

**APPROVE ENTERING INTO A SOFTWARE LICENSE AGREEMENT WITH
ADVANCED SOFTWARE PRODUCTS GROUP, INC. FOR SOFTWARE PRODUCT AND MAINTENANCE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a software license agreement with Advanced Software Products Group, Inc. (ASPG) for MegaCryption software required for the IBM Mainframe to be used by the Office of Technology Services at a cost not to exceed \$24,655.00. Software licensor was selected on a non-competitive basis because the MegaCryption software is proprietary to ASPG. A written license agreement for such software product is currently being negotiated. Software upgrades and fixes will be provided for an annual maintenance fee included in the contract price. No use of the software shall begin and no payment shall be made to software Licensor prior to the execution of the written license agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification No.: 01-250032

SOFTWARE LICENSOR: Advanced Software Products Group, Inc.
3185 Horseshoe Drive South
Naples, Florida 34104
Contact: Julia Hernandez
Telephone No. (941) 649-1548
Vendor No. 43726

USER: Office of Technology Services
125 South Clark
Chicago, Illinois 60603
Elaine L. Williams, Chief Technology Officer
Contact: Arlene Love, Deputy Chief Technology Officer -- Operations
Telephone No. (773) 553-1300

TERM: The term of this software license agreement shall commence on the date the agreement is signed and shall end twelve (12) months thereafter. This agreement shall have the option to renew for continuous periods of twelve (12) months each. The yearly renewal maintenance fee will be set at a cost which equals 18% of the prevailing license fee for this software product, not to exceed a 10% increase per year.

EARLY TERMINATION RIGHT: The Board may terminate this agreement with thirty (30) days written notice.

USE OF SOFTWARE: ASPG will provide a license to the Board to use the MegaCryption software product for the IBM OS390 mainframe computer 9672-R24. ASPG will also provide maintenance on this licensed software, which consists of program corrections and enhancements that ASPG may develop during the term of this agreement as long as the Board's maintenance fee is current.

DELIVERABLES: ASPG will deliver the software, program corrections and enhancements that ASPG may develop during the term of the agreement, on magnetic tape, CD, email attachment or via downloadable FTP.

OUTCOMES: The software program product, MegaCryption, will further secure the Board's critical data thru encryption.

LICENSE FEE: Software Licensor shall be paid, upon invoicing, a lump sum of \$24,655.00.

MAINTENANCE FEE: The annual maintenance for the first year is included in the license fee. Thereafter, the annual maintenance fee will be 18% of the then license fee for the software product, not to exceed a 10% increase per year.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written license agreement. Authorize the President and Secretary to execute the license agreement. Authorize the Chief Technology Officer to execute all ancillary documents required to administer or effectuate this license agreement.

AFFIRMATIVE ACTION: Vendor agrees to comply with and be bound by the provisions of the Revised Remedial Plan for Minority and Women Business Enterprise Economic Participation (M/WBE).

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Charge to Office of Technology Services: \$24,655.00 Fiscal Year: 01
Budget Classification: 0960-210-000-1116-5470

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

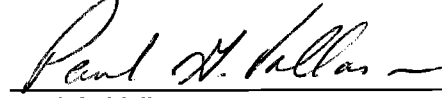
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



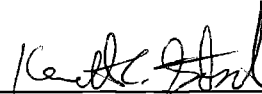
Natalye Paquin
Chief Purchasing Officer

Approved:




Paul G. Vallas
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel