

**APPROVE ENTERING INTO AN AGREEMENT WITH
ACCENTURE LLP FOR CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Accenture LLP to provide consulting services to the Office of Technology Services ("OTS") at a cost not to exceed \$2,786,000.00. Consultant was selected pursuant to a duly advertised Request for Proposal (Specification No. 02-250055). A written agreement for Consultant's services is currently being negotiated. No payment shall be made to Consultant prior to the execution of the written 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.: 02-250055

CONSULTANT: Accenture LLP
161 North Clark Street
Chicago, Illinois 60603
Contact: David Nichols
Telephone: (312) 693-6693
Vendor No.:

DEPARTMENTS: Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Telephone No.: 773-553-1300
Contact: Elaine L. Williams, Chief Technology Officer

Office of Finance
125 South Clark Street, 14th Floor
Chicago, Illinois 60603
Telephone No.: 773-553-2700
Contact: Kenneth C. Gotsch, Chief Fiscal Officer

TERM: The term of this agreement shall commence on September 16, 2002 and shall end September 15, 2003. This agreement shall have one (1) option to renew for a period of one (1) year, the cost of which will be determined at time of renewal.

EARLY TERMINATION: The Board shall have the right to terminate this agreement with thirty (30) days written notice.

SCOPE OF SERVICES: Accenture shall provide consulting services to the Board to migrate the Board's current production 11.0.3 Oracle applications to Release 11i of the Oracle Application. This scope of work will be implemented on a fixed price basis, and will include the following:

- A. Efficiently and cost-effectively executing the Oracle ERP 11i Migration project is essential to the overall success of CPS.
- 1) Migrate CPS live Release 11.0.3 financial modules with existing customizations, interfaces, and extensions to Release 11i. Migration of the following modules must occur with no loss of current business functionality:
- a. Oracle Public Sector General Ledger ("GL");
 - b. Oracle Public Sector Payables ("AP");
 - c. Oracle Public Sector Purchasing ("PO");
 - d. Oracle EDI Gateway ("EDI"); and

- e. Certain Oracle Human Resources ("HR") module functionality and interfaces required to support the financial modules.

The modules to be migrated shall be herein referred to as the "Migration Modules."

- 2) Complete the Migration, i.e. the newly migrated modules become the System of Record for the Board (in-production) by April 2003 (cut-over shall occur in April 2003).
- 3) Create at least one Readiness Assessment to serve as a baseline input for the Project.
- 4) Capture and/or validate CPS business requirements and processes prior to commencing the migration of any particular module. Conduct, capture and/or validate gap analyses where appropriate, potentially including an analysis of CPS custom functionality that required a customization, interface, or extension to Oracle ERP Release 11.0.3 that does not require one in Release 11i.
- 5) Utilize a formal migration methodology, updating CPS' current functional, technical and test specifications as necessary.
- 6) Migrate, customize, define and develop Oracle reports, as necessary.
- 7) Deploy Oracle modules to CPS headquarters.
- 8) Address data conversion and parallel systems during testing phases (system, integration, user acceptance) prior to, during and after cutover.
- 9) Test all facets of the migration, establish and perform pilots.
- 10) Provide post-production maintenance and support for the Migration Modules, associated interfaces, and all other appropriate and relevant Services.
- 11) Plan, develop and execute comprehensive Knowledge Transfer Activities for CPS staff.
- 12) Contractor shall work within the CPS Oracle Program Management Office structure.

Readiness Assessment

Accenture shall conduct a comprehensive Readiness Assessment at the commencement of the Project. The result of the Readiness Assessment shall include:

- A detailed investigation into the current CPS Oracle related technical environments, a result of which shall include a gap analysis between the current CPS technical environment and the appropriate Oracle 11i Certified Environment. This gap analysis shall serve as a baseline for transitioning the current CPS technical environment to the appropriate Oracle 11i Certified Environment. This analysis shall include a formal consideration of capacity planning requirements and other technical issues specific to the CPS environment and this Project.
- A business requirement validation for all Migration Modules. Gather and assess existing business requirements and processes. Complete gap analysis – potentially including analysis of CPS custom functionality that required a customization, interface or extension to the Oracle ERP Release 11.0.3 that does not require one in Oracle Release 11i.
- Confirm, adjust and refine the remaining phases project plans, activities and any other relevant work product(s) for the Migration Modules based on the assessment.

CPS shall provide all relevant existing documentation to the Contractor to use as inputs into the Readiness Assessment.

Migration Modules

Accenture will provide consulting services to migrate the following Board production level Oracle Application Financial modules and corresponding customizations to the Oracle Application 11i environment. The Migration Modules are:

- Oracle Public Sector General Ledger ("GL");
- Oracle Public Sector Payables ("AP");
- Oracle Public Sector Purchasing ("PO");
- Oracle EDI Gateway ("EDI"); and
- Certain Oracle Human Resources ("HR") module functionality and interfaces required to support the financial modules;

Post Production Support

Accenture shall provide CPS with post-production support on a module-by-module basis for a period of up to 8 weeks. Support shall include on-call 24 hours, 7 days a week. The Board reserves the right to terminate basic support at any time, and shall not pay for basic support that is unneeded.

DELIVERABLES/OUTCOMES:

Oracle will deliver the following ERP Migration:

- Migration Readiness Assessment 2nd Quarter FY03
- Migration Oracle Financials to 11i 4th Quarter FY03
- Accenture will provide up to 8 weeks post-production support for each module migrated. The duration of post-production support will be determined on a per module basis.
- Accenture will document and update all AIM functional, technical and test specifications for the Migration Modules.
- Accenture will provide the necessary Knowledge Transfer to CPS Subject Matter Experts (SMEs) and technical teams.

Accenture will provide the following Project Management:

- An Integrated Project Plan, detailing all modules that will be migrated under this Board Report
- Accenture will provide and maintain an updated detailed project plan, per module, which outlines all tasks associated with the migration activities required for each module
- Accenture will deliver all required work products and their associated AIM documents, as applicable
- Accenture will provide the resources necessary to manage and maintain the generation and distribution of issue/risk reports, logging of issues, reports, documents.
- Accenture will provide OTS with a weekly status report, detailing project status per module, resource issues, issues/risks, and project gains/slippage
- Accenture will provide OTS on a monthly basis, with a forecast of costs and expenditures, resources, milestone and deliverable schedules
- Accenture consultants will provide CPS with monthly summary and detailed expenses and the sheets for each assigned consultant, as well as receipts for all monthly expenses
- All Accenture Consultant travel expenses must be approved and signed by the Accenture project manager before being submitted to OTS

COMPENSATION: Accenture shall be paid on a Milestone basis in accordance with the agreed upon payment schedule, not to exceed the sum of \$2,786,000.00, including fees for professional services and \$100,000 for travel expenses.

REIMBURSABLE EXPENSES: Consultant shall be reimbursed \$100,000 for travel expenses. The total compensation amount reflected herein is inclusive of all reimbursable expenses.

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

AFFIRMATIVE ACTION: This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The M/WBE participation goals for this contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE.

The Vendor has identified and scheduled the following firms and percentages:

Total MBE- 36%

African American - 22%

DTI (AA)

1112 S. Wabash Avenue, Suite 500

Chicago, Illinois 60605

\$ 697,920 - 19.5%

certified until 04/30/2007

Sm@rt Technology Services (AA)

156 N. Jefferson Street, Suite 300

Chicago, Illinois 60661

\$ 81,600 - 2.5%

certified until 04/30/2007

Hispanic - 10%

E.J. Whitaker & Co. (H)

429B North Weber Road

Romeoville, Illinois 60446

\$ 344,160 - 10.5%

certified until 07/31/2007

Asian - 4%

Gantec Corporation (A)

2354 Hassell Road, Suite D

Hoffman Estates, Illinois 60195

\$ 145,920 - 4%

certified until 04/30/2007

Total WBE - 5%

Prairie Consulting Services, Inc.

1260 Iroquois Drive, Suite 300

Naperville, Illinois 60563

\$ 175,960 - 5%

certified until 06/30/2006

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

FINANCIAL: Charge to the Office of Technology Services: \$2,786,000.00

Budget Classification: 0960-454-000-1111-5410 \$2,786,000.00 FY '03

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.

02-0828-PR33

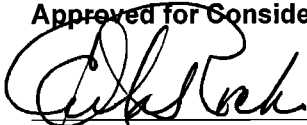
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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



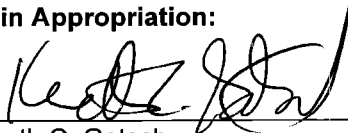
Anita Roshia
Acting Chief Purchasing Officer

Approved:



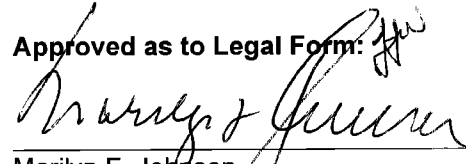
Arne Duncan
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to Legal Form:



Marilyn F. Johnson
General Counsel