

**RATIFY THE EXERCISING OF THE OPTION TO RENEW THE AGREEMENT WITH
KRONOS INCORPORATED FOR SOFTWARE AND HARDWARE MAINTENANCE FOR THE
WORKFORCE TIMEKEEPER SOFTWARE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify the exercising of the option to renew the agreement with Kronos Incorporated ("Kronos" or "Vendor") to provide WorkForce Timekeeping system software maintenance for the Office of Technology Services ("OTS") at a cost for the option period not to exceed \$286,083.76. This agreement was extended without prior Board approval. A written renewal agreement exercising this option is currently being negotiated. No payment shall be made to Kronos during the option period prior to the execution of the written renewal 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 renewal is stated below.

SPECIFICATION NO.: 01-250357

VENDOR: Kronos Incorporated
1515 Woodfield Road
Schaumburg, Illinois 60173
Contact: Robin Platt
Telephone: 847-969-1300
Vendor No. 31925

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

ORIGINAL AGREEMENT: The original Maintenance Agreement (authorized by Board Report 02-0123-PR17) in the amount of \$305,000.00, is for a term commencing on January 1, 2002 and ending December 31, 2002, with four (4) options to renew for successive periods of twelve (12) months each. Vendor was selected on a non-competitive basis because the WorkForce TimeKeeper software is proprietary to Kronos and required to maintain the Payroll System.

OPTION PERIOD: The term of this agreement is being extended for one (1) year commencing January 1, 2003 and ending December 31, 2003.

OPTION PERIODS REMAINING: There are three (3) options to renew for successive periods of twelve (12) months each remaining. The yearly renewal maintenance fee will be set at a cost which equals 15% of the prevailing license fee for the WorkForce TimeKeeper software product, not to exceed a 5% increase per year.

SERVICES: Kronos will continue to provide mission critical maintenance on the Workforce TimeKeeper system and depot repair maintenance on the smart converter and keypad system. This maintenance consists of program corrections and enhancements that Kronos may develop during the term of this agreement as long as the Board's maintenance fee is current.

DELIVERABLES: Kronos will continue to provide hardware support to insure the proper operation of the WorkForce TimeKeeper units. Kronos will provide software support to ensure the operating systems function properly. Kronos will also continue to provide quarterly optimizations and necessary process documentation.

OUTCOMES: These maintenance services will result in the WorkForce TimeKeeper systems being maintained properly and functioning properly. OTS will have the necessary hardware and software support to ensure the proper functioning of the operating system.

COMPENSATION: Vendor shall be paid, upon execution of the renewal agreement and upon invoicing, four quarterly payments of \$71,520.94 not to exceed \$286,083.76.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written maintenance agreement. Authorize the President and Secretary to execute the maintenance agreement. Authorize the Chief Technology Officer to execute all ancillary documents required to administer or effectuate this maintenance 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 M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the contract scope is not further divisible.

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

FINANCIAL: Charge to Office of Technology Services: \$286,083.76

Budget Classification:	0960-210-000-1110-5470	\$143,041.88	FY '03
	0960-210-000-1110-5470	\$143,041.88	FY '04

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.

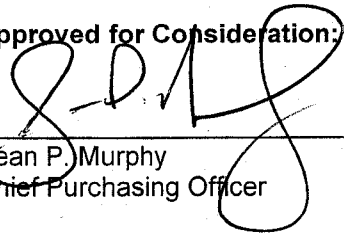
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Approved:



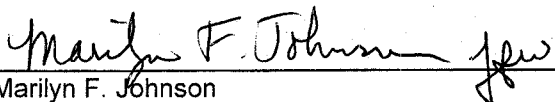
Arne Duncan *for TAD*
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to Legal Form:



Marilyn F. Johnson
General Counsel