

**APPROVE AGREEMENTS WITH
SBC GLOBAL SERVICES, INC. ON BEHALF OF ILLINOIS BELL TELEPHONE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve agreements with SBC Global Services, Inc. on behalf of Illinois Bell Telephone as follows:

1. Approve Exercising the First Option to Renew the Agreement for Discounted Usage Rates for Local Services -- See Appendix A
2. Approve the Renewal of the Agreement for Wide Area Network Transport Services -- See Appendix B
3. Approve the Renewal of the Agreement for Centrex Switching Services--See Appendix C
4. Approve the Renewal of the Agreement for Tariff-Based (Non-Centrex) Telecommunications Services -- See Appendix D

VENDOR: SBC Global Services, Inc. on behalf of Illinois Bell Telephone
225 West Randolph, Floor 23C
Chicago, Illinois 60606
Contact: Keneese McNamer
Telephone No. (312) 364-2982
Vendor No. 13290

USER: Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contacts: Elaine L. Williams, Chief Technology Officer
Arlene Love, Deputy Chief Technology Officer -- Operations
Telephone No. (773) 553-1300

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

AFFIRMATIVE ACTION: Actual M/WBE Participation pursuant to this agreement cannot be determined at this time. M/WBE participation will be evidenced via standard monitoring procedures.

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

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.

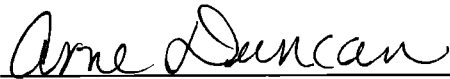
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



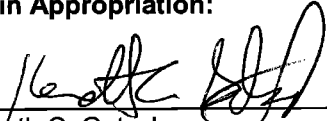
Anyta Rocha
Acting Chief Purchasing Officer

Approved:



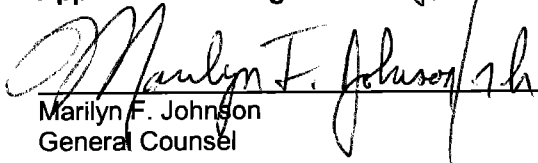
Arne Duncan
Chief Executive Officer *by PAD*

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to Legal Form: *HW*



Marilyn F. Johnson
General Counsel

APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT FOR DISCOUNTED USAGE RATES FOR LOCAL SERVICES

Approve exercising the first option to renew the agreement with SBC Global Services, Inc. to provide cost discounts on local usage for Centrex and Non-Centrex Services for the Office of Technology Services. The discounted usage rates began upon signing of the contract and are based upon a minimum annual usage of \$960,000.00 of services. A written renewal agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written document is not executed within ninety (90) days of the date of the Board Report. Information pertinent to this renewal agreement is stated below.

ORIGINAL AGREEMENT: The original agreement for services (authorized by Board Report 00-1220-PR9) is for a term commencing January 12, 2001 and ending June 30, 2002, with the Board having two (2) one-year options to renew the agreement. Vendor was selected on a non-competitive basis because the service level discounts are proprietary to SBC Global Services, Inc.

RENEWAL PERIOD: This agreement is being renewed for one year commencing July 1, 2002 and ending June 30, 2003. This renewal term is necessary to coincide with, and allow the Board's participation in, Year 5 of the E-Rate program.

OPTION PERIOD: There is one (1) one-year period remaining.

SCOPE OF SERVICES: SBC shall continue to provide discounts on local usage for Centrex and Non-Centrex services. Currently, local usage is billed at the following rates: Band "A" usage is 1.2 cents for all minutes and Band "B" and "C" usage is 2.3 cents for all minutes. The renewal agreement will put into effect the following discounted rates: Band "A" will be 1.1 cents for all minutes; and Bands "B" and "C" will be 2.1 cents for all minutes.

DELIVERABLES: Discounts shall be provided to the Board for all local services (e.g. Centrex and Non-Centrex). A summary of current and proposed rates is below:

	CURRENT USAGE RATES		PROPOSED USAGE RATES		
	1ST MINUTE	SUBSEQUENT MINUTES		1ST MINUTE	SUBSEQUENT MINUTES
BAND A	\$0.012	\$0.012	BAND A	\$0.011	\$0.011
BAND B	\$0.023	\$0.023	BAND B	\$0.022	\$0.022
BAND C	\$0.023	\$0.023	BAND C	\$0.022	\$0.022

OUTCOME: The Board will receive discounted local usages rates. Currently CPS incurs approximately \$1,883,000.00 of usage annually. Due to an increase in usage volume and a decrease in usage rates, total usage costs are estimated to be \$1,650,000.00 annually, resulting in an annual cost savings of \$233,000.00.

FINANCIAL: No charge to the Board for these services.

**APPROVE THE RENEWAL OF THE AGREEMENT FOR
WIDE AREA NETWORK TRANSPORT SERVICES**

Approve the renewal of the agreement with SBC Global Services, Inc. for the providing of Wide Area Network (WAN) transport services including DS-1, DS-3, Synchronous Optical Network (SONET) dedicated Ring and Network Reconfiguration Service ("ANRS") services at the applicable tariff rates for the Office of Technology Services at a cost for the renewal period not to exceed \$3,827,000.00 during the renewal period. This renewal is required to ensure the continuity of the E-Rate program. A renewal agreement is currently being negotiated. No payment shall be made to vendor during the renewal period prior to the execution of the renewal document. The authority granted herein shall automatically rescind in the event a renewal 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: 00-250242

ORIGINAL AGREEMENT: The original Master Agreement for Services dated December 31, 1997 (authorized by Board Report 98-0527-PR46) was for a one-year term commencing December 31, 1997 and ending December 31, 1998 in an amount not to exceed \$1,201,000.00. Board Report 99-0224-PR12 authorized the first extension for a six-month term commencing January 1, 1999 and ending June 30, 1999 at no additional cost to the Board. The second extension to the original agreement was authorized by Board Report 99-0324-PR12 for a one-year term commencing July 1, 1999 and ending June 30, 2000 in an amount not to exceed \$2,500,000.00. The third extension to the original agreement was authorized by Board Report 00-0113-PR3 for a one-year term commencing July 1, 2000 and ending June 30, 2001 in an amount not to exceed \$3,000,000.00. The fourth extension of the original agreement was authorized by Board Report 00-1220-PR9 for a one-year term commencing July 1, 2001 and ending June 30, 2002 in an amount not to exceed \$3,700,000.00. The original Master Agreement was awarded pursuant to a duly advertised RFP (Specification No. 97-030001).

RENEWAL PERIOD: By mutual consent of the parties, this agreement is being renewed for one year commencing July 1, 2002 and ending June 30, 2003. This renewal term is necessary to coincide with, and allow for the Board's participation in, Year 5 of the E-Rate program.

SCOPE OF SERVICES: SBC Global Services, Inc. shall continue to provide WAN services to the Chicago Public Schools (CPS). The WAN services provided by SBC are eligible for but not contingent upon E-Rate discounts under the Federal Government's Universal Service program.

The WAN services will continue to provide for DS-1 (T1) level access and support legacy as well as Oracle-based administrative applications, e-mail and internet access on a district-wide basis. The WAN services will be provided to a minimum of 650 locations. The WAN services will also include a network reconfiguration service, which provides for limited growth before additional costs are incurred.

DELIVERABLES: SBC Global Services, Inc. will continue to provide WAN data services for fiscal year 2003.

OUTCOMES: The Board will have WAN data services for fiscal year 2003.

COMPENSATION: Vendor shall be paid during this renewal period as follows: upon invoicing, not to exceed the sum of \$3,827,000.00. The service provided by SBC is eligible for, but not contingent upon, E-Rate discounts under the Federal Government's Universal Services program.

FINANCIAL: Charge to the Office of Technology Services \$3,827,000.00 Fiscal Year 2003
Budget Classification: 0960-552-000-1614-5430 \$3,827,000.00

**APPROVE THE RENEWAL OF THE AGREEMENT FOR
CENTREX SWITCHING SERVICES**

Approve the renewal of the agreement with SBC Global Services, Inc. for the providing of local telecommunications services, more specifically known as Centrex Switching Services (CSS), for the Office of Technology Services at a cost not to exceed \$6,415,000.00 for the renewal term. This renewal is required to ensure the continuity of the E-Rate program. A renewal agreement is currently being negotiated. No payment shall be made to vendor during the renewal period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written renewal document is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this renewal is stated below.

SPECIFICATION NO: 00-250243

ORIGINAL AGREEMENT: The original Agreement for SBC Centrex Service dated December 31, 1997 (authorized by Board Report No. 97-1022-PR19 and amended by Board Report No. 99-0224-PR11) was for a one-year period commencing December 31, 1997 and ending December 31, 1998 in an amount not to exceed \$7,289,295.00. The first extension to the agreement was authorized by Board Report No. 99-0224-PR11 for a six-month period commencing January 1, 1999 and ending June 30, 1999 in an amount not to exceed \$3,952,731.00. The second extension to the agreement was authorized by Board Report No. 99-0324-PR11 for a one-year period commencing July 1, 1999 and ending June 30, 2000 in an amount not to exceed \$7,300,000.00. The third extension to this agreement was authorized by Board Report No. 00-0113-PR2 for a one-year period commencing July 1, 2000 and ending June 30, 2001 in the amount not to exceed \$6,500,000.00. The fourth extension to this agreement was authorized by Board Report No. 00-1220-PR9 for a one-year period commencing July 1, 2001 and ending June 30, 2002 in the amount not to exceed \$7,100,000.00. The original agreement was awarded on a non-competitive basis.

RENEWAL PERIOD: By mutual consent of the parties, this agreement is being renewed for one year commencing July 1, 2002 and ending June 30, 2003. This renewal is necessary to coincide with, and allow for the Board's participation in Year 5 of the E-Rate program.

SCOPE OF SERVICES: SBC Global shall continue to provide local CSS to the Central Service Center, all CPS schools and other CPS facilities. The CSS is engineered to support a capacity of approximately 19,000 lines distributed throughout a minimum of the 600-location district. The CSS will support incoming, outgoing and intercom (5-digit dialed) calls, as well as voice-messaging (on selected lines only) on a district-wide basis. The projected annual cost of the CSS system includes: monthly recurring line charges for the approximate 19,000 lines; and monthly variable charges based on usage. The variable charges include: usage charges, installation charges, local calling area long distance charges, local 800 charges, FCC charges, miscellaneous access charges, E911 charges, E-Rate surcharge and applicable federal, state and local taxes. Decrease based on usage discount agreement. The number of lines currently identified in the Agreement is 14,000 for a minimum monthly charge of \$223,020.00. Decrease in cost due to usage discount rates.

DELIVERABLES: SBC Global Services, Inc. will continue to provide the Board with Centrex telephone services for fiscal year 2003.

OUTCOMES: The Board will have continuous Centrex telephone services for fiscal year 2003.

COMPENSATION: Vendor shall be paid as follows: upon invoicing, not to exceed the sum of \$6,415,000.00. The service provided by SBC Global Services, Inc. is eligible for, but not contingent upon, E-Rate discounts under the Federal Government's Universal Services Program.

FINANCIAL: Charge to the Office of Technology Services \$6,415,000.00 Fiscal Year 2003
Budget Classification: 0960-552-000-1614-5430 \$6,415,000.00

**APPROVE THE RENEWAL OF THE
TARIFF-BASED (NON-CENTREX) TELECOMMUNICATIONS SERVICES**

Approve the renewal of the various tariff-based local telecommunications services with SBC Global Services, Inc., including Integrated Services Digital Network (ISDN), MAPPER Administrative Network (9.6 kbps data network), Primary Rate Interface (PRI) access, Direct Inward Dial (DID) and all other basic non-Centrex, measured business services to the Office of Technology Services at a cost for the renewal period not to exceed \$2,063,000.00. This renewal is required to ensure the continuity of the E-Rate program. A written document for these tariff-based services is not required. Information pertinent to this renewal is stated below.

SPECIFICATION NO: 00-250246

ORIGINAL AGREEMENT: The original services were authorized by Board Report No. 99-0324-PR13 for a one-year term commencing July 1, 1999 and ending June 30, 2000 in an amount not to exceed \$2,300,000.00. These services were renewed pursuant to Board Report No. 00-0113-PR1 for a term commencing July 1, 2000 and ending June 30, 2001 in an amount not to exceed \$2,400,000.00. These services were further renewed pursuant to Board Report No. 00-1220-PR9 for a term commencing July 1, 2001 and ending June 30, 2002 in an amount not to exceed \$2,000,000.00.

RENEWAL PERIOD: By mutual consent of the parties, these services are being renewed for one year commencing July 1, 2002 and ending June 30, 2003. This renewal term is necessary to coincide with, and allow for the Board's participation in, Year 5 of the E-Rate program.

SCOPE OF SERVICES: SBC Global Services, Inc. shall continue to provide various local telecommunications services to the Chicago Public Schools in support of Non-Centrex requirements. The services include high school library internet access (ISDN), administrative (MAPPER) network (9.6 kbps data network); DID and PRI access services at headquarters and Medill locations, dial-up/POTS (plain old telephone service) which supports K-8 internet access, all security systems, elevator telephones, Kronos, video teleconferencing and Legacy T1 network services.

DELIVERABLES: SBC Global Services, Inc. will continue to provide the Board with Non-Centrex tariff-based telephone services for fiscal year 2003.

OUTCOMES: The Board will have continuous Non-Centrex tariff-based telephone services for fiscal year 2003.

COMPENSATION: SBC Global Services, Inc. shall be paid as follows: upon invoicing, not to exceed the sum of \$2,063,000.00. These services provided by SBC Global Services, Inc. are eligible for, but not contingent upon, E-Rate discounts under the Federal Government's Universal Services Program.

FINANCIAL: Charge to Office of Technology Services	\$2,063,000.00	Fiscal Year 2003
Budget Classification:	0960-552-000-1614-5430	\$2,063,000.00