

APPROVE ENTERING INTO AGREEMENTS WITH UNISYS CORPORATION AND UNISYS LEASING CORPORATION FOR FINANCING THE PURCHASE OF A UNISYS CLEARPATH SYSTEM

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a Contract for Acquisition, a Lease Agreement and an Assignment of Purchase Rights Agreement (collectively, the "Agreements") with Unisys Corporation ("Vendor" or "Unisys") and Unisys Leasing Corporation ("Leasing Vendor" or "Unisys Leasing") for financing the purchase of a ClearPath CS7822 system processor, including hardware, software, maintenance and support services, software subscription and MIPS (capacity) rental (the "ClearPath System") in the aggregate amount not to exceed \$3,357,016.83 for a period of forty-eight months. Upon the expiration of the Agreements, title to the ClearPath System will be automatically vested in the Board. Vendor was selected on a non-competitive basis because the software and hardware are proprietary to Unisys and are required to maintain the Student Information and School Administration Systems. The Leasing Vendor was selected on a non-competitive basis because of their competitive lease financing rates. Written Agreements are currently being negotiated. No payment shall be made to the Leasing Vendor prior to the execution of the written Agreements. The authority granted herein shall automatically rescind in the event written agreements are not executed within ninety (90) days of the date of this Board Report. Information pertinent to the Agreements is stated below.

SPECIFICATION NO.: 00-250848

VENDOR: Unisys Corporation
One East Wacker Drive
Chicago, Illinois 60601
Contact: Christopher J. Gonzalez
Telephone: (312) 832-7284
Vendor No. 28507

LEASING VENDOR: Unisys Leasing Corporation
1000 South McCaslin Blvd
Superior, Colorado 80027
Contact: Gale Burket
Telephone: (303) 694-8472
Vendor No. 30004

USER: Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contacts: Elaine L. Williams, Chief Technology Officer
Arlene Love, Deputy Chief Technology Officer -- Operations
Telephone No. (773) 553-1300

FINANCING USER Office of School Financial Services
Bureau of Treasury
125 South Clark Street, 13th Floor
Chicago, Illinois 60603
Contacts: David Bryant
Telephone No. (773) 553-2806

TERM: The term of each agreement shall commence on October 1, 2002 and end September 30, 2006.

CONTRACT FOR ACQUISITION: This contract is with Unisys Corporation and includes the purchase of the CS7822 processor, including hardware, software license (48 months), 4-year software subscription licenses (SSUs), 3-year rental of processing power (50 MIPS) for 30 days per year, 4 year hardware and software support services (SURETY Maintenance).

LEASE AGREEMENT: This lease agreement is with Unisys Leasing Corporation and provides for the financing of the acquisition.

ASSIGNMENT OF PURCHASE: The assignment of purchase rights passes through all the purchase rights, representations and warranties from the manufacturer (Unisys Corporation) to the Board.

DELIVERABLES: The acquisition, installation and support of the ClearPath System. At the conclusion of the 48-month period, the Board will own the ClearPath System. Hardware and software maintenance entitles the Board to 7x24 coverage, on-site hardware support, telephone software support and same day, four-hour response time. The software license will allow the Board to use Unisys' proprietary software for the term of the Agreements.

OUTCOME: The new ClearPath System will further secure the optimal performance of the Board's critical Student Information and School Administration Systems.

COMPENSATION: All payments for the acquisition, installation and support of the processor shall be paid to the Leasing Vendor pursuant to the Lease Agreement. Leasing Vendor shall be paid \$190,000.00 in principal and interest for each of the first three quarters of the term of the Lease Agreement, with the remaining balance of \$2,787,016.83, being paid in thirteen equal quarterly installments of \$214,385.91 (principal and interest) for a cost not to exceed \$3,357,016.83 in aggregate. The payments will cover the cost of the acquisition, installation, support and financing of the ClearPath System. There is no compensation required for the assignment.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions in the Agreements. Authorize the President and Secretary to execute the Agreements. Authorize the Chief Technology Officer to execute other documents incidental thereto, as may be deemed necessary to carry out and comply with the terms of the Agreements.

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 Minority and Women Business Enterprise Contract Participation (M/WBE Plan) be waived because contract scope not further divisible.

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

FINANCIAL: Charge to Office of Technology Services: \$3,357,016.83		
Budget Classification: 0960-210-000-1116-5470	\$570,000.00	Fiscal Year: 2003
Budget Classification: 0960-210-000-1116-5470	\$857,543.64	Fiscal Year: 2004
Budget Classification: 0960-210-000-1116-5470	\$857,543.64	Fiscal Year: 2005
Budget Classification: 0960-210-000-1116-5470	\$857,543.64	Fiscal Year: 2006
Budget Classification: 0960-210-000-1116-5470	\$214,385.91	Fiscal Year: 2007

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:



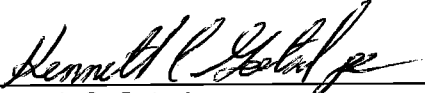
Anita Rocha
Acting Chief Purchasing Officer

Approved:



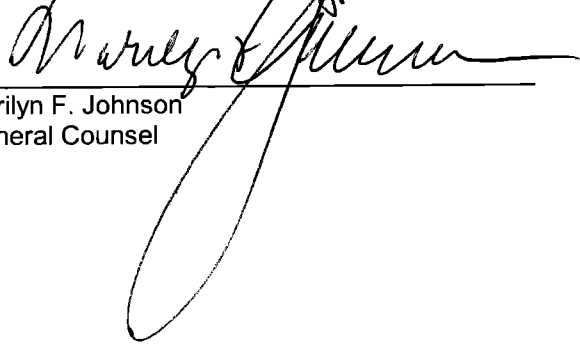
Arne Duncan
Chief Executive Officer *by PADS*

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to Legal Form:



Marilyn F. Johnson
General Counsel