

**APPROVE THE RENEWAL OF THE EXISTING AGREEMENT WITH
AT&T FOR LONG DISTANCE TELEPHONE SERVICES, TELECONFERENCING,
DIGITAL LINK LOCAL SERVICE AUTHORIZATION AND TOLL-FREE 800 SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the renewal of the existing agreement with AT&T ("AT&T" or "Vendor") for long distance telephone services, teleconferencing, digital link local service authorization and toll-free 800 services for the Office of Technology Services ("OTS") at a cost not to exceed \$226,800.00 for a one (1) year renewal term, of which \$197,316.00 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 \$29,484.00 for the renewal period. A written renewal document is currently being negotiated. No payment shall be made to Vendor during the renewal term prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written renewal document is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this renewal is stated below.

SPECIFICATION NO.: 02-250217

VENDOR: AT&T
227 West Monroe, 3rd Floor
Chicago, Illinois 60606
Contact: Ernie Shafer
Telephone No.: (312) 230-6768
Vendor No. 11912

USER: Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: Robert Runcie, Chief Information Officer
Kathryn Zalewski, Telecommunications Director
Telephone No.: (773) 553-1300

ORIGINAL AGREEMENT: The original agreement dated April 5, 1999 (authorized by Board Report 99-0324-PR16) is for a twenty-four (24) month period commencing July 1, 1999 and ending June 30, 2001, with the Board having one option to renew for a one-year period. The Board exercised its option to renew (authorized by Board Report 01-0124-PR50) for a term commencing July 1, 2001 and ending June 30, 2002. The Board approved a renewal of the agreement (authorized by Board Report 01-1219-PR13) for a term commencing July 1, 2002 and ending June 30, 2003. This agreement was further renewed for a two (2) year term commencing on July 1, 2003 and ending on June 30, 2005. Vendor was selected pursuant to a duly advertised Request for Proposals (Specification No. 02-250217).

RENEWAL PERIOD: The term of this Agreement is being extended for one year commencing July 1, 2005, and ending June 30, 2006.

SCOPE OF SERVICES: During the renewal period, AT&T will provide long distance telephone service for the existing SBC Centrex network to approximately 3,400 lines with an expansion capacity not to exceed 1,600 additional lines on a turn-key basis, including outbound, inbound and calling card traffic, teleconferencing, multimedia, toll-free 800, international and intra-LATA calling services. Vendor will also provide local service upon the Board's request, monthly billing information in electronic format and billing management software for regular and *ad hoc* electronic usage reports.

DELIVERABLES: During the renewal period, Vendor will provide the Board with long distance services for fiscal year 2006.

OUTCOMES: Vendor's services shall result in the Board receiving long distance services for fiscal year 2006.

COMPENSATION: Vendor shall be paid during this renewal period as follows: Upon monthly invoicing, not to exceed the sum of \$226,800.00, of which \$197,316.00 is eligible for, but not contingent upon, E-Rate discounts, at a cost to the Board not to exceed \$29,484.00 for the renewal period.

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

AFFIRMATIVE ACTION: Pursuant to section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation ("MWBE Plan"), this Contract is *exempt* from review because it is for a non-competitive utility.

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

FINANCIAL: Charge to the Office of Technology Services: \$226,800.00
Budget Classification: 0220-552-000-1614-5430 \$29,484.00 FY06
Charge to Schools and Libraries Division: \$197,316.00

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.

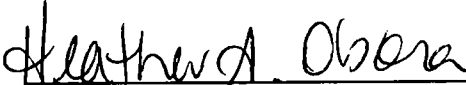
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

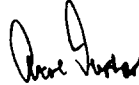
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:




Heather A. Obara
Chief Purchasing Officer

Approved:



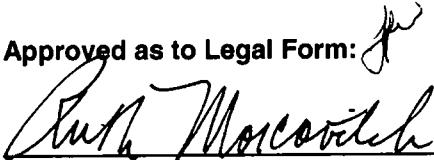
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form:



Ruth Moscovitch
General Counsel