

**APPROVE THE RENEWAL OF THE AGREEMENTS WITH
SBC GLOBAL SERVICES, INC. ON BEHALF OF ILLINOIS BELL TELEPHONE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the renewal of the agreements with SBC Global Services, Inc. on behalf of Illinois Bell Telephone as follows:

1. Approve Exercising the Second Option to Renew the Agreement for Discounted Usage Rates for Local Services – See Appendix A
2. Approve the Renewal of the Existing Agreement for Wide Area Network Transport Services – See Appendix B
3. Approve the Renewal of the Existing Agreement for Centrex Switching Services – See Appendix C
4. Approve the Renewal of the Tariff-Based (Non-Centrex) Telecommunications Services – See Appendix D

VENDOR: SBC Global Services, Inc. on behalf of Illinois Bell Telephone
225 West Randolph, Floor 23C
Chicago, Illinois 60606
Contact: Keneese McNamer
Telephone No. (312) 364-2982
Vendor No. 13290

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

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

AFFIRMATIVE ACTION: Appendix B & C of this contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The M/WBE participation goals for the contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE.

The vendor has identified and scheduled the following firms and percentages:

Total 43% MBE:

Total 30% African American:

Star Detective 813 E. 75 th Street Chicago, Illinois 60619	\$1,248,118.90 / 10% Certified through 9/1/03
Computer Resource One Peirce Place, #325W Itasca, Illinois 60143	\$840,080.03 / 7% Reapplied 7/16/02
Specialties Plus 448 N. Wells, #308 Chicago, Illinois 60610	\$600,057.17 / 5% Certified through 6/1/03

Diversified 1112 S. Wabash Ave., #500 Chicago, IL 60605	\$480,045.73 / 4% Certified through 5/1/03
Sayers 1150 Feehanville Dr Mt. Prospect, Illinois 60056	\$150,014.29 / 1% Reapplied 9/6/02
CCB 1701 E. Woodfield Rd., #403 Schaumburg, Illinois 60173	\$138,013.15 / 1% Certified through 8/1/03
Applied Control 539-541 W. Taft Dr. South Holland, Illinois 60473	\$108,010.29 / .9% Reapplied 7/26/02
Ready Computer 2040 N. Ashland Ave Chicago., Illinois 60614	\$48,004.58 / .4% Reapplied 8/28/02
Total 10% Hispanic:	
United Bldg. 165 Easy Street Carol Stream, Illinois 60188	\$1,200,114.33 Certified through 1/1/03
Total 3% Asian:	
Task Performance 3158 River Road Des Plaines, Illinois 60018	\$360,034.30 Certified through 2/1/03
Total 5% WBE:	
Infosys 428 E. Oakwood Barrington Lake, Illinois 60010	\$600,057.17 Certified through 3/1/03

Pursuant to Section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) Appendix A & D of this contract is exempt from review because they are unique transactions.

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

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.

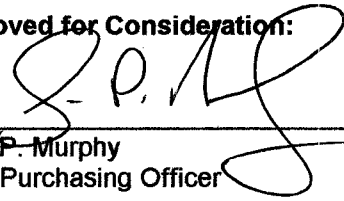
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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



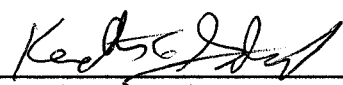
Sean P. Murphy
Chief Purchasing Officer

Approved:



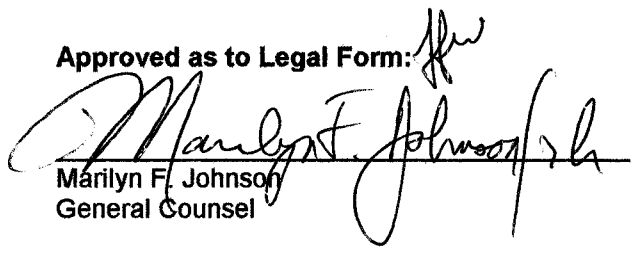
Arne Duncan
Chief Executive Officer *by PAD*

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to Legal Form:



