

APPROVE ENTERING INTO AN AGREEMENT WITH MERCURY INTERACTIVE FOR SOFTWARE LICENSES AND TRAINING

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISIONS:

Approve entering into an agreement with Mercury Interactive for functional testing software package (QuickTest Professional and Test Director), licenses and training related to the Oracle 11i migration and implementation to be used jointly by the Office of School Financial Services, the Office of Technology Services and the Department of Procurement and Contracts at a cost not to exceed \$121,287.51. The software provider was selected on a non-competitive basis because the software packages are proprietary to Mercury Interactive. A written agreement for such software license and training is currently being negotiated. No payment shall be made to the software licensor prior to the execution of the software license. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification No.: 02-250118

SOFTWARE LICENSOR: Mercury Interactive Corporation
10255 West Higgins Road
Rosemont, IL 60018
John McCarthy
847-375-0105
Vendor No. 36036

USER:	Office of School Financial Services 125 South Clark Street Daryl Okrzesik, Controller 773-553-2710	Office of Technology Services 125 South Clark Street Elaine Williams, CTO 773-553-1300	Department of Procurements and Contracts 125 South Clark Street Anita Rocha 773-553-2250
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TERM: The term of the agreement shall commence on the date the agreement is signed and shall end one year thereafter.

EARLY TERMINATION RIGHT: None

USE OF SOFTWARE: Mercury Interactive will provide licenses to the Board to use the QuickTest Professional and Test Director software products for the Oracle Financial software currently in use at the Board and for new software modules to be installed. Also included are the maintenance and support fees for software updates, documentation updates and hot-line support as specified in the standard maintenance and support agreement provisions.

TRAINING: Mercury Interactive will provide three on-site training courses for all CPS users of the software.

DELIVERABLES: Mercury Interactive will deliver the software, program corrections, and enhancements that may develop during the term of the agreement on magnetic tape, CD, email attachment or via downloadable FTP as well as complete documentation and training materials. Mercury Interactive will schedule and conduct three on-site training classes on their products.

OUTCOMES: The software programs will allow CPS to automate the functional testing of new modules and future changes to the Oracle 11 I software that will be installed at the Board. The software also reduces the time and effort required to develop and prepare test scripts and produces reports that will identify and track problems or errors found during the testing of the software.

LICENSE FEES: Mercury Interactive will be paid \$72,936.57 for 7 concurrent user licenses for QuickTest Professional, \$19,057.50 for 7 concurrent user licenses for Test Director, and \$21,780 for 1 site license for TestDirector for a total of \$113,774.07 for all licenses.

TRAINING FEES: Mercury Interactive will be paid \$2,500 for each of three on-site training classes for a total of \$7,500.

REIMBURSABLE EXPENSES: \$13.44 for shipping charges.

TOTAL COMPENSATION: Total compensation payable to software licensor for license fees, training and shipping costs are not to exceed \$121,287.51.

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 the 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 M/WBE Enterprise Contract Participation be waived because the contract is not further divisible.

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

FINANCIAL: Charge to the Controller's Office: \$121,287.51 Fiscal Year: 2002
Budget Classification: 0230-210-000-1121-5410 Source of Funds: General Operating Fund

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.

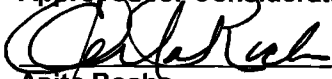
Conflicts – The Agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

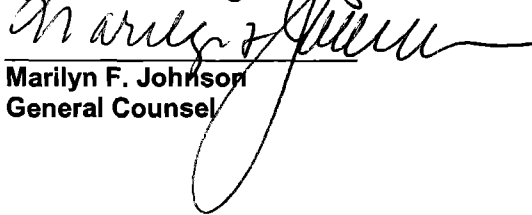
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel