

**APPROVE EXERCISING THE OPTION TO RENEW THE AGREEMENT WITH
FREERAIN SYSTEMS INC. FOR CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the option to renew the agreement with Freerain Systems Inc., formerly known as Market To Me Incorporated ("Freerain" or "Consultant"), to provide consulting services for the Office of Technology Services ("OTS") at a cost not to exceed \$145,000.00. A written document exercising this option is currently being negotiated. No payment shall be made to Consultant during the option period prior to the execution of the written document. 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 option agreement is stated below.

Specification No.: 02-250063

CONSULTANT: Freerain Systems Inc.
(formerly known as Market To Me Incorporated)
512 North McClurg Court #2209
Chicago, Illinois 60611
Contact: Joshua Karp
Telephone No.: 312-467-6429
Vendor No.: 37425

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

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 02-0424-PR12) in the amount of \$129,000.00 is for a term commencing May 1, 2002 and ending December 31, 2002, with the Board having two (2) options to renew for periods of six (6) months each, at a cost to be determined at the time of renewal. Consultant was selected on a non-competitive basis because of its experience providing project management services specific to major organization-wide software implementation initiatives, as well as RFQ and RFP development supporting large-scale software selections and deployments.

OPTION PERIOD: By mutual agreement of the parties, both six (6) month options are being exercised together, resulting in the term of this agreement being extended for one (1) year commencing January 1, 2003 and ending December 31, 2003.

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: During the renewal term, Consultant will provide the following services:

- Development, coordination, management and facilitation of the RFQ and RFP development process in conjunction with OTS procurements (this may include development of vendor evaluation, selection and negotiation processes).
- Coordination with key CPS departments to ensure that proper policies and procedures, as well as relevant State of Illinois regulations, are followed working in close association with individuals from CPS Procurement and other relevant departments.
- Assistance with the establishment and oversight of evaluation committee(s).
- Facilitation of evaluation team meetings and potential vendors during RFQ and/or RFP development processes.
- Development of a spreadsheet-based evaluation process that may be used by evaluation committee(s) for RFQs and/or RFPs.
- Development of RFQs and/or RFPs for Oracle 11i implementation- and migration-related projects.
- Development of Oracle 11i Program Management operational materials as directed by OTS and the Oracle 11i Program Manager.

- Participation in the oversight of the Oracle 11i Program, including oversight of CPS teams and various vendor teams.
- Creation of various Program documentation, as needed, over the course of the Oracle 11i Program, including, but not limited to, status reports, issues, risks, change control forms, meeting minutes, meeting agendas, handbooks and Program-wide communiqués.
- Oversight, management and quality assurance of Oracle 11i Program materials as developed by CPS teams and vendor teams.
- Participation in meetings during the Oracle 11i Program to support the development of relevant materials and to provide the Program Manager with adequate insight into the progress of the Program.

DELIVERABLES: During the renewal term, Consultant will provide following:

- A comprehensive review of the current Oracle 11i Implementation and Migration Project Statement of Work to extract critical pieces of information for inclusion into a new RFQ and/or RFP.
- A series of interviews with key CPS Oracle Project Team members to gather requirements and other inputs into the RFQ and/or RFP.
- Development of key evaluation/selection criteria for the RFQ and/or RFP.
- Training evaluation committee on the use of the spreadsheet-based evaluation process.
- General project management, including development of a schedule timeline with major milestones for the RFQ and/or RFP processes, scheduling of all activities, status reports and associated meetings.
- Final RFQ/RFP developed jointly with Purchasing Department and other relevant CPS departments
- Spreadsheet-based evaluation process.
- Vendor selection assistance.
- Assistance with the overall management of the process.
- Facilitation of evaluation committee meetings as well as potential vendor meetings during the RFQ and/or RFP processes.
- Similar activities for additional RFQs and/or RFPs.
- Oracle 11i Program Management operational materials, including, but not limited to handbooks, process diagrams, forms, and templates.
- Oracle 11i documentation, including, but not limited to, status reports, issues, risks, change control forms, meeting minutes, meeting agendas, handbooks, and Program-wide communiqués.
- Insight into the progress of the Program for the Program Manager and Program Sponsors.
- Participation in the general oversight of the Oracle 11i Program.

OUTCOMES: Consultant's services shall result in the Board receiving the following services:

- Depth of industry and technology knowledge needed to generate the highest quality solutions for RFQ(s) and/or RFP(s).
- Necessary information to make informed selection of Oracle ERP implementation and migration vendor(s).
- Documented recommendations for policy and/or procedures that will ensure ongoing compliance.
- New spreadsheet-based tools and methodologies that will enhance end-user operations and/or the implementation process.
- A basic framework that can be modeled for other information technology initiatives of this kind and size.
- The most qualified skill, judgment, knowledge and professional services to effectively and efficiently complete the RFQ and/or RFP processes to the satisfaction of the Chief Technology Officer and Chief Purchasing Officer.
- The most expeditious and economical processes, performed at a reasonable cost to the Board.
- The infrastructure, tools, formats, and templates to run a disciplined, focused and successful Oracle 11i Program.
- Materials that can be readily applied to future aspects of the Oracle 11i Program as well as other technology Programs initiated by the Office of Technology Services.
- Team oversight that will increase the cost effectiveness of third party vendors participating on the Program as well as enhance the effectiveness of CPS OTS staff.

- Program management infrastructure gained from the consultant's experience managing and participating on Programs of sufficiently greater complexity with a larger cost basis and more team members.

COMPENSATION: Consultant shall be paid per the deliverables, hourly rates and terms outlined and agreed to in the option agreement. The sum shall not exceed \$145,000.00.

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

AFFIRMATIVE ACTION: The vendor for this Contract is an independent consultant (100% non-minority).

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

FINANCIAL: Charge to the Office of Technology Services: \$145,000.00
 Budget Classification No. 0960-454-000-1111-5410 \$145,000.00 FY03

GENERAL CONDITIONS:

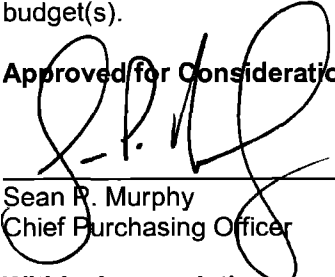
Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

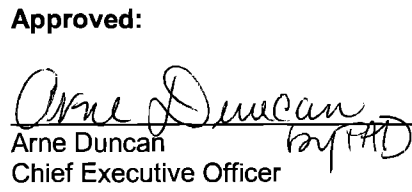
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

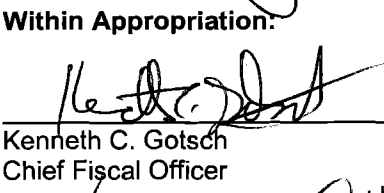
Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

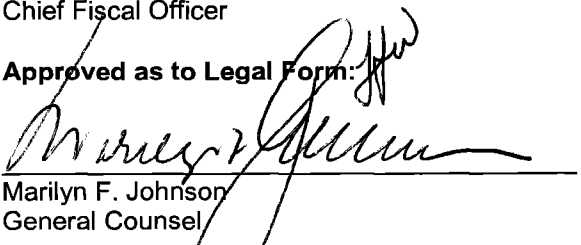
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:

 Sean R. Murphy
 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