

**APPROVE THE PURCHASE OF WIDE AREA NETWORK AND LOCAL AREA NETWORK
EQUIPMENT, MAINTENANCE AND ASSOCIATED TRAINING FROM AT&T DATACOMM, INC. FKA
SBC DATACOMM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the purchase of Wide Area Network ("WAN") and Local Area Network ("LAN") equipment, maintenance and associated training from AT&T DataComm, Inc. FKA SBC DataComm ("AT&T DataComm" or "Vendor") for Information & Technology Services ("ITS") at a cost not to exceed \$56,914,589.15, of which \$44,076,130.70 is eligible for, and contingent upon, discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate"). The cost to the Board shall not exceed shall not exceed \$7,449,036.72 in Fiscal Year 2009, shall not exceed \$2,566,391.30 in Fiscal Year 2010 and shall not exceed \$2,823,030.43 in Fiscal Year 2011, for an aggregate cost to the Board not to exceed \$12,838,458.45.

A contract was awarded, pursuant to a competitive solicitation issued by the Illinois Century Network ("ICN"), for the benefit of various governmental agencies (the "ICN Contract"). This contract is between AT&T DataComm, ICN, and its fiscal agent, Illinois Central Management Services ("CMS"). The ICN Contract allows other governmental agencies to purchase under it. The ICN contract is for a term commencing June 20, 2008 and ending June 30, 2011, with the option to renew for any incremental combination of years, for up to a total of five additional years.

AT&T DataComm is the provider of services that qualifies the Board for a negotiated discount on all Cisco purchases of 42.5% on hardware and software, and 30% for maintenance under the ICN Contract. The purchase of this WAN equipment, maintenance, and associated training and LAN is effectuated via the issuance of a purchase order to AT&T DataComm from the Board. No additional written contract is required for this matter. Information pertinent to this matter is stated below.

SPECIFICATION No.: 03-250020

VENDOR: AT&T DataComm, Inc. FKA SBC DataComm
225 W. Randolph Suite 23C
Chicago, Illinois 60606
Contact: Keneese McNamer
Telephone No.: (312) 364-2982
Vendor No. 73289

USERS: Information & Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: Robert W. Runcie, Chief Information Officer
Richard Burnson, Network Services, Director
Telephone No.: (773) 553-1300

TERM: These purchases shall be made during the period commencing August 28, 2008 and ending June 30, 2011, which end date is co-terminus with the end date of the ICN Contract. Provided the ICN Contract term will be extended for an additional period, the Board shall continue to purchase through the ICN Contract, subject to Board approval. This term is necessary to coincide with, and allow for the Board's participation in Year 11, 12, and 13 of the E-Rate program.

DESCRIPTION OF CISCO EQUIPMENT PURCHASE: Vendor will provide equipment for WAN and LAN hardware upgrades, enhancements and expansion. Equipment shall include, but not be limited to: Cisco system hardware, software, maintenance and services, including, but not limited to, 6500 series switches, routers, local area network (LAN) switches, wireless equipment, and associated cables.

OUTCOMES: Vendor's services will result in improved WAN and LAN services and features, including maintenance and associated training, for Chicago Public Schools. All schools will have the equipment necessary for a second T-1 connection or leased fiber connection to the Board's system, which will

provide additional bandwidth and improved network performance. Aging LAN equipment at schools will be replaced with newer equipment providing greater network stability and improved LAN performance.

COMPENSATION: Vendor shall be paid as follows: upon invoicing, at the negotiated discounted rates as specified in the pricing formulas in the ICN Contract. This discount is currently 42.5% for hardware and software, and 30% for maintenance. The cost shall not exceed \$56,914,589.15, of which \$44,076,130.70 is eligible for E-Rate discounts. The cost to the Board shall not exceed \$12,838,458.45 for the three year period.

AUTHORIZATION: No additional written contract is required for this matter. Authorize the Chief Information Officer to execute any ancillary documents required to administer or effectuate these purchases. Allow the Chicago Charter School Consortium, a consortium of charter schools who share facilities with CPS schools or reside at CPS owned facilities, to receive services from AT&T Datacomm pursuant to this agreement.

AFFIRMATIVE ACTION: Exempt. The Board will be using the contract with the Illinois Central Management Services.

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

FINANCIAL: Total Cost: \$56,914,589.15

Charge to Information & Technology Services: \$12,838,458.45

Budget Classification:

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|-------------------------------|----------------|------------|----------------------|
| PO 1567156 | \$2,198,796.06 | PO 1608835 | \$15,507.90 |
| PO 1608159 | \$35,150.00 | PO 1534895 | \$110,587.04 |
| PO 1501628 | \$36,278.31 | PO 1444100 | \$1,183.29 |
| PO 1428037 | \$3,131.00 | PO 1336006 | \$948,623.42 |
| PO 1335066 | \$250,131.86 | PO 1313849 | \$675,141.80 |
| PO 1306620 | \$1,206,775.90 | PO 1305023 | \$1,232.13 |
| 12510-499-55005-254901-000000 | \$1,154,999.01 | | FY09 (capital funds) |
| 12540-115-54125-254901-000000 | \$11,499.00 | | FY09 |
| Various School Departments | \$800,000.00 | | FY09 |
| | | | |
| 12510-XXX-55005-254901-000000 | \$1,673,742.40 | | FY10 (capital funds) |
| 12540-115-53405-254901-000000 | \$12,648.90 | | FY10 |
| Various School Departments | \$880,000.00 | | FY10 |
| | | | |
| 12510-XXX-55005-254901-000000 | \$1,841,116.64 | | FY11 (capital funds) |
| 12540-115-53405-254901-000000 | \$13,914 | | FY11 |
| Various School Departments | \$968,000.00 | | FY11 |

Charge to Schools and Library Division: \$44,076,130.70

| | |
|-----------------|------|
| \$18,969,994.70 | FY09 |
| \$11,955,302.86 | FY10 |
| \$13,150,833.14 | FY11 |

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

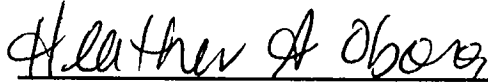
Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted 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 June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

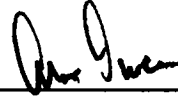
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



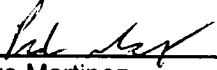
Heather A. Obora
Chief Purchasing Officer

Approved:



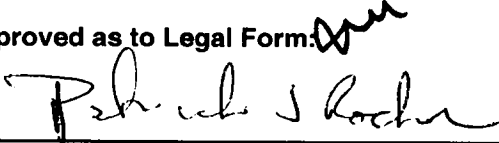
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form:



Patrick J. Rocks
General Counsel

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