January 25, 2006

06-0125-PR8

**AMEND BOARD REPORT 05-1116-PR12**
**APPROVE ENTERING INTO A NEW AGREEMENT WITH AT&T FOR LONG DISTANCE SERVICES, TELECONFERENCING, DIGITAL LINK LOCAL SERVICE AUTHORIZATION AND TOLL-FREE 800 SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into an agreement with AT&T ("AT&T") to provide long distance, teleconferencing, digital link local service authorization and toll-free 800 services for the Office of Technology Services ("OTS") at a cost not to exceed $386,433.45 for a three (3) year term, of which approximately $336,197.10 ~~$386,433.45~~ 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 total cost to the Board not to exceed $50,236.35. AT&T was selected pursuant to a duly advertised Request for Proposals (Specification No. 05-250030). An agreement is currently being negotiated. No payment shall be made to AT&T prior to the execution of the written agreement. 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.

This amendment is necessary in order to i) authorize the Board's General Counsel to include an indemnity from the Board to AT&T in the agreement, ii) to delete language from the compensation section and iii) to correct the eligible amount.

**SPECIFICATION NO.:** 05-250030

**VENDOR:**
AT&T
227 West Monroe, 3rd Floor
Chicago, IL 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
Katie Zalewski, Telecommunications Director
Telephone No.: (773) 553-1300

**TERM:** The term of this agreement shall commence on July 1, 2006 and shall end on June 30, 2009. This term is necessary to coincide with, and allow for the Board's participation in, Years 9, 10, and 11 of the Federal E-Rate program. This agreement shall have two (2) options to renew for periods of one (1) year each at a cost to be negotiated at the time of renewal.

**EARLY TERMINATION:** The Board shall have the right to terminate this agreement with 30 days written notice.

**SCOPE OF SERVICES:** AT&T will provide the Board with long distance, teleconferencing, digital link local service authorization and toll-free 800 services for the existing voice network to approximately 8,000 lines. It is estimated that long distance services will increase five (5) percent each year during the Contract term.

**DELIVERABLES:** AT&T will provide the Board with long distance services, teleconferencing, digital link local service authorization and toll-free 800 services through the end of fiscal year 2009.

**OUTCOMES:** AT&T's services will result in the Board having continuous long distance services, teleconferencing, digital link local service authorization and toll-free 800 services through the end of fiscal year 2009.

**COMPENSATION:** AT&T shall be paid as follows: Upon monthly invoicing, at a cost not to exceed $386,433.45 for the Contract term, of which approximately $336,197.10 ~~$386,433.45~~ is eligible for, but not contingent upon, E-Rate discounts, at a cost to the Board not to exceed $50,236.35. ~~If SLD/USAC denies funding for all or any portion of the eligible E-Rate services and products, the Board shall have the option of discontinuing the receipt of any such services and products for which funding was denied as specified in the agreement; and the Board shall only be responsible for the non-discounted portion of E-Rate eligible services and products and any expenses incurred 1) that have prior written approval of the Board and 2) for orders placed prior to the date of such suspension or discontinuation of services, termination or expiration of the agreement.~~

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written agreement, including any indemnities to be provided to the Vendor by Board. Authorize the President and Secretary to execute the ~~Contract~~ agreement. Authorize the Chief Technology Officer to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:** Pursuant to section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation ("M/WBE 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:**

| | | FY07 | FY08 | FY09 | TOTAL |
|---|---|---|---|---|---|
| **Annual Eligible** | | $122,580.00 | $128,709.00 | $135,144.45 | $386,433.45 |
| | **CPS-13%** | $15,935.40 | $16,732.17 | $17,568.78 | $50,236.35 |
| | **SLD-87%** | $106,644.60 | $111,976.83 | $117,575.67 | $336,197.10 |
| **Annual InEligible** | | $0.00 | $0.00 | $0.00 | $0.00 |
| | | $122,580.00 | $128,709.00 | $135,144.45 | $386,433.45 |
| **CPS PAYS** | **12510-230-54405-254906-000000** | $15,935.40 | $16,732.17 | $17,568.78 | $50,236.35 |
| **SLD PAYS** | | $106,644.60 | $111,976.83 | $117,575.67 | $336,197.10 |
| | | $122,580.00 | $128,709.00 | $135,144.45 | $386,433.45 |

**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
Heather A. Obora
Chief Purchasing Officer

**Approved:**

Arne Duncan
Arne Duncan
Chief Executive Officer

**Within Appropriation:**

Maiorca
John Maiorca
Chief Financial Officer

**Approved as to Legal Form:**

Patrick J. Rocks
General Counsel