

**APPROVE ENTERING INTO AN AGREEMENT WITH SIEMENS BUILDING TECHNOLOGIES, INC.
FOR BUILDING MANAGEMENT SYSTEMS SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Siemens Building Technologies, Inc. for building management systems services for the Department of Operations at a cost not to exceed \$142,200.00 annually. Vendor was selected on a non-competitive basis because the Board's installed building management systems are proprietary to Siemens, and services performed on the building management systems by any other vendor would void all existing warranties. A written agreement for Vendor's services 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 document is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this agreement is stated below.

SPECIFICATION NO.: 02-250132

VENDOR: Siemens Building Technologies, Inc.
201 Hansen Court, Suite 112
Wood Dale, IL 60191
Contact: Robert McCarthy
Telephone No.: (630) 595-2570
Vendor No.: Pending

USER: Department of Operations
125 South Clark Street
Chicago, Illinois 60603
Telephone No.: (773) 553-2900
Contact: Tim Martin, Chief Operating Officer

TERM: The term of this agreement shall commence July 1, 2002 and end June 30, 2007.

SCOPE OF SERVICES: Vendor shall provide technical support services for the Board's various building management systems including access control equipment, intercom, closed circuit television equipment, building systems annunciation equipment, and HVAC equipment. Services shall include testing and maintenance (i) to ensure that the systems are performing optimally; (ii) to maintain the integrity and reliability of the systems; (iii) to reduce system downtime; and (iv) to limit cost associated with system maintenance.

DELIVERABLES: Vendor shall provide:

- (i) Comprehensive Annual Testing and Inspection.
- (ii) System Investment Protection.
- (iii) On-site inventory of critical system components.
- (iv) Database Back-up and Management.
- (v) Quarterly operational testing.
- (vi) Quarterly Report on systems submitted by Vendor's Service Account Engineer.

OUTCOMES: Vendor's services will result in comprehensive testing and maintenance of the Board's various building management systems.

COMPENSATION: Consultant shall be paid as follows: The annual sum of \$142,200.00 for the entire duration of the agreement, payable in equal quarterly payments; total compensation not to exceed \$711,000.00 for the five-year contract term.

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

AFFIRMATIVE ACTION: Due to insufficient Board Report processing time an M/WBE review has not been performed. M/WBE commitment will be pursued.

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

FINANCIAL: Charge to the Department of Operations: \$142,200.00
Budget Classification: 0645-552-000-4462-5400 FY03

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, is hereby 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, is hereby 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

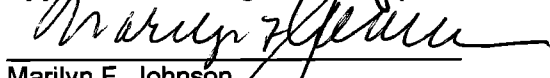
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to Legal Form:


Marilyn F. Johnson
General Counsel