Marilyn F. Johnson
General Counsel

APPROVE EXERCISING THE SECOND OPTION TO RENEW THE AGREEMENT FOR DISCOUNTED USAGE RATES FOR LOCAL SERVICES

Approve exercising the second option to renew the agreement with SBC Global Services, Inc. ("SBC Global" or "Vendor") to provide cost discounts on local usage for Centrex and Non-Centrex Services for the Office of Technology Services ("OTS"). The discounted usage rates began upon signing of the contract and are based upon a minimum annual usage of \$960,000.00 of services for the renewal term. A written renewal agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written renewal document is not executed within ninety (90) days of the date of the Board Report. Information pertinent to this option agreement is stated below.

ORIGINAL AGREEMENT: The original agreement for services (authorized by Board Report 00-1220-PR9) is for a term commencing January 12, 2001 and ending June 30, 2002, with the Board having two (2) one-year options to renew the agreement. The contract was renewed, pursuant to Board Report 01-1219-PR22, for a term commencing July 1, 2002 and ending June 30, 2003. Vendor was selected on a non-competitive basis because the service level discounts are proprietary to SBC Global.

RENEWAL PERIOD: By mutual consent of the parties, this agreement is being renewed for one (1) year commencing July 1, 2003 and ending June 30, 2004. This renewal term is necessary to coincide with, and allow the Board's participation in, Year 6 of the E-Rate program.

OPTION PERIOD: There are no renewal options remaining.

SCOPE OF SERVICES: SBC Global shall continue to provide discounts on local usage for Centrex and Non-Centrex services. Local usage shall be billed at the following rates: Band "A" usage at 1.1 cents for all minutes; and Band "B" and "C" usage at 2.1 cents for all minutes.

DELIVERABLES: The Board shall continue to receive discounts for all local services (e.g., Centrex and Non-Centrex). Following is a summary of the current rates:

CURRENT USAGE RATES

	<u>FIRST MINUTE</u>	<u>SUBSEQUENT MINUTES</u>
BAND A	\$0.011	\$0.011
BAND B	\$0.022	\$0.022
BAND C	\$0.022	\$0.022

OUTCOME: The Board will continue to receive the discounted local usage rates.

FINANCIAL: No charge to the Board for these services.

**APPROVE THE RENEWAL OF THE EXISTING AGREEMENT FOR
WIDE AREA NETWORK TRANSPORT SERVICES**

Approve the renewal of the existing agreement with SBC Global Services, Inc. ("SBC Global") for the providing of Wide Area Network ("WAN") transport services, including DS-1, DS-3, synchronous optical network ("SONET"), and dedicated ring and network reconfiguration ("ANRS") services at the applicable tariff rates, for the Office of Technology Services ("OTS") at a cost not to exceed \$5,647,743.27 for the renewal period, of which \$4,880,279.21 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"), for a total cost to the Board not to exceed \$794,464.06. A renewal agreement is currently being negotiated. No payment shall be made to Vendor during the renewal period prior to the execution of the renewal document. The authority granted herein shall automatically rescind in the event a renewal 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: 00-250242

ORIGINAL AGREEMENT: The original Master Agreement for Services dated December 31, 1997 (authorized by Board Report 98-0527-PR46) was for a one-year term commencing December 31, 1997 and ending December 31, 1998 in an amount not to exceed \$1,201,000.00. Board Report 99-0224-PR12 authorized the first extension for a six-month term commencing January 1, 1999 and ending June 30, 1999 at no additional cost to the Board. The second extension to the original agreement was authorized by Board Report 99-0324-PR12 for a one-year term commencing July 1, 1999 and ending June 30, 2000 in an amount not to exceed \$2,500,000.00. The third extension to the original agreement was authorized by Board Report 00-0113-PR3 for a one-year term commencing July 1, 2000 and ending June 30, 2001 in an amount not to exceed \$3,000,000.00. The fourth extension of the original agreement was authorized by Board Report 00-1220-PR9 for a one-year term commencing July 1, 2001 and ending June 30, 2002 in an amount not to exceed \$3,700,000.00. The fifth extension of the original agreement was authorized pursuant to Board Report 01-1219-PR22, for a one-year term commencing July 1, 2002 and ending June 30, 2003 in an amount not to exceed \$3,827,000.00. The original Master Agreement was awarded pursuant to a duly advertised RFP (Specification No. 97-030001).

RENEWAL PERIOD: By mutual consent of the parties, this agreement is being renewed for one (1) year commencing July 1, 2003 and ending June 30, 2004. This renewal term is necessary to coincide with, and allow for the Board's participation in, Year 6 of the E-Rate program.

SCOPE OF SERVICES: SBC Global shall continue to provide WAN services to the Chicago Public Schools. The WAN services provide DS-1 (T1) level access and support Legacy, as well as Oracle-based administrative applications, e-mail and internet access on a district-wide basis. The WAN services will continue to be provided to a minimum of 650 locations and will also continue to include a network reconfiguration service, which provides for limited growth before additional costs are incurred.

DELIVERABLES: SBC Global will continue to provide WAN data services for fiscal year 2004.

OUTCOMES: Vendor's services shall result in the Board having WAN data services for fiscal year 2004.

COMPENSATION: Vendor shall be paid, during this renewal period, as follows: upon invoicing, not to exceed the sum of \$5,647,743.27, of which \$4,880,279.21 is eligible for, but not contingent upon, E-Rate discounts, for a total cost to the Board not to exceed \$794,464.06.

FINANCIAL: Charge to the Office of Technology Services \$5,647,743.27
Budget Classification: 0960-552-000-1614-5430 \$5,647,743.27 FY04

**APPROVE THE RENEWAL OF THE EXISTING AGREEMENT FOR
CENTREX SWITCHING SERVICES**

Approve the renewal of the existing agreement with SBC Global Services, Inc. ("SBC Global" or "Vendor") for the providing of local telecommunications services, more specifically known as Centrex Switching Services ("CSS"), for the Office of Technology Services ("OTS") at a cost not to exceed \$6,353,400.00 for the renewal period, of which \$5,205,924.00 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"), for a total cost to the Board not to exceed \$1,147,476.00. A renewal agreement is currently being negotiated. No payment shall be made to Vendor during the renewal period prior to the execution of the written renewal document. The authority granted herein shall automatically rescind in the event a written renewal 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: 00-250243

ORIGINAL AGREEMENT: The original Agreement for SBC Centrex Service dated December 31, 1997 (authorized by Board Report No. 97-1022-PR19 and amended by Board Report No. 99-0224-PR11) was for a one-year period commencing December 31, 1997 and ending December 31, 1998 in an amount not to exceed \$7,289,295.00. The first extension to the agreement was authorized by Board Report No. 99-0224-PR11 for a six-month period commencing January 1, 1999 and ending June 30, 1999 in an amount not to exceed \$3,952,731.00. The second extension to the agreement was authorized by Board Report No. 99-0324-PR11 for a one-year period commencing July 1, 1999 and ending June 30, 2000 in an amount not to exceed \$7,300,000.00. The third extension to this agreement was authorized by Board Report No. 00-0113-PR2 for a one-year period commencing July 1, 2000 and ending June 30, 2001 in the amount not to exceed \$6,500,000.00. The fourth extension to this agreement was authorized by Board Report No. 00-1220-PR9 for a one-year period commencing July 1, 2001 and ending June 30, 2002 in the amount not to exceed \$7,100,000.00. The fifth extension of the original agreement was authorized pursuant to Board Report 01-1219-PR22, for a one-year term commencing July 1, 2002 and ending June 30, 2003 in an amount not to exceed \$6,415,000.00. The original agreement was awarded on a non-competitive basis.

RENEWAL PERIOD: By mutual consent of the parties, this agreement is being renewed for one (1) year commencing July 1, 2003 and ending June 30, 2004. This renewal is necessary to coincide with, and allow for the Board's participation in Year 6 of the E-Rate program.

SCOPE OF SERVICES: SBC Global shall continue to provide local CSS to the Central Service Center, all CPS schools and other CPS facilities. The CSS is engineered to support a capacity of approximately 19,000 lines distributed throughout a minimum of the 600-location district. The CSS will continue to support incoming, outgoing and intercom (5-digit dialed) calls, as well as voice-messaging (on selected lines only) on a district-wide basis. The projected annual cost of the CSS system includes: monthly recurring line charges for the approximate 19,000 lines; and monthly variable charges based on usage. The variable charges include: usage charges, installation charges, local calling area long distance charges, local 800 charges, FCC charges, miscellaneous access charges, E911 charges, E-Rate surcharge and applicable federal, state and local taxes.

DELIVERABLES: SBC Global will continue to provide the Board with Centrex telephone services for fiscal year 2004.

OUTCOMES: The Board will have continuous Centrex telephone services for fiscal year 2004.

COMPENSATION: SBC Global shall be paid during this renewal period as follows: upon invoicing, not to exceed the sum of \$6,353,400.00, of which \$5,205,924.00 is eligible for, but not contingent upon, E-Rate discounts, for a total cost to the Board not to exceed \$1,147,476.00.

FINANCIAL: Charge to the Office of Technology Services \$6,353,400.00
Budget Classification: 0960-552-000-1614-5430 \$6,353,400.00 FY04

**APPROVE THE RENEWAL OF THE
TARIFF-BASED (NON-CENTREX) TELECOMMUNICATIONS SERVICES**

Approve the renewal of the various tariff-based local telecommunications services with SBC Global Services, Inc. ("SBC Global" or "Vendor"), including Integrated Services Digital Network (ISDN), MAPPER Administrative Network, Primary Rate Interface (PRI) access, Direct Inward Dial (DID) and all other basic non-Centrex, measured business services to the Office of Technology Services ("OTS") at a cost not to exceed \$1,925,160.00 for the renewal period, of which \$1,338,968.00 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"), for a total cost to the Board not to exceed \$586,192.00. A written renewal document for these tariff-based services is not required. Information pertinent to this renewal is stated below.

SPECIFICATION NO: 00-250246

ORIGINAL AGREEMENT: The original services were authorized by Board Report No. 99-0324-PR13 for a one-year term commencing July 1, 1999 and ending June 30, 2000 in an amount not to exceed \$2,300,000.00. These services were renewed pursuant to Board Report No. 00-0113-PR1 for a term commencing July 1, 2000 and ending June 30, 2001 in an amount not to exceed \$2,400,000.00. These services were further renewed pursuant to Board Report No. 00-1220-PR9 for a term commencing July 1, 2001 and ending June 30, 2002 in an amount not to exceed \$2,000,000.00. These services were again renewed pursuant to Board Report 01-1219-PR22 for a one-year term commencing July 1, 2002 and ending June 30, 2003 in an amount not to exceed \$2,063,000.00.

RENEWAL PERIOD: By mutual consent of the parties, these services are being renewed for one (1) year commencing July 1, 2003 and ending June 30, 2004. This renewal term is necessary to coincide with, and allow for the Board's participation in, Year 6 of the E-Rate program.

SCOPE OF SERVICES: SBC Global shall continue to provide various local telecommunications services to the Chicago Public Schools in support of non-Centrex requirements. The services include high school library internet access (ISDN), administrative (MAPPER) network; DID and PRI access services at headquarters and Medill locations, dial-up/POTS (plain old telephone service) which supports K-8 internet access, all security systems, elevator telephones, Kronos, video teleconferencing and Legacy T1 network services.

DELIVERABLES: SBC Global will continue to provide the Board with non-Centrex tariff-based telephone services for fiscal year 2004.

OUTCOMES: The Board will have continuous Non-Centrex tariff-based telephone services for fiscal year 2004.

COMPENSATION: SBC Global shall be paid during this renewal period as follows: upon invoicing, at a cost not to exceed \$1,925,160.00 for the renewal period, of which \$1,338,968.00 is eligible for, but not contingent upon, E-Rate discounts, for a total cost to the Board not to exceed \$586,192.00.

FINANCIAL: Charge to Office of Technology Services \$1,925,160.00
Budget Classification: 0960-552-000-1614-5430 \$1,925,160.00 FY04