

**APPROVE ENTERING INTO AN AGREEMENT WITH SCHOOLNET, INC. FOR THE PURCHASE OF
STUDENT INFORMATION INSTRUCTIONAL MANAGEMENT SOFTWARE LICENSES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with SchoolNet, Inc. for the purchase of an instructional management Software License at a cost not to exceed \$7,024,000.00. The vendor was selected on a competitive basis pursuant to a Request for Proposal (Specification No. 03-250274). A written license agreement for such software is currently being negotiated. 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.: 03-250274

SOFTWARE LICENSOR: SchoolNet, Inc.
75 9th Avenue, 6th Floor
New York, NY 10011
Contact: Sharan Gill
Telephone No.: (212) 645-0615 ext. 277
Vendor No.: 37402

USER: Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: Robert Runcie, Chief Information Officer
Gretchen Olson, SI Program Manager
Telephone No.: (773) 553-1300

TERM: The term of this agreement shall commence August 1, 2004, and shall end July 31, 2006.

USE OF SOFTWARE: Software Licensor will provide licenses to the Board for the use of the SchoolNet software modules. Software Licensor will also provide maintenance for the Term of this agreement on this licensed software, which consists of program corrections and enhancements that Software Licensor may develop during the Term of this agreement as long as the Board's annual maintenance fee is current.

SCOPE OF SERVICES: SchoolNet shall provide software, implementation services, training, and associated maintenance for the Term of the agreement.

DELIVERABLES: Software Licensor will license the software to the Board, and will also provide program corrections and enhancements that the Software Licensor may develop during the term of the agreement, on magnetic tape, CD, email attachment, via downloadable File Transport Protocol ("FTP"), or the then current method of software delivery.

OUTCOMES: The SIS software programs will further automate the Board's student information system applications programs, thus making the Board more efficient and effective in managing student information systems. The SIS software will enhance the Board's ability to effectively educate students.

COMPENSATION: The cost of the software is \$5,239,000.00 and the cost for implementation and training shall not exceed \$1,000,000.00. The cost of the first year maintenance is included in the price of the software. The cost of the maintenance for the second year of the agreement shall not exceed \$785,000.00. Upon invoicing, payments shall be made in the Board's regular course of business. The total aggregate cost shall not exceed \$7,024,000.00.

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 Information Officer to execute all ancillary documents required to administer or effectuate this license 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). The M/WBE participation goals for the contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 3% total Asian and 5% total WBE.

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

Total 22% African American

Catalyst Consulting Group, Inc.
211 West Wacker Drive, Suite 400
Chicago, Illinois 60606

10% / \$100,000.00
Certification expires June 1, 2005

KC Management Group Corporation

1525 East 53rd Street, Suite 932
Chicago, Illinois 60615

12% / \$120,000.00
Certification expires March 1, 2009

Total 10% Hispanic:

Quantum Crossings, LLC
455 North Cityfront Plaza Drive
Chicago, Illinois 60611

10% / \$100,000.00
Certification expires November 1, 2007

Total 3% Asian:

Marstech Solutions, Inc.
850 West Jackson Boulevard, #650
Chicago, IL 60607

3% / \$30,000.00
Certification expires November 15, 2004

Total 5% WBE:

Bronner Group, LLC
120 N. LaSalle Street, Suite 1300
Chicago, IL 60602

5% / \$50,000.00
Certification expires June 1, 2007

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

FINANCIAL: Charge to Office of Technology Services: \$7,024,000.00

Budget Classification No.: 0220-464-000-7536-5311 \$5,239,000.00 FY05
0220-464-000-7536-5410 \$1,000,000.00 FY05
0220-464-000-7536-5311 \$785,000.00 FY06

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.

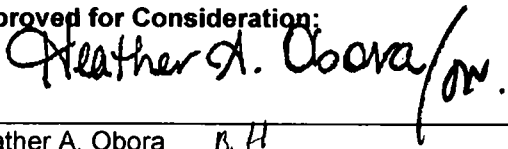
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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



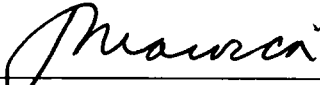
Heather A. Obora *B.H.*
Chief Purchasing Officer

Approved:



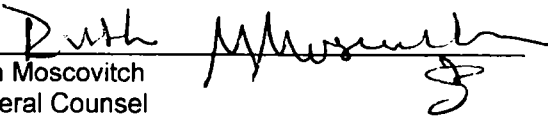
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form:



Ruth Moscovitch
General Counsel