

**APPROVE ENTERING INTO AN AGREEMENT WITH QUALTECH INTERNATIONAL CORPORATION
FOR THE UPGRADE AND MAINTENANCE OF THE IBM MAINFRAME SOFTWARE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with QualTech International Corporation ("QualTech") for the upgrade and maintenance of IBM mainframe software from current levels to OS/390 V2.10, DB2 V7.1, QMF V7.2, and CICS TS V2.2 for Office of Technology Services ("OTS") at a cost not to exceed \$119,600.00. QualTech was selected on a non-competitive basis because of Vendor's specialized knowledge of the IBM mainframe. A written agreement for this matter 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 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

SPECIFICATION NO.: 03-250134

VENDOR: QualTech International Corporation
3225 Neil Armstrong Boulevard, Suite 600
Eagan, MN 55121
Contact: Lisa Barton
Telephone: (651) 365-0202
Vendor No.: 36432

USER: Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: David Vitale, Acting Chief Technology Officer
Delois Mix, Data Center Manager
Telephone: (773) 553-1300

TERM: The term of this agreement shall commence on June 26, 2003 and shall end June 25, 2004.

EARLY TERMINATION RIGHT: Either party shall have the right to terminate this Agreement upon thirty (30) days written notice.

SCOPE OF SERVICES: QualTech will develop a project plan and will perform the necessary systems programming services to upgrade and maintain the IBM mainframe software from current levels to OS/390 V2.10, DB2 V7.1, QMF V7.2, and CICS TS V2.2

DELIVERABLES: QualTech will monitor, via conference calls with OTS, the OS/390, DB2, CICS, QMF joint upgrade plan weekly. Qualtech will document resource objects and definitions, provide an installation diary, and white papers as needed, and supply documentation or training as agreed with OTS.

OUTCOMES: QualTech's services will result in securing the IBM mainframe software to support the Board's critical systems and data.

COMPENSATION: QualTech shall be paid as follows: upon invoicing, at the hourly rate of \$130.00 for approximately 920 hours, not to exceed the sum of \$119,600.00. Invoicing will be done monthly based on actual hours worked.

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 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 \$119,600.00
Budget Classification: 0960-210-000-1116-5410 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.

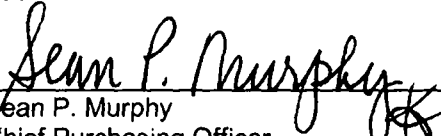
Indebtedness – The Board’s Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time shall be incorporated into and made a part of the agreement.

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.

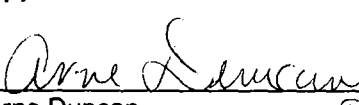
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

Approved:

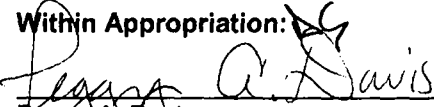


Sean P. Murphy
Chief Purchasing Officer



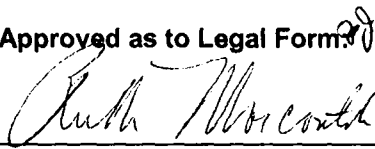
Arne Duncan
Chief Executive Officer *by PAD*

Within Appropriation:



Peggy A. Davis
Chief of Staff

Approved as to Legal Form:



Ruth Moscovitch
General Counsel