

**AMEND BOARD REPORT 07-0124-PR15**  
**APPROVE EXERCISING THE THIRD 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 third 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~~ \$26,022,971.64 of which approximately ~~\$13,605,455.44~~ \$23,700,278.59 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~~ \$4,355,692.14. 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:

This first amendment is necessary to amend the compensation to Blackwell for the third option period and to clarify the breakdown of compensation for services by Blackwell for E-Rate Year 9 and E-Rate Year 10. A written amendment to the renewal is required. 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.

**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: Kristine Rull, Director, Renovation and Maintenance~~  
~~Telephone No.: (773) 553-2900~~

Office of Technology Services  
 125 South Clark Street, 3<sup>rd</sup> Floor  
 Chicago, Illinois 60603  
 Contact: Robert W. Runcie, Chief Information Officer  
 Veletta Bell, Project Manager  
 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. The second renewal is for a term of July 1, 2006 and ending September 30, 2007 (authorized by Board Report 06-0125-PR16 as amended by 06-1115-PR10). 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 a term commencing October 1, 2007 and ending June 30, 2008.

**OPTION PERIODS REMAINING:** There are no option periods remaining.

**SCOPE OF SERVICES:** Vendor was originally awarded services for two (2) projects under the E-Rate Year 8 program, i) Local Area Network (LAN) Upgrades Project; the scope of this project is to provide services to upgrade/replace the existing LAN network at approximately 60 Chicago Public Schools. ii) LAN wiring project; the scope of this project is to install new networks in approximately 49 schools. The E-Rate program granted Chicago Public Schools authorization to move forward with both projects. 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. In addition, because no services were rendered on the Blackwell contract for E-Rate Year 9 prior to the expiration of the contract, the compensation amount of \$16,648,757.62 is being combined with the current contract amount of \$9,374,214.02 for a total of \$26,022,971.64.

**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 for E-Rate Year 9 shall not to exceed \$9,374,214.02 of which approximately \$ 9,374,214.02 is eligible for E-Rate discounts; the total cost to the Board shall not exceed \$1,312,389.96.

Vendor shall be paid upon invoicing, per deliverables/projects as will be outlined in the agreement, with total compensation for E-Rate Year 10 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 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~~  
12/01/07

**Total 5% WBE:**

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

Certified through ~~01/31/04~~  
04/01/07

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

**FINANCIAL:**

	<u>E-Rate YR 9 FY08</u>		<u>E-Rate YR 10 FY089</u>	<u>TOTAL</u>
<b>Total Costs</b>	\$9,374,214.02	<b>Total Costs</b>	\$16,648,757.62	\$26,022,971.64
<b>Annual Eligible</b>	\$9,374,214.02	<b>Annual Eligible</b>	\$15,638,454.53	\$23,700,278.59
<b>CPS 14% <del>12%</del></b>	\$1,312,389.96	<b>CPS-13%</b>	\$2,032,999.09	\$3,345,389.05
<b>SLD 86% <del>87%</del></b>	\$8,061,824.06	<b>SLD-87%</b>	\$13,605,455.44	\$21,667,279.50
<b>Annual InEligible</b>	\$ -	<b>Annual InEligible</b>	\$1,010,303.09	\$1,010,303.09
<b>CPS PAYS</b> 12510-478-54105-009585-000000	\$1,000,000.00			\$1,000,000.00
<b>CPS PAYS</b> 0220-XXX-000-9586-5410 12510-XXX-54125-009585-000000	\$312,389.96		\$3,043,302.18	\$3,355,692.14
<b>SLD PAYS</b>	\$8,061,824.06		\$13,605,455.44	\$21,667,279.50

\*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)~~ June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

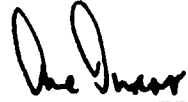
**Ethics** – The Board's Ethics Code adopted ~~September 27, 1995 (95-0927-RU3)~~ June 23, 2004 (04-0623-P04), as amended from time to time, shall be incorporated into and made a part of the agreement.

**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

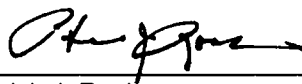
**Approved:**

  
\_\_\_\_\_  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
\_\_\_\_\_  
Pedro Martinez  
Chief Financial Officer

**Approved as to Legal Form:** 

  
\_\_\_\_\_  
Patrick J. Rocks  
General Counsel