

**APPROVE ENTERING INTO AN AGREEMENT WITH
MITEL NETWORKS CORPORATION FOR MEDIA MANAGEMENT**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Mitel Networks Corporation ("Mitel" or "Vendor") to provide media management for the Office of Technology Services ("OTS") at a cost not to exceed \$8,217,972.00, of which \$2,599,449.00 is eligible for, but not contingent upon, discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate"), at a cost to the Board not to exceed \$5,618,525.00. Vendor was selected pursuant to a duly advertised Request for Proposals (Specification No. 02-250226). A written agreement for Vendor's services is currently being negotiated. No services shall be provided and no payment shall be made to Vendor prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this agreement is stated below.

SPECIFICATION NO.: 02-250226

VENDOR: Mitel Networks Corporation
350 Legget Drive
Ottawa, Ontario
Canada K2K 2W7
Contact: Sharon Shannon
Telephone No. 516-670-8122
Vendor No. 37538

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

TERM: The term of this agreement shall commence on July 1, 2003 and end on June 30, 2005. This agreement shall have one (1) option to renew for a one (1) year period at a cost to be negotiated upon renewal.

EARLY TERMINATION RIGHT: The Board has the right to terminate this agreement upon thirty (30) days written notice.

SCOPE OF SERVICES: Mitel will design, furnish and install video conferencing and distance learning systems at approximately 150 schools and sites, including the Central Office. The new integrated media management system will connect each school and site to a centralized conferencing point. In addition, Mitel will provide technical and user training, ongoing user support and maintenance services.

DELIVERABLES: Mitel will provide the following:

1. Video conferencing system point-to-point and multi-point interaction equipment for:
 - 1500 desktop systems for 150 Schools
 - 150 small room video conferencing systems for 150 Schools
 - 170 desktop systems for the Central Office
 - One small room Video Conferencing system for the Central Office
2. Distance learning system implementing an H-323-based, multi-point interaction via a 100 BaseT connection to the IP network for:
 - 150 small distance learning classroom systems for 150 Schools
 - 1 small distance learning system for the Central Office
3. Maintenance and ongoing user support services, including:
 - Fully trained and certified support staff to troubleshoot and maintain the full system
 - Service Level Agreements (SLAs) to resolve service calls within agreed upon timeframes

- Second level help desk for technical and user support and troubleshooting
 - Other SLA requirements as included in the Scope of Services
4. Technical and user training including:
- System outline of functionality and presentation of owner's manual
 - System maintenance and troubleshooting guide
 - Support and warranty contact information

OUTCOMES: The Board will have a new integrated media management system (video conferencing and distance learning systems) at approximately 150 schools and sites with interconnectivity between each school and a centralized distribution point, including training, installation, maintenance and support services to ensure the proper functioning of the media management systems and related equipment.

COMPENSATION: Mitel shall be paid during the two (2) year term as follows: Upon monthly invoicing, at a cost not to exceed \$8,217,972.00, of which \$2,599,449.00 is eligible for, but not contingent upon, E-Rate discounts, at a cost to the Board not to exceed \$5,618,525.00.

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

AFFIRMATIVE ACTION: This Contract is in full compliance with and exceeds the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise ("M/WBE") Contract Participation. The M/WBE participation goals for the Contract include: 45% total MBE, 22% total African American, 16% total Hispanic, 2% total Asian and 5% total WBE. Mitel has identified and scheduled the following firms and percentages:

Total 45% MBE:

Total 22% African American:

Smart Technologies	\$556,079 – 7.3%
156 N. Jefferson St., #300	Reapplied 7/31/02
Chicago, Illinois 60661	
Unlimited Solutions, Inc.	\$556,079 – 7.3%
2630 S. Wabash	Applied 11/26/02
Chicago, Illinois 60615	
Bonaparte Corporation	\$563,698 – 7.4%
1455 S. Michigan Ave.	Reapplied 7/3/02
Chicago, Illinois 60605	

Total 16% Hispanic:

Quantum	\$411,346 – 5.4%
455 North Cityfront Plaza	Reapplied 8/16/02
Chicago, Illinois 60611	
Arias Technology Corp., Inc.	\$403,729 – 5.3%
28 East Jackson, 10th Floor	Applied 5/2/02
Chicago, Illinois 60604	
Interface Computer Communications	\$403,729 – 5.3%
633 S. Plymouth Ct., #1A	Certified through 8/1/03
Chicago, Illinois 60605	

Total 2% Asian:

Electrical Power & Systems, Inc.	\$152,350 – 2%
5959 W. 115th St.	Certified through 9/1/03
Alsip, Illinois 60803	

Total 5% WBE:

RL Canning
1111 N. Michigan
Chicago, Illinois 60661

\$380,876 – 5%
Applied 11/14/02

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

FINANCIAL: Charge to the Office of Technology Services:	\$8,217,972.00		
Budget Classification:	0960-210-000-1614-5430	\$4,008,767.00	FY04
	0960-210-000-1614-5430	\$4,209,205.00	FY05

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.

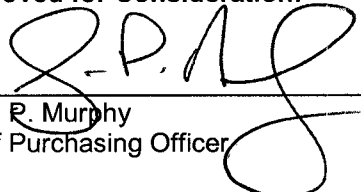
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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

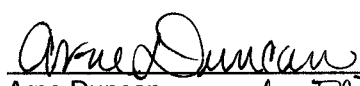
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:




 Sean P. Murphy
 Chief Purchasing Officer

Approved:



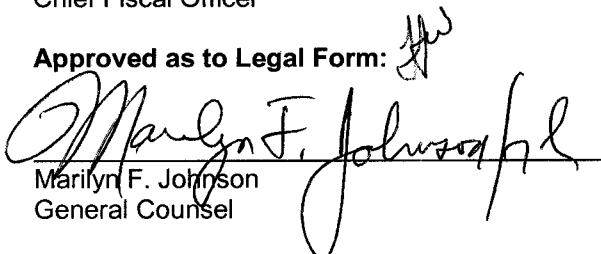
 Arne Duncan
 Chief Executive Officer

Within Appropriation:



 Kenneth C. Gotsch
 Chief Fiscal Officer

Approved as to Legal Form:



 Marilyn F. Johnson
 General Counsel