham
Chief Financial Officer
Oak Park/River Forest High School
201 N. Scoville
Oak Park, Illinois 60302

15. **NON-DISCRIMINATION** – Neither party shall discriminate on the basis of race, color, religion, sex, national origin, ancestry, age, marital status, physical or mental handicap, an unfavorable discharge from military service, or any other factor as prohibited by law. Each party certifies that it is an equal opportunity employer.

16. **COMPLIANCE WITH ILLINOIS HUMAN RIGHTS ACT** – Each party certifies that it maintains a written sexual harassment policy in conformance with 775 ILCS 5/2-105. If either party has more than 25 employees, each party certifies that it provides a Drug Free Workplace in compliance with the Drug Free Workplace Act. 30 ILCS 580/1 et seq.

17. **GOVERNING LAW** – This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without giving effect to the principles of conflict of laws. All suits, actions, claims and causes of action relating to the construction, validity, performance and enforcement of this Agreement shall be brought in the Circuit Court of Cook County.

IN WITNESS THEREOF, an authorized representative of Triton College executes this Agreement in the representative's official capacity only and the representative shall have no personal liability under this Agreement.

This Agreement may be executed in one or more counterparts, which together shall be deemed to be one and the same document following approval and execution by the Board of Trustees of each party.

FOR THE COLLEGE:

Triton College

River Grove, Illinois

SIGNATURE ATTESTING

Mark R. Stephens, Chairman
Board of Trustees of Triton College

Diane Viverito
Secretary of the Board of Trustees

FOR THE DISTRICT:

Oak Park/River Forest High School
Oak Park, Illinois

SIGNATURE ATTESTING

Jacques A. Conway, President
Board of Education

Dr. Ralph Lee, Secretary
Board of Education

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 04/17/09

PRODUCER 1-630-773-3800
Arthur J. Gallagher Risk Management Services, Inc.
Two Pierce Place
Itasca , IL 60143-3141
Anne VanMaldegiam 630-285-4252

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Collective Liability Insurance Cooperative
Oak Park-River Forest School District #200
Attn: Ms. Cheryl Witham
201 N. Scoville Avenue
Oak Park, IL 60302

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Selective Ins Co Of The Southeast	39926
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY	S1324488	07/01/08	07/01/09	EACH OCCURRENCE	$1,000,000
		X COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurence)	$ 500,000
		CLAIMS MADE X OCCUR				MED EXP (Any one person)	$ Excluded
		X Subject to SIR				PERSONAL & ADV INJURY	$ 1,000,000
		X $400,000				GENERAL AGGREGATE	$ 3,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	$ 1,000,000
		POLICY PRO-JECT LOC					
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	$
		ANY AUTO				BODILY INJURY (Per person)	$
		ALL OWNED AUTOS				BODILY INJURY (Per accident)	$
		SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	$
		HIRED AUTOS					
		NON-OWNED AUTOS					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	$
		OCCUR CLAIMS MADE				AGGREGATE	$
							$
		DEDUCTIBLE					$
		RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS / OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Evidence of Insurance is provided for Triton College for continuing education adult classes being offered at Oak Park & River Forest High School from September, 2009 through June, 2010

CERTIFICATE HOLDER

Triton College
2000 Fifth Avenue
River Grove, IL 60171 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE Cynthia L. DeMaster

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Oak Park and River Forest High School
District 200
201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Nathaniel L. Rouse, Principal

DATE: 4/21/09

RE: Ombudsman Educational Services Contract

BACKGROUND
Ombudsman Educational Services provides an alternative off campus day program for Oak Park and River Forest Students. The services are primarily utilized for students that have been referred to the program due to discipline issues.

SUMMARY OF FINDINGS
The District Leadership Team reviewed and discussed the program utilization for this fiscal year and plans for next year. During FY2009 the number of students attending Ombudsman has averaged 8.4 students per month from August through January, and an average of 11 students per month from February through April. We had anticipated this number to average a total of 5 students per month for the entire school year.

With the anticipation of an average of 5 students per month, the District Leadership Team made the decision to reduce our contract with Ombudsman to pre-pay for 5 slots at the reduced rate of $5,300 per slot, based on the current PSS model of intervention and past (prior to 2007-2008) utilization. However, through the end of this March, and due to an uptick in requests for alternatives to meet the needs of students with discipline issues, we have already exceeded the contracted estimate of 5 students per month.

RECOMMENDATION
Based upon the need for additional slots for students who need alternatives to the regular education program due to discipline issues, District Leadership Team recommends that the Board of Education approve a contract to pre-pay for 8 slots at the rate of $5,459 per slot. We believe that this would be more cost effective, opposed to referring additional students on an "as needed" basis at the cost of $650 per student per month or $40 per day once we have exceeded the number of contracted students.

Ombudsman
An Alternate Route

OMBUDSMAN PROGRAM

Alternative Education Services Agreement
2009-2010 School Year

This Agreement is made and entered into this _____ day of _____, 2009, by and between Ombudsman Educational Services, Ltd., an Illinois corporation whose address is 1585 North Milwaukee Ave., Libertyville, IL 60048-1359 ("Ombudsman"), and the Oak Park River Forest Sch Dist 200 School District, whose address is 201 North Scoville Avenue, Oak Park, IL 60302 (the "District").

Scope of Service Provided

Ombudsman provides the District an off-campus program intended to reduce drop-out rates, increase graduation rates, increase attendance levels, improve academic performance for drop-out prevention and offer the District's non-traditional learners a new opportunity to encounter an individualized learning experience different than that they encountered in the traditional school setting.

The Ombudsman Program is performance-based, allowing all students to work at their own pace and in many cases accelerate their own learning. An Individualized Learning Plan (ILP) is developed for each student, focused on developing their academic skills in Ombudsman's seven areas of study to help the student meet District and state learning standards. Ongoing assessment of students' academic skills in the seven areas of study allows the program to be customized for each student's needs and expected outcomes.

OES will provide, as necessary, certified teachers supported by other instructional personnel, less than a 10:1 student-to-instructor ratio for the majority of the school day, learning center site(s), equipment, and materials to support the accreditation of the program. OES will also provide attendance reports, quarterly progress reports, and semester/year-end transcripts as required by the District. The District will establish internal policies of entrance requirements, transportation, attendance standards and evaluation criteria consistent with the intents and purposes of the OES program.

__5__ to __15__ slots: $__5,459__ per slot times __10__ slots equals a total cost of $__54,590__.

- The District may refer students on an "as-needed" basis or in addition to slots purchased at a cost of $650 per student per month, pro-rated at $40 per day for partial months. The District will be billed for "as needed" slots on a monthly basis, and payment for "as needed" slots will be due upon receipt of invoices.
- The number of slots purchased may be increased through the end of September of the Renewal Year, with any increase in the number of slots must be agreed to in writing by OES and the District.
- A slot purchased by the District is a commitment to maintain student referrals. Billing will be based on the number of slots purchased, regardless of the number of student referrals.
- The District agrees to pay for the purchased slots in four (4) equal payments based upon the total purchase price of the slots. Payments will be due on August 15, October 15, January 15, and March 15, of the Renewal Year.

- The program, and the term of this Agreement, will be for the course of the regular school year pursuant to the District's calendar.
- The District and Ombudsman hereby ratify and confirm all of the terms of the Agreement.

District Authorization:_____

Print Name:_____

Position:_____

Date:_____

OES Authorization:_____

Print Name: Allison O'Neill

Position: Senior Vice President of Operations

Date: February 24, 2009

Oak Park and River Forest High School
District 200
201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Cheryl Witham

DATE: April 21, 2009

RE: Financial Reports

BACKGROUND
It is a requirement that the Board of Education accepts and approves the monthly Financial Reports.

SUMMARY OF FINDINGS
Attached are the Financial Reports for January, 2009.

RECOMMENDATIONS (OR FUTURE DIRECTIONS)
To place the January 2009 Financial Reports on the April 30, 2009 Board of Education Consent Agenda for approval.

OAK PARK AND RIVER FOREST HIGH SCHOOL DISTRICT 200
Monthly Financial Statements
January 2009

Education Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%	
Receipts							
Property Taxes	42,679,315	22,094,185	51.8%	44,173,578	22,808,226	51.6%	
Other Local Sources	2,687,455	1,125,325	41.9%	2,837,305	1,303,711	45.9%	1
State Sources	2,981,795	1,291,399	43.3%	2,653,945	1,567,839	59.1%	
Federal Sources	1,267,035	771,395	60.9%	1,230,845	848,695	69.0%	
Transfers/Other	-	-	N/A	-	-	N/A	
	49,615,600	25,282,304	51.0%	50,895,673	26,528,471.00	52.1%	
Expenditures							
General Instruction	20,173,520	8,920,951	44.2%	20,979,644	9,124,036	43.5%	
Special Education	6,963,976	3,067,690	44.1%	5,185,599	2,271,482	43.8%	
Adult Education	18,000	-	0.0%	19,910	6,000	30.1%	
Vocational Programs	273,942	154,714	56.5%	301,607	159,034	52.7%	
Interscholastic Programs	1,801,962	837,965	46.5%	1,984,076	959,743	48.4%	
Summer School	320,175	166,274	51.9%	337,170	128,475	38.1%	
Drivers Education	-	-	N/A	703,228	311,182	44.3%	
Other Instructional	255,795	130,385	51.0%	3,020,274	1,184,139	39.2%	2
Support Srvs. - Pupil	6,049,787	2,425,811	40.1%	6,655,283	2,897,054	43.5%	
Support Srvs. - Admin.	4,438,812	2,349,356	52.9%	5,242,207	2,479,936	47.3%	
Transfers	-	-	N/A	-	-	N/A	
	40,295,969	18,053,146	44.8%	44,428,998	19,521,081	43.9%	
Change in Fund Balance	9,319,631	7,229,158		6,466,675	7,007,390		
Beginning Balance	34,532,981	34,532,981		43,852,612	43,852,612		
Ending Balance	43,852,612	41,762,139		50,319,287	50,860,002		

1. Approximately $480,000 was received from the Oak Park TIF. Payment relates to the FY 08 distribution that was not received last fiscal year.

2. The state BOE made several account number changes for FY 09. The special education tuition is now coded to function series 1920 and thus the increased budget and actual expenditures.

OAK PARK AND RIVER FOREST HIGH SCHOOL DISTRICT 200
Monthly Financial Statements
January 2009

Tort Immunity Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%	
Receipts							
Property Taxes	1,106,234	565,815	51.1%	1,143,549	598,394	52.3%	
Other Local Sources	38,356	9,737	25.4%	28,630	12,092	42.2%	1
	1,144,590	575,552	50.3%	1,172,179	610,486	52.1%	
Expenditures							
General Instruction	25,986	32,003	123.2%	31,607	20,102	63.6%	
Interscholastic Programs	97,649	35,384	36.2%	27,670	14,721	53.2%	
Support Srvs. - Pupil	57,489	57,489	100.0%	-	-	N/A	
Support Srvs. - Admin.	629,423	526,662	83.7%	794,091	698,283	87.9%	
	810,547	651,538	80.4%	853,368	733,106	85.9%	
Change in Fund Balance	334,043	(75,986)		318,811	(122,620)		
Beginning Balance	1,321,468	1,321,468		1,655,511	1,655,511		
Ending Balance	1,655,511	1,245,482		1,974,322	1,532,891		

1. Interest income has increased as a result of the District being able to invest their own funds rather than relying on the treasurer's office to do so.

Bookstore Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%
Receipts						
Other Local Sources	840,308	666,599	79.3%	889,458	659,359	74.1%
	840,308	666,599	79.3%	889,458	659,359	74.1%
Expenditures						
Support Srvs. - Admin.	839,451	672,746	80.1%	885,807	665,756	75.2%
	839,451	672,746	80.1%	885,807	665,756	75.2%
Change in Fund Balance	857	(6,147)		3,651	(6,397)	
Beginning Balance	691,954	691,954		692,811	692,811	
Ending Balance	692,811	685,807		696,462	686,414	

OAK PARK AND RIVER FOREST HIGH SCHOOL DISTRICT 200
Monthly Financial Statements
January 2009

Cafeteria Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%	
Receipts							
Other Local Sources	1,945,685	1,031,386	53.0%	2,019,046	1,051,731	52.1%	
State Sources	9,996	5,256	52.6%	6,495	6,627	102.0%	
Federal Sources	201,547	95,335	47.3%	198,856	111,568	56.1%	
	2,157,228	1,131,977	52.5%	2,224,397	1,169,926	52.6%	
Expenditures							
Support Srvs. - Admin.	2,264,723	1,145,727	50.6%	2,182,870	1,134,705	52.0%	
	2,264,723	1,145,727	50.6%	2,182,870	1,134,705	52.0%	
Change in Fund Balance	(107,495)	(13,750)		41,527	35,221		
Beginning Balance	396,290	396,290		288,795	288,795		
Ending Balance	288,795	382,540		330,322	324,016		

Operations and Maintenance Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%	
Receipts							
Property Taxes	4,950,290	2,545,590	51.4%	4,976,991	2,661,266	53.5%	
Other Local Sources	1,848,831	1,067,771	57.8%	1,445,696	923,983	63.9%	
Transfers	84,230	-	0.0%	48,480	-	0.0%	
	6,883,351	3,613,361	52.5%	6,471,167	3,585,249	55.4%	
Expenditures							
Support Srvs. - Admin.	4,674,963	2,503,027	53.5%	5,684,053	3,413,646	60.1%	1
	4,674,963	2,503,027	53.5%	5,684,053	3,413,646	60.1%	
Change in Fund Balance	2,208,388	1,110,334		787,114	171,603		
Beginning Balance	5,731,280	5,731,280		7,939,668	7,939,668		
Ending Balance	7,939,668	6,841,614		8,726,782	8,111,271		

1. Capital expenditures have been made earlier in FY 09 compared to prior year. Specific projects include: turf replacement, Erie Street steps replacement, mall fencing project, and summer 2008 life safety work.

OAK PARK AND RIVER FOREST HIGH SCHOOL DISTRICT 200
Monthly Financial Statements
January 2009

Life Safety Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%
Receipts						
Property Taxes	1,009,500	516,532	51.2%	1,021,994	545,459	53.4%
Other Local Sources	15,306	8,328	54.4%	6,000	3,391	56.5%
	1,024,806	524,860	51.2%	1,027,994	548,850	53.4%
Expenditures						
Construction	581,600	509,522	87.6%	319,900	240,112	75.1%
Transfers	613,963	-	0.0%	616,525	-	0.0%
	1,195,563	509,522	42.6%	936,425	240,112	25.6%
Change in Fund Balance	(170,757)	15,338		91,569	308,738	
Beginning Balance	475,552	475,552		304,795	304,795	
Ending Balance	304,795	490,890		396,364	613,533	

Restricted Building Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%	
Receipts							
Other Local Sources	133,016	105,316	79.2%	9,364	3,707	39.6%	
	133,016	105,316		9,364	3,707		
Expenditures							
Construction	527,122	216,037	41.0%	260,000	295,261	113.6%	1
	527,122	216,037	41.0%	260,000	295,261	113.6%	
Change in Fund Balance	(394,106)	(110,721)		(250,636)	(291,554)		
Beginning Balance	1,058,118	1,058,118		664,012	664,012		
Ending Balance	664,012	947,397		413,376	372,458		

1. Expenditures relate to the turf replacement project and an unexpected bill relating to the mall project.

OAK PARK AND RIVER FOREST HIGH SCHOOL DISTRICT 200
Monthly Financial Statements
January 2009

Bond and Interest Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%	
Receipts							
Property Taxes	2,924,687	1,525,464	52.2%	2,939,192	1,550,719	52.8%	
Other Local Sources	84,230	28,668	34.0%	48,480	15,863	32.7%	1
Transfer	613,963	-	0.0%	616,525	-	0.0%	
	3,622,880	1,554,132	42.9%	3,604,197	1,566,582	43.5%	
Expenditures							
Debt Service	3,475,322	3,262,951	93.9%	3,484,715	3,277,865	94.1%	
Transfers	84,230	-	0.0%	48,480	-	0.0%	
	3,559,552	3,262,951	91.7%	3,533,195	3,277,865	92.8%	
Change in Fund Balance	63,328	(1,708,819)		71,002	(1,711,283)		
Beginning Balance	2,349,572	2,349,572		2,412,900	2,412,900		
Ending Balance	2,412,900	640,753		2,483,902	701,617		

1. Interest income has increased as a result of the District being able to invest their own funds rather than relying on the treasurer's office to do so.

Transportation Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%	
Receipts							
Property Taxes	803,454	412,144	51.3%	830,303	433,418	52.2%	
Other Local Sources	57,638	17,518	30.4%	27,701	17,302	62.5%	1
State Sources	808,952	403,171	49.8%	619,385	362,783	58.6%	
	1,670,044	832,833	49.9%	1,477,389	813,503	55.1%	
Expenditures							
Support Srvs. - Pupil	1,260,008	518,579	41.2%	1,410,785	600,230	42.5%	
	1,260,008	518,579	41.2%	1,410,785	600,230	42.5%	
Change in Fund Balance	410,036	314,254		66,604	213,273		
Beginning Balance	1,490,841	1,490,841		1,900,877	1,900,877		
Ending Balance	1,900,877	1,805,095		1,967,481	2,114,150		

1. Interest income has increased as a result of the District being able to invest their own funds rather than relying on the treasurer's office to do so.

OAK PARK AND RIVER FOREST HIGH SCHOOL DISTRICT 200
Monthly Financial Statements
January 2009

Illinois Municipal Retirement/Social Security Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%	
Receipts							
Property Taxes	1,982,679	1,014,498	51.2%	2,048,628	1,071,887	52.3%	
Other Local Sources	104,641	13,904	13.3%	83,134	8,759	10.5%	1
	2,087,320	1,028,402	49.3%	2,131,762	1,080,646	50.7%	
Expenditures							
General Instruction	273,600	122,759	44.9%	321,752	131,682	40.9%	
Special Education	170,747	76,125	44.6%	186,352	85,843	46.1%	
Adult Education	-	-	N/A	-	-	N/A	
Vocational Programs	21,795	10,026	46.0%	21,364	9,372	43.9%	
Interscholastic Programs	119,556	57,445	48.0%	114,069	62,000	54.4%	
Summer School	9,881	5,372	54.4%	704	4,094	581.5%	2
Drivers Education	-	-	N/A	6,829	2,321	34.0%	
Other Instructional	1,581	669	42.3%	1,032	535	51.8%	
Support Srvs. - Pupil	338,770	152,666	45.1%	346,042	164,123	47.4%	
Support Srvs. - Admin.	874,823	485,165	55.5%	857,953	498,662	58.1%	
	1,810,753	910,227	50.3%	1,856,097	958,632	51.6%	
Change in Fund Balance	276,567	118,175		275,665	122,014		
Beginning Balance	754,536	754,536		1,031,103	1,031,103		
Ending Balance	1,031,103	872,711		1,306,768	1,153,117		

1. Interest income has increased as a result of the District being able to invest their own funds rather than relying on the treasurer's office to do so.

2. Budget does not take into account IMRF benefits for summer school TA's. This has been included in the amended budget.

OAK PARK AND RIVER FOREST HIGH SCHOOL DISTRICT 200
Monthly Financial Statements
January 2009

Working Cash Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%	
Receipts							
Property Taxes	604,850	158,054	26.1%	961,484	491,242	51.1%	1
Other Local Sources	124,224	10,431	8.4%	93,019	43,776	47.1%	2
	729,074	168,485	23.1%	1,054,503	535,018	50.7%	
Expenditures							
Transfers	-	-	N/A	-	-	N/A	
	-	-	N/A	-	-	N/A	
Change in Fund Balance	729,074	168,485		1,054,503	535,018		
Beginning Balance	3,477,903	3,477,903		4,206,977	4,206,977		
Ending Balance	4,206,977	3,646,388		5,261,480	4,741,995		

1. Increase from prior year due to the county being more timely in collecting and remitting property tax collections.

2. Interest income has increased as a result of the District being able to invest their own funds rather than relying on the treasurer's office to do so.

Dental Self Insurance Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%	
Receipts							
Insurance Premiums	426,726	205,284	48.1%	465,647	201,696	43.3%	
Other Local Sources	6,000	2,272	37.9%	5,000	1,348	27.0%	
	432,726	207,556	48.0%	470,647	203,044	43.1%	
Expenditures							
Staff Services	389,664	170,564	43.8%	465,010	247,540	53.2%	1
Change in Fund Balance	43,062	34,720		5,637	(44,496)		
Beginning Balance	114,709	114,709		157,771	157,771		
Ending Balance	157,771	149,429		163,408	113,275		

1. The District is seeing greater usuage of the dental insurance plan by employees which has led to the increase from the prior year.

OAK PARK AND RIVER FOREST HIGH SCHOOL DISTRICT 200
Monthly Financial Statements
January 2009

Medical Self Insurance Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2008-2009	Fiscal to Date January 31 2009	%	
Receipts							
Insurance Premiums	4,193,616	2,452,557	58.5%	4,430,005	2,436,200	55.0%	
Other Local Sources	42,271	7,208	17.1%	28,145	13,828	49.1%	1
	4,235,887	2,459,765	58.1%	4,458,150	2,450,028	55.0%	
Expenditures							
Staff Services	3,921,357	1,623,330	41.4%	4,419,961	1,974,137	44.7%	
Change in Fund Balance	314,530	836,435		38,189	475,891		
Beginning Balance	486,275	486,275		800,805	800,805		
Ending Balance	800,805	1,322,710		838,994	1,276,696		

1. Interest income has increased as a result of the District being able to invest their own funds rather than relying on the treasurer's office to do so.

Self-Insurance Workers' Comp Fund

	Audited 2007-2008	Fiscal to Date January 31 2008	%	Original Budget 2006 - 2007	Fiscal to Date January 31 2009	%	
Receipts							
Insurance Premiums	-	-	N/A	-	-	N/A	
Other Local Sources	-	-	N/A	-	-	N/A	
Transfers	-	-	N/A	-	-	N/A	
	-	-		-	-		
Expenditures							
Staff Services	36,878	30,478	82.6%	2,500	(15,676)	-627.0%	1
Change in Fund Balance	(36,878)	(30,478)		(2,500)	15,676		
Beginning Balance	52,735	52,735		15,857	15,857		
Ending Balance	15,857	22,257		13,357	31,533		

1. Negative amount relates to premium refund from SELF for the years 1991 - 2003 which were closed out by SELF.

Oak Park and River Forest High School
District 200
201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Cheryl Witham

DATE: April 21, 2009

RE: Treasurer's Reports

BACKGROUND

It is a requirement that the Board of Education accepts and approves the monthly Treasurer's Reports.

SUMMARY OF FINDINGS

Attached is the Treasurer Reports for February, 2009.

RECOMMENDATIONS (OR FUTURE DIRECTIONS)

To place the February, 2009 Treasurer Reports on the April 30, 2009 Board of Education Consent Agenda for approval.

Oak Park & River Forest High School District 200
Treasurers Report
February 28, 2009

	Funds	Opening Cash Balance 02/01/09	Cash Receipts	Cash Disbursements	Adjustments to Cash (JE's)	Ending Cash Balance 02/28/09	% of Total
10	Education	50,818,337.50	4,670,012.71	(2,812,860.35)	(346,115.21)	52,329,374.65	**69.63%**
14	Food Service	304,724.97	286,760.59	(218,923.92)	(12,621.01)	359,940.63	**0.48%**
15	Book Store	391,278.92	43,132.68	(67,536.10)	(4,285.85)	362,589.65	**0.48%**
	Total - Education Fund	**51,514,341.39**	**4,999,905.98**	**(3,099,320.37)**	**(363,022.07)**	**53,051,904.93**	**70.59%**
20	Operations, Building & Maintenance	7,826,805.82	519,991.46	(297,195.35)	(48,493.68)	8,001,108.25	**10.65%**
22	Restricted Fund	372,457.85	297.69	(42,030.00)	-	330,725.54	**0.44%**
	Total - Building Fund	**8,199,263.67**	**520,289.15**	**(339,225.35)**	**(48,493.68)**	**8,331,833.79**	**11.09%**
30	**Bond & Interest Fund**	**692,874.00**	**290,135.35**	**(2,750.00)**	-	**980,259.35**	**1.30%**
40	**Transportation Fund**	**1,905,862.30**	**82,959.81**	**(122,281.61)**	-	**1,866,540.50**	**2.48%**
50	**IMRF & SS Fund**	**1,145,669.51**	**200,914.41**	**(135,074.14)**	-	**1,211,509.78**	**1.61%**
70	**Working Cash**	**4,738,583.43**	**98,410.38**	-	-	**4,836,993.81**	**6.44%**
80	**Tort Immunity**	**1,528,930.13**	**113,202.88**	**(27,819.86)**	**18,317.00**	**1,632,630.15**	**2.17%**
81	**Dental Self Insurance**	**147,544.03**	**1,795.16**	**(35,515.16)**	**33,593.14**	**147,417.17**	**0.20%**
82	**Medical Self Insurance**	**1,633,443.07**	**14,988.94**	**(254,150.27)**	**338,220.26**	**1,732,502.00**	**2.31%**
83	**Workers' Comp Self Insurance**	**31,533.04**	-	-	-	**31,533.04**	**0.04%**
84	Harris - PMA	397,760.93	122,319.19	(199,602.51)	21,385.35	341,862.96	**0.45%**
84	Park National	108,685.70	275,846.56	(106,083.98)	-	278,448.28	**0.37%**
	Total - Activity Funds	**506,446.63**	**398,165.75**	**(305,686.49)**	**21,385.35**	**620,311.24**	**0.83%**
90	**Fire Prevention & Safety**	**609,247.47**	**102,233.11**	-	-	**711,480.58**	**0.95%**
	Total - All Funds	**$ 72,653,738.67**	**$ 6,823,000.92**	**$ (4,321,823.25)**	**$ -**	**$ 75,154,916.34**	**100.00%**

Summary of adjustments to cash:

Reclassification of food service chargebacks.
Reclassification of bookstore chargebacks.
Reclassification of expenditures
PPO/Pharmacy reclassification.

Oak Park & River Forest High School District 200
Cash and Investments
February 28, 2009

	Account Balance	Treasurer's Control	% of Total
Harris Bank Comingled Account (treas ofc.)			
Statement CTTO	1,536,205.97		
Less: Outstanding Checks	-		
Plus: Deposits in Transit	-		
Adjusted	**1,536,205.97**	**1,536,205.97**	**2.04%**
Park National Student Activity Account			
Statement Balance	114,958.93		
Less: Outstanding Checks	(19,646.60)		
Plus: Deposits in Transit	183,135.95		
Adjusted	**278,448.28**		**0.37%**
Harris ISDLAF Account (Liquid & Max)			
Statement Balance	73,861,296.59		
Less: Outstanding Checks	(710,810.21)		
Plus: Deposits in Transit	121,199.17		
Adjusted	**73,271,685.55**		**97.49%**
Park National Imprest Account			
Statement Balance	8,948.13		
Less: Outstanding Checks	(3,827.09)		
Plus: Deposits in Transit	16,055.50		
Adjusted	**21,176.54**		**0.03%**
Petty Cash	**7,400.00**		**0.01%**
Workers Compensation Escrow	**40,000.00**		**0.05%**
Total Cash and Investments	**$ 75,154,916.34**	**$ 1,536,205.97**	**100.00%**

Note: Petty cash number includes $2,000 that is in the Athletic Imprest account maintained by the Athletic Department.

Oak Park & River Forest High School District 200
Schedule of Investments
February 28, 2009

By Financial Institution	Average Interest Rate *	Investment Value 02/28/09	% of Total	Prior Month % of Total
Harris ISDLAF - Liquid MM	0.63%	2,510,210.98	3.33%	2.62%
Harris ISDLAF - Max MM	0.78%	8,579,177.21	11.38%	5.57%
Harris ISDLAF - CD's	2.84%	62,771,908.40	83.25%	89.70%
Harris - CTTO MM	*	1,536,205.97	2.04%	2.11%
Total All Investments by Institution		**75,397,502.56**	**100.00%**	**100.00%**

By Investment Type	Average Interest Rate *	Investment Value 02/28/09	% of Total	Prior Month % of Total
CD's	2.84%	62,771,908.40	83.25%	89.70%
Money Market	0.71%	12,625,594.16	16.75%	10.30%
Total All Investments by Type		**75,397,502.56**	**100.00%**	**100.00%**

By Maturity Age	Average Interest Rate *	Investment Value 02/28/09	% of Total	Prior Month % of Total
1 month	2.57%	8,287,908.40	10.99%	6.73%
2 months	0.00%	-	0.00%	11.39%
3 months	0.00%	-	0.00%	0.00%
4-6 months	3.23%	7,784,000.00	10.32%	8.77%
7-9 months	3.04%	29,585,500.00	39.24%	28.45%
10-12 months	1.89%	9,114,500.00	12.09%	23.36%
1 year +	3.16%	8,000,000.00	10.61%	10.99%
2 years +	0.00%	-	0.00%	0.00%
Mature on demand	0.71%	12,625,594.16	16.75%	10.30%
Total Investments		**75,397,502.56**	**100.00%**	**100.00%**