

AMEND BOARD REPORT 04-0128-PR14
AMEND BOARD REPORT 03-0122-PR13
**APPROVE THE PURCHASE OF WIDE AREA NETWORK EQUIPMENT,
 MAINTENANCE AND ASSOCIATED TRAINING FROM SBC DATACOMM, INC.**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the purchase of Wide Area Network ("WAN") equipment, maintenance and associated training from SBC DataComm, Inc. ("SBC DataComm" or "Vendor") for the Office of Technology Services ("OTS") at a cost not to exceed ~~\$44,846,483.00~~ \$34,181,291.00, of which ~~\$34,645,993.00~~ \$27,449,608.00 is eligible for, but not contingent upon, discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate"); at a cost to the Board not to exceed ~~\$1,968,248.00~~ \$2,690,952.00 in FY04 and ~~\$8,232,242.00~~ \$4,040,731.00 in FY05, for an aggregate cost to the Board not to exceed ~~\$10,200,490.00~~ \$6,731,683.00. SBC DataComm is the provider of services that qualifies the Board for the negotiated discount on all Cisco purchases, which discount is currently 42.5% under that certain contract for a term commencing September 26, 2002 and ending September 25, 2004, with one (1) option to extend for a three (3) year period, between SBC DataComm and the Illinois Century Network ("ICN"), by its fiscal agent, Illinois Board of Higher Education, which contract was awarded pursuant to a competitive solicitation issued by ICN for the benefit of various governmental agencies (the "ICN Contract"). The ICN Contract has been extended through September 24, 2007. The ICN Contract allows other governmental agencies to purchase under the ICN Contract; thus, the purchase of these WAN services is effectuated via the issuance of a purchase order to SBC DataComm from the Board. No additional written contract is required for this matter. Information pertinent to this matter is stated below.

This amendment is necessary to extend the approval period of the purchase of the Cisco Local Area Network (LAN) equipment in order to take advantage of the discounts provided by the ICN contract for school system improvements for FY 05. The ICN Contract allows other governmental agencies to purchase under the ICN Contract; thus, the purchase of these LAN services is effectuated via the issuance of a purchase order to SBC DataComm from the Board. No written contract is required for this matter.

This second amendment is necessary to allow for the Board's participation in Year 5 of the E-Rate program and to increase the dollar amount of this purchase by \$4,686,677.00 of which \$3,963,973.00 is eligible for and contingent upon, discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services program ("E-Rate"); at a cost to the Board not to exceed \$722,704.00 for the purchase, installation, and project management of E-Rate year 5 WAN upgrades. The funds for the above amount were previously authorized under Board Report 01-1219-PR23 which expired June 30, 2003. The ICN Contract allows other governmental agencies to purchase under the ICN Contract; thus, the purchase of these services is effectuated via the issuance of a purchase order to SBC DataComm from the Board. No written amendment is required for this matter.

SPECIFICATION No.: 03-250020

VENDOR: SBC DataComm, Inc.
 225 West Randolph, Floor 23C
 Chicago, Illinois 60606
 Contact: Keneese McNamer
 Telephone No.: (312) 364-2982
 Vendor No. 73289

USERS: Office of Technology Services
 125 South Clark Street, 3rd Floor
 Chicago, Illinois 60603
 Contact: Robert W. Runcie, Chief Information Officer
 Edward Wagner, WAN Services, Director
 Telephone No.: (773) 553-1300

TERM: These purchases shall be made during the period commencing July 1, 2003 through September 25, 2007, which end date is co-terminus with the end date of the ICN Contract. Provided the ICN Contract term is extended for an additional period, the Board shall continue to purchase through the ICN Contract, subject to Board approval. This term is necessary to coincide with, and allow for the Board's participation in, Year 5, Year 6 and Year 7 of the E-Rate program.

DESCRIPTION OF CISCO EQUIPMENT PURCHASE: Vendor will provide equipment for WAN and LAN hardware upgrades, enhancements and expansion. Equipment shall include, but not be limited to: Cisco system hardware, software and services (including but not limited to 6500 series switches, ESR Routers, CSS Switches, associated cables).

OUTCOMES: Vendor's services will result in improved WAN and LAN services and features, including maintenance and associated training, for the Chicago Public Schools. All schools will have the equipment necessary for a second T-1 connection to the Board's system, which will provide additional bandwidth and improved network performance. Aging LAN equipment at schools will be replaced with newer equipment providing greater network stability and improved LAN performance.

COMPENSATION: Vendor shall be paid as follows: upon invoicing, at the negotiated discounted rates as specified in the pricing formulas in the ICN Contract, which discount is currently 42.5%, for a cost not to exceed ~~\$36,920,783.00~~ \$34,181,291.00, of which ~~\$28,576,686.00~~ \$27,449,608.00 is eligible for E-Rate discounts; at a cost to the Board not to exceed ~~\$1,968,248.00~~ \$2,690,952.00 in FY04 and ~~\$6,375,849.00~~ \$4,040,731.00 in FY05, for an aggregate cost to the Board not to exceed ~~\$8,344,097.00~~ \$6,731,683.00 for the two (2) year period.

AUTHORIZATION: No additional written contract is required for this matter. Authorize the Chief Information Officer to execute any ancillary documents required to administer or effectuate these purchases.

AFFIRMATIVE ACTION: Exempt; the Board will be using the contract with the Illinois Board of Higher Education.

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

FINANCIAL: Total Cost: \$44,816,483.00 - \$93,953.00 = \$43,822,530.00

Charge to Office of Technology Services: \$10,200,490.00 - \$3,468,807.00 = \$6,731,683.00
 Budget Classification: 0960-410-000-1618-5730 \$1,000,000.00 FY 04
 0960-458-000-1110-5400 \$ 968,248.00 FY 04
 0220-410-000-1618-5730 ~~\$8,232,242.00~~ \$4,040,731.00 FY 05
 0960-210-000-1618-5410 \$ 722,704.00 FY 03 P.O.# 591115

Charge to Schools and Library Division: \$34,615,993.00 - \$7,166,385.00 = \$27,449,608.00
\$ 6,740,814.00 FY 04
\$27,876,179.00 \$16,744,821.00 FY 05
\$3,963,973.00 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.

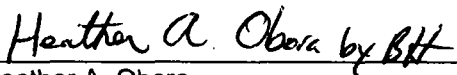
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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

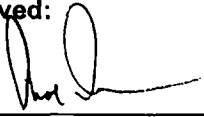
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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. Obora
Chief Purchasing Officer


Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form:


Ruth Moscovitch
General Counsel