

**RATIFY A MAINTENANCE AGREEMENT WITH
KRONOS INCORPORATED FOR SOFTWARE AND HARDWARE MAINTENANCE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify a maintenance agreement with Kronos Incorporated ("Kronos") for WorkForce Timekeeping system software for the Office of Technology Services at a cost not to exceed \$305,000.00. Vendor was selected on a non-competitive basis because the WorkForce TimeKeeper software is proprietary to Kronos and required to maintain the Payroll System. A written agreement for such maintenance is currently being negotiated. No payment shall be made to Vendor 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.

SPECIFICATION NO.: 01-250357

VENDOR: Kronos Incorporated
1515 Woodfield Road
Schaumburg, Illinois 60173
Contact: Robin Platt
Telephone: 847-969-1300
Vendor No. 31925

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 maintenance agreement shall commence on January 1, 2002 and shall end December 31, 2002. This agreement shall have the option to renew for four (4) successive periods of twelve (12) months each. The yearly renewal maintenance fee will be set at a cost which equals 15% of the prevailing license fee for the WorkForce TimeKeeper software product, not to exceed a 5% increase per year.

SERVICES: Kronos will provide mission critical maintenance on the Workforce TimeKeeper system and depot repair maintenance on the smart converter and keypad system. This maintenance consists of program corrections and enhancements that Kronos may develop during the term of this agreement as long as the Board's maintenance fee is current.

DELIVERABLES: Kronos will provide hardware support to insure the proper operation of the WorkForce TimeKeeper units. Kronos will provide software support to ensure the operating systems function properly. Kronos will also provide quarterly optimizations and necessary process documentation.

OUTCOMES: These maintenance services will result in the WorkForce TimeKeeper systems being maintained properly and functioning properly. OTS will have the necessary hardware and software support to ensure the proper functioning of the operating system.

COMPENSATION: Vendor shall be paid, upon execution of agreement, and upon invoicing, four quarterly payments of \$76,250.00 not to exceed \$305,000.00.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written maintenance agreement. Authorize the President and Secretary to execute the maintenance agreement. Authorize the Chief Technology Officer to execute all ancillary documents required to administer or effectuate this maintenance 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, a full waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan is granted 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: \$305,000.00
Budget Classification: 0220-210-000-1129-5470 \$152,500.00 Fiscal Year: 2002
0220-210-000-1129-5470 \$152,500.00 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.

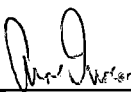
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



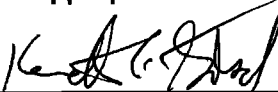
Anita Rocha
Acting Chief Purchasing Officer

Approved:



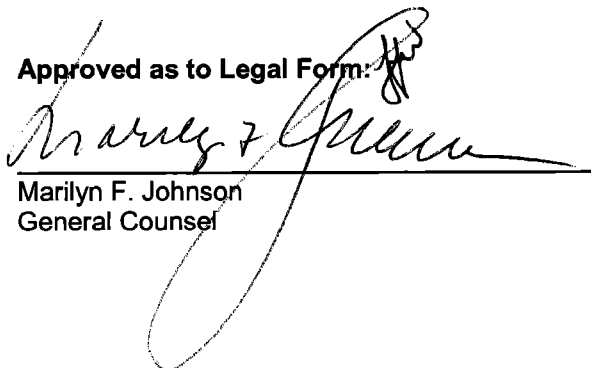
Arne Duncan
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to Legal Form:



Marilyn F. Johnson
General Counsel