

**RATIFY ENTERING INTO A SOFTWARE LICENSE AGREEMENT  
WITH SCIENTIFIC LEARNING CORPORATION**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Ratify entering into a software license agreement with Scientific Learning Corporation (SLC) for a Perpetual Use Site License for Fast ForWord® Language Development software to be used by Stockton School at a cost not to exceed \$86,000. SLC was selected on a non-competitive basis because the Fast Forword® software is propriety to SLC. A written license agreement for such software product is currently being negotiated. Software maintenance releases and "bug fixes" will be provided free of charge for the initial 3-year period of the license. Thereafter, Stockton School must pay an annual maintenance fee for such upgrades and bug fixes. No payment shall be made to SLC 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 60 days of the date of this Board Report. Information pertinent to this agreement is stated below.

**Specification No.: 03-250234**

**SOFTWARE LICENSOR:** Scientific Learning Corporation  
300 Frank Ogawa Plaza, Suite 500  
Oakland, CA 94612-2001  
(510) 665-6750  
Contact Person: Victor Kostik or Dennis King  
Vendor No: 29365

**USER:** Joseph Stockton Elementary School  
4420 N. Beacon Street  
Chicago, IL 60640  
(773) 534-2450  
Contact Person: Deborah Esparza

**TERM:** The term of this software license agreement shall commence on November 1, 2003. The license is perpetual.

**USE OF SOFTWARE:** Stockton School may use Fast ForWord® with its entire student population. Stockton School will monitor student progress using the progress tracker, and will collect pre and post test data on each participating student.

**DELIVERABLES:** SLC shall provide the Fast ForWord® Software license and related program materials, 3 days of training for up to 15 participants each day and access to SLC Internet tools and technical support. One day of on-site initial installation services will also be provided by SLC.

**OUTCOMES:** Use of the Fast ForWord® training program will result in increased student achievement in listening comprehension, word discrimination skills, attending skills, phonological awareness, language skills, and reading skills.

**LICENSE FEE:** SLC shall be paid the sum of \$86,000 over a 3-year period; payment of \$38,000 due upon signing of the license agreement, payment of \$28,000 due on 11/30/04 and payment of \$20,000 due on 11/30/05.

**MAINTENANCE FEE:** During the first three (3) years of this license agreement, all maintenance shall be provided at no cost.

**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 Education Officer to execute all ancillary documents required to administer or effectuate this license agreement.

**AFFIRMATIVE ACTION:** Pursuant to Section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) this contract is exempt from review because the nature of the service is a unique transaction.

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

<b>FINANCIAL:</b> Charge to Stockton School: \$ 38,000.00	Fiscal Year: 2004
Budget Classification: 6060-239-713-8650-5310	Source of Funds: 21 <sup>st</sup> Century Community Learning Centers Grant
Budget Classification: 6060-239-713-8650-5310 \$28,000	Fiscal Year: 2005
	Source of Funds: 21 <sup>st</sup> Century Community Learning Centers Grant
Budget Classification 6060-239-713-8650-5310 \$20, 000	Fiscal Year: 2006
	Community Learning Centers Grant

**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.

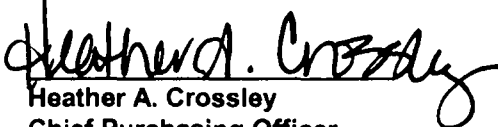
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

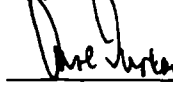
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:

  
 Heather A. Crossley  
 Chief Purchasing Officer

Approved:

  
 Arne Duncan  
 Chief Executive Officer

Within Appropriation:

  
 John Maiorca  
 Chief Financial Officer

Approved as to legal form: *for*

  
 Ruth Moscovitch  
 General Counsel