

APPROVE ENTERING INTO A SOFTWARE LICENSE AGREEMENT WITH SCIENTIFIC LEARNING CORPORATION**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into a software license agreement with Scientific Learning Corporation (SLC) for 200 Fast ForWord[®] language development software licenses to be used by The Office of Specialized Services at a cost not to exceed \$125,000. SLC was selected on a non-competitive basis because Fast ForWord[®] consists of proprietary software. A written license agreement for such software product is currently being negotiated. Software updates, upgrades and "bug fixes" will be provided free of charge for the initial term of the license. Thereafter, the Board must pay an annual maintenance fee for future upgrades and bug fixes. No payment shall be made to SLC 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 60 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification No.: 02-250086

SOFTWARE LICENSOR: Scientific Learning Corporation
Telephone No: (510) 665-6750
300 Frank H. Ogawa Plaza, Suite 500
Oakland, CA 94612-2001
Contact: Mary Louise Schram
Vendor No: 29365

USER: The Office of Specialized Services
125 South Clark Street, Suite 800
Chicago, Illinois 60603
Contact Person: Kathy Kinsey
Telephone No.: (773) 553-1854

TERM: The term of this software license agreement shall commence on July 1, 2002 and end June 30, 2003. The Board shall have two options to renew the agreement for periods of 1-year each with the license fee and maintenance fee to be re-negotiated at the time of renewal.

USE OF SOFTWARE: During the initial 12-month term, the Office of Specialized Services may assign Fast ForWord[®] licenses to a maximum of 200 selected students who have been referred to the Fast ForWord[®] training program by their special education teachers and/or speech pathologists. Schools will collect pre-test and post test data on each participating student and will monitor each student's daily progress using the progress tracker.

DELIVERABLES: SLC will provide Fast ForWord[®] Software licenses and related program materials for a maximum of 200 students, 5 days of staff training for up to 15 participants each day, 3 half- day workshops, access to SLC Internet tools and technical set-up, support and installation.

OUTCOMES: Use of the Fast ForWord[®] training program will result in increased student achievement in listening comprehension, word discrimination skills, attending skills, phonological awareness, language skills and reading skills.

LICENSE FEE: During the initial 12-month term, SLC shall be paid \$625 per Fast ForWord[®] license, not to exceed \$125,000.00 in the aggregate. Payment shall be made in two installments of \$62,500 each on dates to be negotiated.

MAINTENANCE FEE: During the initial term of this license agreement, all maintenance shall be provided at no cost. After this initial term, all future upgrades and bug fixes shall be at a fixed price negotiated by SLC and the Board.

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 agreement. Authorize the Chief Specialized Services Officer to execute all ancillary documents.

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 partial waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the contract scope is not further divisible.

The vendor has however, identified and scheduled the following firms and percentages:

Total MBE% 6.4%
Blackwell Consulting Service \$8000.00 certified until 7/01/02
100 S. Wacker, Ste. 200
Chicago, IL 60606

Total WBE% 0.36%
The Travel Gallery \$450.00 certified until 7/01/02
6645 N. Oliphant
Chicago, IL 60631

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

FINANCIAL: The Office of Specialized Services Fiscal Year: 2002
Budget Classification: 0966-220- 771-1608-5310-\$125,000 Source of Funds: IDEA Part B 2
Requisition Number: 5033716

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 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.

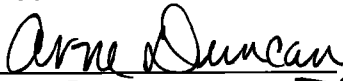
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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 budget(s).

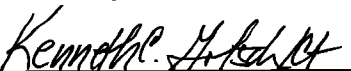
Approved for Consideration:


Anita Rocha
Acting Chief Purchasing Officer

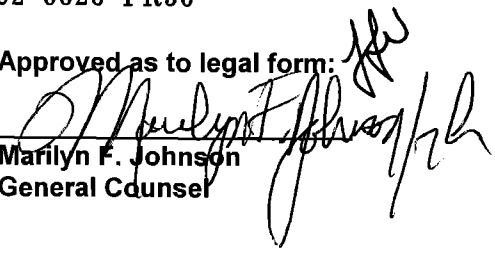
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel