

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

COMPLETE THIS SECTION IF NEW CONTRACT

For contract(s) in this request, answer applicable questions in each of the 4 major subject areas below in accordance with the Instructions for Preparation of Non-Competitive Procurement Form on the reverse side.

Request that negotiations be conducted only with Ernest & Young LLP for the product and/or services described herein.

This is a request for _____ (One-Time Contractor Requisition #134729 copy attached) or _____ Term Agreement or _____ Delegate Agency (Check one). If Delegate Agency, this request is for "blanket approval" of all contracts within the _____

(Program Name) (Attach List) Pre-Assigned Specification No. _____
Pre-Assigned Contract No. _____

COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT

Describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract #: _____ Company or Agency Name: _____
Specification #: _____ Contract or Program Description: _____
Mod. #: _____ (Attach List, if multiple)

Geoffrey Patterson 312-744-0534 _____ Human Resources 8-15-07
Originator Name Telephone Signature Department Date

Indicate SEE ATTACHED in each box below if additional space needed:

() PROCUREMENT HISTORY	SEE ATTACHED	S. S. R. B. DATE <u>9/21/07</u> APPROVED <u>Dwy</u> CONDITIONALLY APPROVED _____ RETURN TO DEPT. _____ DISAPPROVED _____
() ESTIMATED COST	SEE ATTACHED	
() SCHEDULE REQUIREMENTS	SEE ATTACHED	
() EXCLUSIVE OR UNIQUE CAPABILITY	SEE ATTACHED	
() OTHER	SEE ATTACHED	

APPROVED BY: Jacqueline P. H. 8/15/07 _____ 9/21/07
DEPARTMENT HEAD OR DESIGNEE DATE BOARD CHAIRPERSON DATE

E&Y Sole Source Overview of Scope for 2007 Fire Captain Sole Source Request

Procurement History

Ernst & Young has administered Police sworn and Fire uniform assembled Career Service examinations for the City of Chicago since 1996. Types of tests have ranged from simple paper and pencil written examinations to oral/proficiency/assessment tests. They have worked with as few as 7 candidates to 25,000. Recently, in 2007, they have administered the written and oral board examinations for two Fire Emergency Medical Services titles, Ambulance Commander and Paramedic Field Officer.

Test administrators work with designated test developers and the City to determine time lines and develop specific test administration procedures to ensure the integrity of the examination. Test administration includes scheduling candidates for testing, administering the actual test to candidates in a secure environment, compiling final data files of test results received from the test developer, preparing and mailing score notices to candidates and preparing a final data file to migrate to the City's data system.

Estimated Costs

Per the attached budget proposal, Ernst & Young has estimated that administration of the Fire Captain examination will cost \$596,937. Costs has increased due to an additional requirement of audio taping all oral/proficiency sessions, requiring additional staff and equipment.

Schedule Requirements

We are requesting a one year contract. We are estimating that it will take approximately 10 months from the time of application to the mailing of final score notices to candidates.

Exclusive or Unique Capability

The Fire Department has nearly exhausted this eligible list for the position of Fire Captain and the eligible list itself is nine years old. The Fire Department would like to begin the test process for this title in 2007, with the written examination being administered in the last quarter of 2007, finishing the oral/proficiency portion in early 2008.

The Department of Human Resources is currently working on a Master Consulting Agreement (MCA) covering test administration, test development, training and executive talent search. It was thought that we would be able to use this Agreement for testing projects scheduled for the end of 2007, but, we will not be able to complete the MCA process in time to administer Fire Captain.

Exclusive or Unique Capability (cont'd)

Therefore, with the age of the Fire Captain eligible list, the needs of the Fire Department, our time constraints and the inability to use the MCA process, we are requesting a sole source contract with Ernst & Young to handle the administration of the Fire Captain examination. They have knowledge of the City's testing process and collective bargaining unit requirements. In addition, they have just completed the administration of the Fire Ambulance Commander and Paramedic Field Officer examinations which is the same testing process as will be required for Fire Captain. An additional requirement that the test administrator must ensure is met is the audio recording of the oral/proficiency test session for each candidate. Ernst & Young developed and worked out a smooth running procedure to ensure that this new requirement was met.

**Additional Terms to Include in Agreement between
City of Chicago Department of Human Resources and Ernst & Young**

To the fullest extent permitted by applicable law or regulation (including, for these purposes, the rules and interpretations of the U.S. Securities and Exchange Commission), the total aggregate liability of E&Y and its subcontractors to the City and all of its affiliates and their respective successors and permitted assigns, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise, in connection with the performance of the Services or otherwise under this Agreement, shall be limited to the fees actually paid to E&Y in respect of such Services.

