

APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH BLACKWELL CONSULTING SERVICES FOR PROGRAM MANAGEMENT SERVICES FOR THE OVERALL MANAGEMENT AND IMPLEMENTATION OF THE LOCAL AREA NETWORK

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to renew the agreement with Blackwell Consulting Services to provide Local Area Network program and construction services to the Department of Operations and the Office of Technology Services at an aggregate cost not to exceed \$38,821,000.00 for the option period. The estimated Schools and Library Division portion is \$28,800,000.00 and the total cost to the Board should not exceed \$10,021,000.00. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this option is stated below:

SPECIFICATION NO.: 03-250196A

VENDOR: Blackwell Consulting Services
100 South Wacker Drive, Ste. 800
Chicago, Illinois 60606
Contact: Robert Blackwell Sr.
Telephone No.: (312) 553-0730
Vendor No.: 20588

USERS: Department of Operations
125 South Clark Street, 16th Floor
Chicago, Illinois 60603
Contact: Sean P. Murphy, Chief Operating Officer
Telephone No.: (773) 553-2900

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

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report 03-1217-PR20), in an amount not to exceed \$26,267,572.00 is for a term commencing July 1, 2004 and ending June 30, 2005, with the Board having three (3) options to renew for periods of one (1) year each. The original Agreement was thereafter amended (authorized by Board Report 04-0428-PR17), for a term commencing March 3, 2004, and ending June 30, 2005 to coincide with the change date reported to the Schools and Libraries Division and to increase the not to exceed amount to \$42,267,572.00. Vendor was selected on a competitive basis pursuant to a request for qualifications/proposals.

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

OPTION PERIODS REMAINING: There are two (2) one-year option periods remaining.

SCOPE OF SERVICES: Vendor will continue to provide construction and program management services regarding the installation of the LAN infrastructure; system-wide upgrades; pertinent network equipment and services at the individual schools. Blackwell Consulting Services will continue to provide the Board with sufficient working capital at no additional cost to the Board to fund project costs pending E-Rate reimbursement.

DELIVERABLES: Vendor will continue to provide the following:

- A. Project Planning
- B. Assessment
- C. Design
- D. Bid and Award
- E. Construction
- F. Testing and Network Integration
- G. Closeout
- H. Reports and Quality
- I. Training
- J. Billing and Invoicing Processes
- K. Pay Contractors
- L. Bill USAC and CPS

OUTCOMES: Vendor's services will result in the following:

- Individual Schools will have a local area network and classroom internet access
- Replacement of outdated devices will be upgraded to Board approved equipment ensuring remote manageability by the Wide Area Network Department.

COMPENSATION: Vendor shall be paid upon invoicing, per deliverables/projects as will be outlined in the agreement, with total compensation not to exceed \$38,821,000.00.

All expenditures are contingent upon availability of FY 2005 and FY2006 capital funds. These services are eligible for, and contingent upon, E-Rate discounts under the Federal Government's Universal Services Program.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option agreement. Authorize the President and Secretary to execute the option agreement. Authorize the Chief Operating Officer to execute all ancillary documents required to administer or effectuate this option 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, 2% total Asian and 5% total WBE.

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

Total 95% MBE:

Total 83% African American:

- | | |
|--------------------------------------|----------------------------|
| Blackwell Consulting Services | \$3,262,854.00 / 79.5% |
| 100 S. Wacker Drive, Suite 800 | Certified through 06/30/04 |
| Chicago, Illinois 60606 | |
| Level-1 Global Solutions | \$150,000.00 / 3.5% |
| Three First National Plaza | Certified through 11/30/07 |
| 70 W. Madison Street, Suite 1900 | |
| Chicago, Illinois 60602 | |

Total 10% Hispanic:

- | | |
|---|----------------------------|
| DSR, Inc. | \$411,187.20 / 10% |
| 329 W. 18 th Street, Suite 605 | Certified through 08/31/08 |
| Chicago, Illinois 60616 | |

Total 2% Asian:

Shah Engineering, Inc.
One IBM Plaza, Suite 3200
Chicago, Illinois 60611

\$82,237.44 / 2%
Certified through 03/31/04

Total 5% WBE:

Kowalenko & Blotti, Inc.
118 N. Peoria Street, Suite 5N
Chicago, Illinois 60607

\$205,593.60 / 5%
Certified through 01/31/04

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

FINANCIAL: Total Cost: \$38,821,000.00

Charge to the Department of Operations (Capital Funds): \$10,021,000.00

Charge to Schools and Library Division: \$28,800,000.00

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.

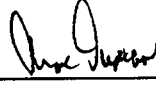
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



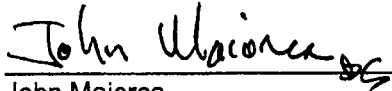
Heather A. Obora
Chief Purchasing Officer

Approved:



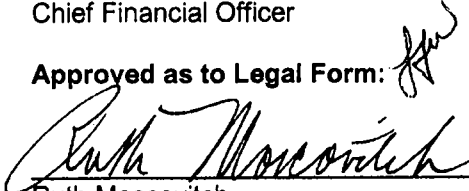
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form:



Ruth Moscovitch
General Counsel