

APPROVE EXERCISING THE SECOND 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 second 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 \$16,648,757.62 of which approximately \$13,605,455.44 is eligible for discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate"). It is anticipated that the School and Library Division/Universal Service Administrative Company ("SLD/USAC") will fund eligible E-Rate services and products, and the total cost to the Board shall not exceed \$3,043,302.18. 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 as amended by Board Report 04-0428-PR17), in an amount not to exceed \$42,267,572.00 is for a term commencing March 3, 2004 and ending June 30, 2005, with the Board having three (3) options to renew for periods of one (1) year each. The first renewal is for a term of July 1, 2005 and ending June 30, 2006 (authorized by Board Report 04-1215-PR14). 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, 2006 and ending June 30, 2007.

OPTION PERIODS REMAINING: There is one (1) one-year option period 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. Prior to rendering any Services, Blackwell shall furnish the Board's Chief Purchasing

Officer with a performance bond, which Blackwell shall acquire at its own expense. The performance bond shall be conditioned for the completion of this Agreement, for the payment of material used in the work and for all labor performed in the work, whether by subcontractor or otherwise. The performance bond must be in a form issued by a surety. The performance bond will act as security for the faithful performance of this Agreement and the payment of all contractors and other persons supplying labor, materials and equipment in connection with the Services to be provided under this Agreement.

DELIVERABLES: Vendor will continue to provide the following:

- A. Project Planning
- B. Wireless Survey
- 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 \$16,648,757.62 of which approximately \$13,605,455.44 is eligible for E-Rate discounts; the total cost to the Board shall not exceed \$3,043,302.18.

All expenditures are contingent upon availability of FY 2007 and FY2008 capital and school discretionary 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 95% African American:

Blackwell Consulting Services
100 S. Wacker Drive, Suite 800
Chicago, Illinois 60606

Certified through 06/30/04

Total 5% WBE:

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

Certified through 01/31/04

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

FINANCIAL:

		FY07
<u>Total Costs</u>		\$16,648,757.62
<u>Annual Eligible</u>		\$15,638,454.53
	<u>CPS-13%</u>	\$2,032,999.09
	<u>SLD-87%</u>	\$13,605,455.44
<u>Annual InEligible</u>		\$1,010,303.09
<u>CPS PAYS</u>	0220-XXX-000-9585-5410	\$3,043,302.18
<u>SLD PAYS</u>		\$13,605,455.44

*Capital Funds

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.

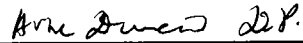
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



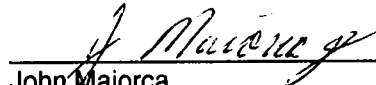
Heather A. Obora
Chief Purchasing Officer

Approved:




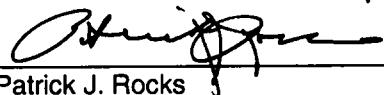
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form:

Patrick J. Rocks
General Counsel