In no event will E&Y or its subcontractors be liable to the City or any of its affiliates, or their respective successors or permitted assigns, for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, whether or not liability is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise, and even if E&Y is advised of the likelihood of such damages.

Any dispute or claim arising out of or relating to the Services, this Agreement or any other services provided by or on behalf of E&Y or any of its subcontractors or agents to the City or at the City's request (including any matter involving any third party for whose benefit any such services are provided), shall be resolved by mediation or arbitration as set forth in Exhibit A. Judgment on any arbitration award may be entered in any court having jurisdiction.

Notwithstanding the parties' agreement to arbitrate as set forth in this Agreement, either party may bring a claim limited solely to injunctive relief to enforce its rights with respect to the use or protection of (1) its confidential or proprietary information or material or (2) its names, trademarks, service marks or logos.

In performing the Services, E&Y may use certain data, modules, components, designs, utilities, subsets, objects, program listings, tools, models, methodologies, programs, systems, analysis frameworks, leading practices, and specifications developed or used by E&Y or its licensors, or to which E&Y otherwise has rights, including enhancements and improvements developed in the course of performing the Services (collectively, "Technical Elements"). The City shall have no rights in or to the Technical Elements, except with respect to Technical Elements owned by E&Y solely to the extent necessary for the City to use the Reports as permitted by this Agreement. E&Y retains all rights to use its knowledge, experience and know-how, including the Technical Elements, in providing services to other clients. E&Y shall own all working papers prepared by it to document, in accordance with professional obligations, performance of the Services, and it may retain, in confidence, copies of Reports and other documents prepared by it.

E&Y may terminate this Agreement upon written notice to the City if E&Y reasonably determines that it can no longer provide the Services in accordance with applicable professional obligations.

EXHIBIT A

Dispute Resolution Procedures

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR") shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director or substantial equity owner of any E&Y audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator's assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration ("Rules") as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of arbitration, an employee, partner, executive officer, director or substantial equity owner of any E&Y audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards. The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

**CITY OF CHICAGO
 PURCHASE REQUISITION**

Copy (Department)

DELIVER TO: 033- CH 1100 121 N. LA SALLE ST. ROOM 1100 Chicago, IL 60602	REQUISITION: 34729 PAGE: 1 DEPARTMENT: 33 - DEPARTMENT OF HUMAN RESOURCE: PREPARER: Rodregais Thomas NEEDED: APPROVED: 8/14/2007
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REQUISITION DESCRIPTION

NEW REQUEST: TEST ADMINISTRATION FOR PROMOTIONS FOR THE POSITION OF FIRE CAPTAIN
 SPECIFICATION NUMBER: 59668

COMMODITY INFORMATION

LINE	ITEM	QUANTITY	UOM	UNIT COST	TOTAL COST							
1	96120	1.00	USD	0.00	0.00							
	TEST ADMINISTRATION											
SUGGESTED VENDOR:						REQUESTED BY: Rodregais Thomas						
DIST	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	Dist. Amt.	
1	007	0100	0994433	0140	220140	0000	00000000	000000	00000	0000	0.00	
LINE TOTAL:											0.00	
REQUISITION TOTAL:											0.00	



City of Chicago
Richard M. Daley, Mayor

Department of Human Resources

Jacqueline P. King
Commissioner

City Hall, Room 1100
121 North LaSalle Street
Chicago, Illinois 60602-1209
(312) 744-4966 (Voice)
(312) 744-1521 (FAX)
(312) 744-2563 (TTY)

<http://www.cityofchicago.org>

Administration

Employment Services

Information Services

City Hall, Room 1100-1102

(312) 744-4962 (Voice)

(312) 744-4976 (Voice)

(312) 744-4954 (Voice)

(312) 744-1521 (FAX)

Employee Assistance Program

(312) 747-0399 (Voice)

(312) 747-8970 (FAX)

Office of Compliance

Labor Relations

Sexual Harassment

Workforce Compliance

DePaul Center, Suite 330

333 South State Street

Chicago, Illinois 60604-3973

(312) 747-8960 (Voice)

(312) 747-8975 (Voice)

(312) 747-8988 (Voice)

(312) 747-8981 (Voice)

(312) 747-8971 (FAX)

Strategic Services

DePaul Center, Suite 520

333 South State Street

Chicago, Illinois 60604-3975

(312) 747-7277 (Voice)

(312) 747-0405 (FAX)

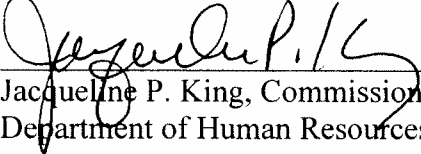
(312) 747-8972 (Voice)

(312) 747-8971 (FAX)

NEIGHBORHOODS



To: Barbara Lumpkin, Chief Procurement Officer
Department of Procurement Services

From: 
Jacqueline P. King, Commissioner
Department of Human Resources

Date: August 15, 2007

Re: Ernst & Young LLC; Sole Source Request – Rank of Captain
Chicago Fire Department

07/15/07 10:00 AM

Please find attached the requisite documents in support of granting a sole source determination in support of Ernst & Young LLC for the Security and Test Administration for the Rank of Captain for the Chicago Fire Department.

The Fire Department's current Captain eligibility list is nearly exhausted (last test conducted 1998). To ensure that promotions can be made in a timely fashion and manpower levels be maintained without incurring an excessive amount of overtime, we must begin testing for the title of Fire Captain before the end of 2007. It is our goal to have an eligible list in place for use by mid 2008.

With this in mind, we are seeking the approval to contract with Ernst & Young LLC, to administer the Fire Captain examination. Ernst & Young has the knowledge and has demonstrated the ability to provide a fair and secure environment for the City's police (sworn) and fire (uniformed) examinations. The firm is familiar with the requirements and the necessity for comprehensive planning in addressing all aspects of test administration for examinations ranging from large to small applicant pools, single to multiple test sites and multiple tests sessions per day. They have conducted examination administration from application intake to the score notification of candidates for the City of Chicago since 1996.

In addition, the firm is quite familiar with the collective bargaining unit agreement requirements that govern testing under the Labor Contract between Chicago Fire Fighters Union Local #2, AFL-CIO-CLC and the City of Chicago, Illinois. With this knowledge and ability, they are best able to expedite the administration process with no training or lead time.



Cont. E.Y Captain – Fire

In addition the firm has worked effectively with test developers to ensure proper administration of the examination. As a result, they have developed testing procedures that ensures fairness and protect the integrity of the testing process.

While we would prefer the benefit of a completed MCA process be in place, we are compelled to at least secure a means by which to address the staffing issues outstanding with regards to testing. We further understand that dependent upon the timing, we may have the option to address this need through a TOR, but again that option will be dependent upon the completion of the MCA development currently in progress.

Therefore, for the time being, we again must request your support in facilitating this application.

Again, we do appreciate the support and guidance provided by both you and your staff.

Should you require additional information, please do not hesitate in contacting either Geoffrey Patterson at 4-0534 or Ann Nakaguchi at 4-9691.

CC: Doug Yerkes, First deputy Procurement Officer
John O'Brien, Special Assistant
Randi Brokvist, Negotiator
Department of Procurement Services

DPS PROJECT CHECKLIST

For DPS Use Only	
Date Received	_____
Date Returned	_____
Date Accepted	_____
CA/CN's Name	_____

IMPORTANT: PLEASE READ AND FOLLOW THE INSTRUCTIONS FOR COMPLETING THE PROJECT CHECKLIST AND CONTACT THE APPROPRIATE UNIT MANAGER IF YOU HAVE ANY FURTHER QUESTIONS. ALL INFORMATION SHOULD BE COMPLETED, ATTACH ALL REQUIRED MATERIALS AND SUBMIT FOR HANDLING TO THE DEPARTMENT OF PROCUREMENT SERVICES, ROOM 403, CITY HALL, 121 N. LASALLE STREET, CHICAGO, ILLINOIS 60602.

GENERAL INFORMATION:

Date: August 14, 2007
REQ #: 34729
Specification #: _____
PO #: (if known): _____
Modification #: (if known) _____
Project Description: Test Administration for Fire Captains exam

Contact Person: Geoffrey L. Patterson
Tel: 312-744-0534 **Fax:** 312-744-4371
E-mail: geoffrey.patterson@cityofchicago.org
Project Manager: Ann Nakaguchi
Tel: 312-744- 744-9691 **Fax:** 312-744-4371
E-mail: _____
Previous PO(s)#: (if known) _____

FUNDING:++

City: **Corporate** Bond Enterprise Grant* Other
 State: IDOT/Transit IDOT/Highway Grant* Other
 Federal: FHWA FTA FAA Grant* Other

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	OBJT	PROJECT	RPTG	\$ DOLLAR AMOUNT
	007	0100	099	2005	0140	00000	0140			0

Estimated Value

* IF GRANT FUNDED, A COPY OF THE APPROVED GRANT AND APPLICATION ARE REQUIRED and any other Terms and Conditions that may apply.

SCOPE STATEMENT

Attached are a **Detailed Scope of Services** and/or **Specification(s)**.

IMPORTANT: THIS IS A CRITICAL PORTION OF YOUR SUBMITTAL. IN ORDER FOR DPS TO ACCEPT YOUR SUBMITTAL YOU MUST COMPLETE THE SPECIFIC SCOPE REQUIREMENTS AS SET FORTH IN THE SUPPLEMENTAL CHECKLIST FOR THAT UNIT.

The following is a general description of what should be included in a **Scope of Services or Specification:**

A clear description of all anticipated services and products, include: timeframe for completion, special qualifications of prospective vendors, special requirements or needs of the project, locations, anticipated participating user departments, citation of any applicable City ordinance or state/federal regulation or statute.

TYPE OF PROCUREMENT REQUESTED (check all that apply)

NEW REQUEST

- Blanket Agreement
- Standard Agreement
- Small Orders

MOD/AMENDMENT

- Time Extension
- Vendor Limit Increase
- Scope Change/Price Increase/Additional Line Item(s)
- Other (specify): _____

FORMS: Requisition Special Approvals Non-Competitive Review Board (NCRB)

CONTRACT TERM: Requested Term (number of months): _____ Months

DPS PROJECT CHECKLIST

PRE BID/SUBMITTAL REQUIREMENTS:

Requesting Pre Bid/Submittal Conference? Yes No Requesting Site Visit? Yes No

ARCHITECTURAL/ENGINEERING SUPPLEMENTAL CHECKLIST

Required Attachment: Scope of Services, including location, description of project, services required, deliverables, and other information as required.

Risk Management

Will services be performed within 50 feet of CTA train or other railroad property? Yes No

Will services be performed on or near a waterway? Yes No

If applicable, Pre-Qualification Category #: _____ Category Description: _____

For Pre-Qualification Program, attach list of suggested firms to be solicited

Other Agency concurrence Required: None State Federal Other (fill in)

AVIATION CONSTRUCTION SUPPLEMENTAL CHECKLIST

Not Applicable

DOA sign-off for final design documents: Yes No

Required Attachments:

Copy of Draft Contract Documents and Detailed Specifications.

Risk Management:

Current Insurance Requirements prepared/approved by Risk Management: Yes No

Will work be performed within 50 feet of CTA or ATS structure or property? Yes No

Will work be performed airside? Yes No

***NOTE:** Any non-construction Aviation request, complete the applicable section.

COMMODITIES SUPPLEMENTAL CHECKLIST

Not Applicable

Required Attachments: Detailed Specifications (Scope of Services) including description of the product, delivery location, user department contract, price escalation considerations, Bidder's qualification, contract term and extension options, Contractor's qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standards and Price Lists/Catalogs, technical drawings and other exhibits and attachments as appropriate.

If Modification request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's E-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

CONSTRUCTION SUPPLEMENTAL CHECKLIST

Not Applicable

Required attachments:

Copy of Draft (80% Completion), Contract Documents and Detailed Specifications

Risk Management

Will services be performed within 50 feet of CTA train or other railroad property? Yes No
Will services be performed on or near a waterway? Yes No

No

DPS PROJECT CHECKLIST

WORK SERVICES/FACILITY MAINTENANCE SUPPLEMENTAL CHECKLIST Not Applicable

Required Attachments: Detailed Specifications (Scope of Services) including detailed description of the work, locations (with supporting detailed), user department contacts, work hours/days, laborer/supervisor mix, compensation and price escalation considerations, Bidder's qualification, contract term and extension options, Contractor's qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standards and Price Lists/Catalogs, technical drawings and other exhibits and attachments as appropriate.

Risk Management:

Will services be performed within 50 feet (50') of CTA train or other railroad property? Yes No

Will services be performed on or near a waterway? Yes No

Will services require the handling of hazardous/bio-waste material? Yes No

Will services require the blocking of streets or sidewalks which may affect public safety? Yes No

If Modification or Amendment request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's E-mail Address:

Contractor's Phone Number:

Contractor's Contact Person