

**APPROVE ENTERING INTO AN AGREEMENT WITH
KPMG CONSULTING, LLC FOR CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with KPMG Consulting, LLC to provide consulting services (including a software license) relating to the student scheduling system to the Office of Technology Services at a cost not to exceed \$1,703,850.00 for a two (2) year term. Consultant was selected pursuant to a duly advertised Request for Proposals (Specification No. 00-250686). A written agreement for Consultant's services (including a software license) is currently being negotiated. Software upgrades and "bug" fixes for the end user license will be provided free of charge for twelve (12) months. Thereafter, the Board shall pay an annual maintenance fee for such upgrades and bug fixes. No services may be received, no use of the software shall begin, and no payment shall be made to Consultant prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this agreement is stated below.

CONSULTANT: KPMG Consulting, LLC
303 East Wacker Drive
Chicago, Illinois 60601
Contact: Edward Primosch
Telephone: (312) 665-5206
Vendor No. 23326

USER: Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Elaine L. Williams, Chief Technology Officer
Frank Spoto, Manager of Student Information Systems
Telephone No. (773) 553-1300

TERM: The term of this agreement shall commence on the date the agreement is signed and shall end twenty-four (24) months thereafter. This agreement shall have one (1) option to renew for a period of twelve months. The cost of the renewal period shall not exceed \$517,340.00

EARLY TERMINATION RIGHT: Thirty (30) days written notice by the Board.

SCOPE OF SERVICES: KPMG will provide a student scheduling software package and implementation services to the Office of Technology Services. The implementation services include customizing an existing software package, where necessary, developing interfaces between the software and the Legacy student information systems, training all of the users of the system, and providing project management services.

USE OF SOFTWARE: The software will provide a comprehensive student scheduling system that accommodates the course of study aligned with high school diploma type, addresses special education placement in the least restrictive environment, bilingual education, off-site courses, college EXCEL, summer school and evening school programs.

DELIVERABLES: KPMG Consulting will deliver a customized student scheduling software package, and implementation services for the Office of Technology Services, including the following components: project management, requirements validation, software modifications, interface analysis, interfaces, software testing, training development, training, implementation support, software licenses, and software maintenance.

OUTCOMES: KPMG's services will result in a comprehensive student scheduling system that accommodates the course of study aligned with high school diploma type, addresses special education placement in the least restrictive environment, bilingual education, off-site courses, college EXCEL, summer school and evening school programs

COMPENSATION: Consultant shall be paid, upon the initial installation of the software, the amount of \$88,500.00 representing the first year's software license and support services; and, at the beginning of the second year, Consultant shall be paid \$461,250.00 for the second year's software license and support services. The remaining contract award of \$1,154,100.00 shall be paid upon monthly invoicing throughout the term of the agreement for consulting services rendered on an hourly basis; the aggregate not to exceed \$1,703,850.00.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Technology Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: Vendor agrees to comply with and be bound by the provisions of the Revised Remedial Plan for Minorities and Women Business Enterprise Economic Participation (M/WBE Plan).

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

FINANCIAL: Charge to the Office of Technology Services: \$1,703,850.00 Fiscal Year: 01
Budget Classification: 0960-210-000-7536-5410

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.

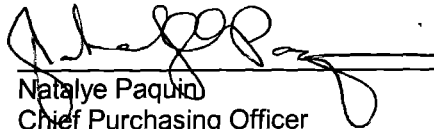
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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.

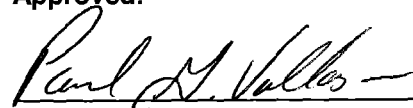
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



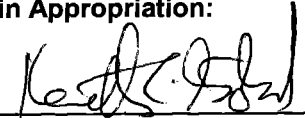
Natalye Paquin
Chief Purchasing Officer

Approved:



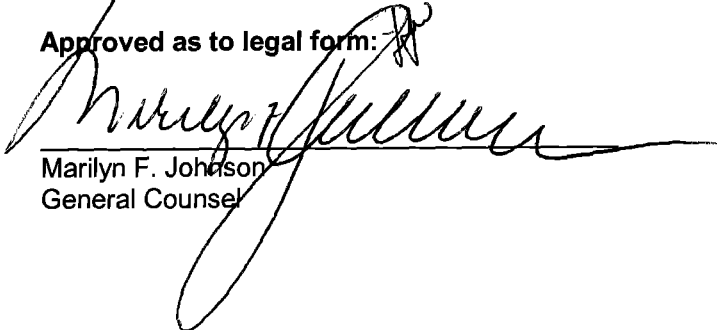
Paul G. Vallas
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel