

RATIFY THE EXERCISING OF THE OPTION TO EXTEND THE AGREEMENTS WITH ACER AMERICA CORPORATION AND IBM CORPORATION FOR PURCHASE OF COMPUTERS AND RATIFY AN AGREEMENT WITH DELL COMPUTER FOR THE PURCHASE OF COMPUTERS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify the exercising of the option to extend the agreements with Acer America Corporation and IBM Corporation and ratify an agreement with Dell Computer for purchase of computers and warranty services for all schools, regions and departments at a cost not to exceed \$25,000,000.00. These agreements are subject to the Board's Strategic Sourcing Policy. Written documents exercising the option for Acer and IBM are currently being negotiated. A written document with Dell is currently being negotiated. No payment shall be made to either Acer or IBM prior to the execution of such vendor's written extension agreement. No payment shall be made to Dell prior to execution of its written agreement. The authority granted herein shall automatically rescind as to each vendor in the event written agreements are not executed by such vendor within 90 days of the date of this Board Report. Information pertinent to these options and agreement is stated below.

Specification No.: 00-250499

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| <p>Vendor: 1. Acer America Corporation
2641 Orchard Parkway
San Jose, CA 95134
(847) 839-8473
Contact Person: Jeff Mahaffa
Vendor No.: 22242</p> | <p>3. Dell Computer
One Dell Way
MS Box 8707
Round Rock, TX 78682
(512) 728-2353
Contact Person: J.C. Madrigal, Marketing
Regional Contract Manager
Vendor No.: 44646</p> |
| <p>2. IBM Corporation
330 North Wabash
Chicago, IL 60611
(312) 245-5692
Contact Person: Kai J. Bunch
Vendor No.: 13388</p> | |

ORIGINAL AGREEMENTS: The original agreement with IBM has a commencement date of January 9, 2001 and the original agreement with Acer has a commencement date of January 12, 2001. Both agreements expire on June 30, 2002 and were authorized by Board Report 00-1220-PR2. Both agreements grant the Board three (3) options to renew for periods of one year each upon the same terms and prices stated in the original agreements. The original agreements with Acer and IBM were awarded pursuant to a duly advertised Request for Proposals. The agreement with Dell is a new agreement. Dell was selected because it offered the Board a competitive price on non-biddable equipment.

TERMS FOR THE AGREEMENTS: The term of each agreement with Acer and IBM is being extended for six months commencing July 1, 2002 and ending December 31, 2002. The term of the agreement with Dell shall commence July 1, 2002 and end December 31, 2002, and shall provide for two options to renew for one-year periods.

OPTION PERIODS REMAINING: There are 2 option periods for 1 year each remaining.

SCOPE OF SERVICES: Vendors will provide PC desktops and associated installation, configuration, extended warranty and maintenance services. Schools, regional, and central office Departments may purchase equipment and services at their option via requisition to Procurement and Contracts who will mail a purchase order to the vendor. School purchases that exceed \$10,000 must be approved by the REO. In the Central Offices, the respective Chief must approve purchases over \$10,000.

DELIVERABLES: Vendors will provide PC desktops and associated installation, configuration extended warranty and maintenance services.

PRICES: The prices for the purchase of the equipment shall be in accordance with the price lists indicated in each vendor's original agreement.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option documents and the new agreement with Dell. Authorize the President and Secretary to execute the option documents and the new agreement with Dell. Authorize the Chief Purchasing Officer to execute all ancillary documents required to administer or effectuate these option agreements and the new agreement with Dell.

AFFIRMATIVE ACTION: Pursuant to Section 6.2 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the Per Contract and Category Goals method for M/WBE participation will be utilized. Thus, contracts for subsequent vendors from the pool created by this contract will be subject to compliance reviews on a contract-by-contract basis. Aggregated compliance of the vendors in the pool will be reported on a quarterly basis.

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

FINANCIAL: Charge to various schools and departments
Fiscal Years: 2002-2003
Budget Classification: 5320-Supplies, 5730-Equipment, 5470-Services/Repair Contracts

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 member 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.

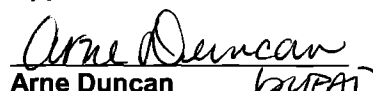
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

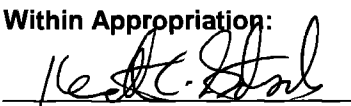
Approved for Consideration:


Anita Rocha
Acting Chief Purchasing Officer

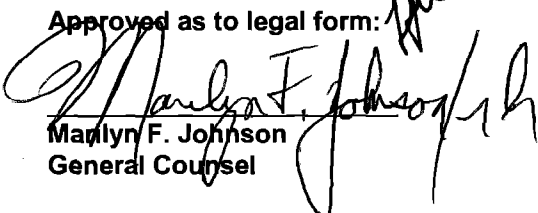
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel