

**RATIFY THE RENEWAL OF THE AGREEMENT WITH HEWLETT-PACKARD COMPANY FOR
HARDWARE AND SOFTWARE MAINTENANCE SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify the renewal of the agreement with Hewlett-Packard Company ("HP" or "Vendor") to provide hardware and software maintenance services to the Office of Technology Services ("OTS") at a cost not to exceed \$855,795.60 for a three-year renewal term. A written renewal agreement for Vendor's services is currently being negotiated. No payment shall be made to Vendor during the renewal period prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement executed within ninety (90) days of the date of this Board Report. Information pertinent to this written renewal agreement stated below.

SPECIFICATION NO: 01-250313

CONSULTANT: Hewlett-Packard Company
100 North Riverside Plaza, Suite 2200
Chicago, Illinois 60606
Contact: Kate McMahon
Telephone No. (310) 535-2858
Vendor No. 46457

USER: Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: Elaine L. Williams, Chief Technology Officer
Telephone No. 773-553-1300

ORIGINAL AGREEMENT: The original agreement in the amount of \$230,790.28 (authorized by Board Report 01-1219-PR12, as amended by Board Report 02-0424-PR16) is for a term commencing October 1, 2001 and ending September 30, 2002. The original agreement was awarded on a non-competitive basis because this hardware and software is proprietary to HP and HP has the expertise to provide maintenance services to the Board.

TERM: This agreement shall be renewed for a term commencing October 1, 2002 and ending September 30, 2006. The renewal document shall contain the provision that the agreement shall be continuously renewed for one-year terms at the Board's option and with subsequent Board approval. The annual renewal cost shall not exceed a 5% increase over the previous years' cost.

SCOPE OF SERVICES: HP will continue to provide 24x7 maintenance services on critical HP servers, 4 hours, Monday through Friday and next business day on other non-critical servers.

DELIVERABLES: HP will continue to provide hardware support to insure the proper operations of the HP UNIX and HP Jukebox. HP will also continue to provide software correction and enhancement for the HP Operating System.

OUTCOMES: The Board will have the necessary hardware and software support to ensure the proper functioning of the HP Operating Systems for the Oracle Financial Applications.

COMPENSATION: HP shall be paid as follows: Upon invoicing, an annual lump sum payment of \$285,265.20; not to exceed \$855,795.60 for the 3-year renewal term.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize the Chief Technology Officer to execute all ancillary documents required to administer or effectuate this renewal 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 Minority and Women Business Enterprise Contract Participation (M/WBE Plan) be waived because the Contract scope is not further divisible.

FINANCIAL: Charge to the Office of Technology Services: \$855,795.60

Budget Classification No.:	0960-210-000-1116-5470	\$281,617.20	Fiscal Year: 2003
	0960-210-000-1110-5470	\$ 3,648.00	Fiscal Year: 2003
	0960-210-000-1116-5470	\$281,617.20	Fiscal Year: 2004
	0960-210-000-1110-5470	\$ 3,648.00	Fiscal Year: 2004
	0960-210-000-1116-5470	\$281,617.20	Fiscal Year: 2005
	0960-210-000-1110-5470	\$ 3,648.00	Fiscal Year: 2005

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:

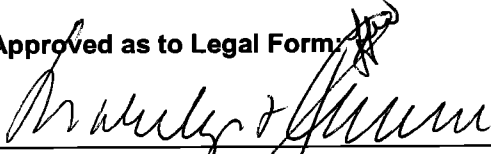

Arne Duncan
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to Legal Form:



Marilyn F. Johnson
General Counsel