

**AMEND BOARD REPORT 02-0123-PR13  
RATIFY AN AGREEMENT WITH IBM CORPORATION  
FOR IBM HARDWARE MAINTENANCE**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Ratify an agreement with IBM Corporation ("IBM") to provide hardware and software maintenance for the 3900 Printers, AS400 Server and 9672 Server to the Office of Technology Services ("OTS") including remote and "as needed" on-site maintenance, performance tuning, system audits, and troubleshooting at a cost not to exceed ~~\$268,457.40~~ \$413,457.40 for a three (3) year period. These services were obtained without prior Board approval. Vendor was selected on a non-competitive basis because of IBM's lower cost, proprietary software and technical expertise in providing maintenance services for IBM 3900 printers, AS400 and 9672 servers. A written agreement for Vendor's maintenance is currently being negotiated. 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.

This amendment is necessary to restructure the business terms with IBM as follows: (i) approve entering into an agreement with IBM specifically covering the hardware and software maintenance services reflected in this Board Report; and (ii) increase the dollar amount of this agreement by \$145,000.00.

**SPECIFICATION No.:** 01-250336

**VENDOR:** IBM Corporation  
~~One IBM Plaza~~ 330 N. Wabash  
 Chicago, Illinois 60611  
 Contact: ~~Kai Bunch~~ Jim Lautenbach  
 Telephone No. 312-245-3581  
 Vendor Number: 13388

**USER:** Office of Technology Services  
 125 South Clark Street, 3rd Floor  
 Chicago, Illinois 60603  
 Contacts: Robert Runcie, Chief Information Officer  
Elaine L. Williams, Chief Technology Officer  
~~Arlene Love, Deputy CTO - Operations~~  
 Telephone No. 773-553-1300

**TERM:** The term of this agreement is for thirty-six (36) months commencing on December 1, 2001 and ending November 30, 2004. This agreement shall have no options to renew.

**EARLY TERMINATION:** The Board shall have the right to terminate this agreement with thirty (30) days written notice.

**SCOPE OF SERVICES:** IBM will provide maintenance for the IBM 3900 Printers, AS400 Server and 9672 Server on a 24 x 7 basis with a four (4) hour on-site performance.

**DELIVERABLES:** IBM will provide hardware support to insure the proper operation of the 3900 Printers, AS400 server and 9672 Server. IBM will provide software support to ensure the operating systems function properly.

**OUTCOMES:** IBM 3900 Printers, AS400 Server, 9672 Server will be maintained properly and function properly. OTS will have the necessary hardware and software support to ensure the proper functioning of the operating system.

**COMPENSATION:** Vendor shall be paid in annual installments of ~~\$89,485.80~~ \$137,819.13; not to exceed ~~\$268,457.40~~ \$413,457.40.

**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:** 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 contract scope is not further divisible.

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

**FINANCIAL:** Charge to the Office of Technology Services:  $\$268,457.40 + \$145,000.00 = \$413,457.40$

Budget Classifications: 0960-210-000-7536-5470 \$ 52,200.00 Fiscal Year: 2002

0960-210-000-1116-5470 ~~\$ 89,485.80~~ \$129,485.80 Fiscal Year: 2003

0960-210-000-1116-5470 ~~\$ 89,485.80~~ \$174,485.80 Fiscal Year: 2004

0960-210-000-1116-5470 ~~\$ 37,285.80~~ \$ 57,285.80 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.

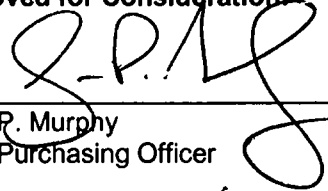
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

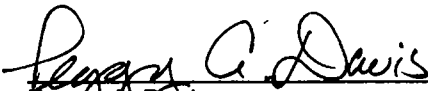
**Approved for Consideration:**

  
\_\_\_\_\_  
Sean P. Murphy  
Chief Purchasing Officer

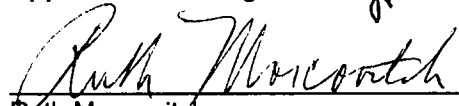
**Approved:**

  
\_\_\_\_\_  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
\_\_\_\_\_  
Peggy A. Davis  
Chief of Staff

**Approved as to Legal Form:**

  
\_\_\_\_\_  
Ruth Moscovitch  
General Counsel