

**RATIFY A SOFTWARE LICENSE AGREEMENT WITH  
IBM FOR SOFTWARE PRODUCT AND MAINTENANCE**

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

Ratify a software license agreement with IBM Corporation ("IBM") for OS390 system software required for the IBM 9672 Mainframe System to be used by the Office of Technology Services ("OTS") at a cost not to exceed \$396,056.00. Software licensor was selected on a non-competitive basis because the IBM OS 390 software is proprietary to IBM. A written license agreement for such software product is currently being negotiated. Software upgrades and fixes will be provided for an annual maintenance fee included in the contract price. No payment shall be made to software Licensor prior to the execution of the written license 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.

**SPECIFICATION No.:** 01-250337

**SOFTWARE LICENSOR:** IBM Corporation  
One IBM Plaza  
Chicago, Illinois 60601  
Contact: Kai Bunch  
Telephone No. 312-245-5692  
Vendor Number: 13388

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

**TERM:** The term of this software license agreement shall commence on October 1, 2001 and shall end September 30, 2002. This agreement shall have the option to renew for continuous periods of twelve (12) months each upon subsequent Board approval. The yearly renewal maintenance fee will be set at a cost which equals 15% of the prevailing license fee for this software product, not to exceed a 5% increase per year.

**EARLY TERMINATION RIGHT:** The Board may terminate this agreement with thirty (30) days written notice.

**USE OF SOFTWARE:** IBM will provide a license and maintenance to the Board to use the OS/390 software product for the IBM 9672 CPU system. IBM will also provide maintenance on this licensed software, which consists of program corrections and enhancements that IBM may develop during the term of this agreement as long as the Board's maintenance fee is current.

**DELIVERABLES:** IBM will deliver the software, program corrections and enhancements that IBM may develop during the term of the agreement, on magnetic tape, CD, email attachment or via downloadable FTP.

**OUTCOMES:** The software program product, OS/390, will further secure the Board's critical data thru September 16, 2002.

**MAINTENANCE FEE:** The annual maintenance fee will be 15% of the then license fee for the software product, not to exceed a 5% increase per year. Software Licensor shall be paid, upon invoicing, a monthly sum of \$33,005.00.

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

**AFFIRMATIVE ACTION:** The M/WBE goals for this contract include:

35 % total MBE, 22 % total African American, 10 % total Hispanic, 2 % total Asian and 5 %total WBE.

However, the Waiver Review Committee recommends that a full waiver of the participation goals for this contract as required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) be waived because the contract scope is not further divisible.

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

**FINANCIAL:** Charge to Office of Technology Services: \$396,056.00  
Budget Classification: 0960-210-000-7536-5470 \$297,042.00 Fiscal Year: 2002  
0960-210-000-1116-5470 \$ 99,014.00 Fiscal Year: 2003

**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.

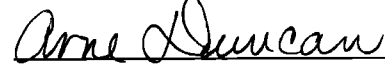
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:**

  
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Anita Rocha  
Acting Chief Purchasing Officer

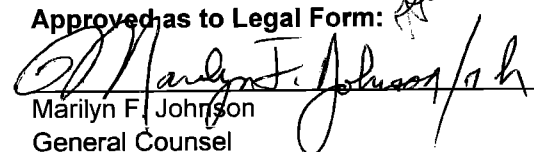
**Approved:**

  
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Arne Duncan  
Chief Executive Officer *roy PAD*

**Within Appropriation:**

  
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Kenneth C. Gotsch  
Chief Fiscal Officer

**Approved as to Legal Form:**

  
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Marilyn F. Johnson  
General Counsel