

AMEND BOARD REPORT 01-1219-PR23
**APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH
 SBC DATACOMM TO PROVIDE EQUIPMENT, INSTALLATION AND PROJECT MANAGEMENT
 FOR THE WIDE AREA NETWORK**

Approve exercising the first option to renew the agreement with SBC Datacomm to provide equipment, installation and project management for the Wide Area Network ("WAN") program for the Office of Technology Services at a cost not to exceed \$5,564,000.00. This contract is eligible for E-Rate discounts. A written renewal agreement is currently being negotiated. No payment shall be made to the vendor prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this renewal agreement is stated below.

This amendment is necessary to extend the term of the contract for a fifteen (15) month period in order to coincide with and allow for the Board's participation in Year 5 of the E-Rate Program at no additional cost to the Board. Year 5 was extended by Universal Services Administrative Company (USAC) through September 30, 2004. SBC DataComm is the provider of services that qualifies the Board for the negotiated discount on all Cisco purchases, pursuant to a contract between SBC DataComm and the Illinois Century Network ("ICN"). A written amendment to the Contract is currently being negotiated. No further payments shall be made to Vendor prior to the execution of the written amendment. The authority granted in this amended Board Report shall automatically rescind in the event a written amendment is not executed within sixty (60) days of the date of this amended Board Report.

SPECIFICATION NO: 00-250245

CONSULTANT: SBC Datacomm
 225 West Randolph, Floor 23C
 Chicago, Illinois 60606
 Contact: Kaneese McNamer
 Telephone No. (312) 364-2982
 Vendor No. 73289

USER: Office of Technology Services
 125 South Clark Street, 3rd Floor
 Chicago, Illinois 60603
 Contacts: David Vitale, Acting Chief Technology Officer
Elaine L. Williams, Chief Technology Officer
Arlene Love, Deputy Chief Technology Officer—Operations
 Telephone: (773) 553-1300

ORIGINAL AGREEMENT: The original agreement in the amount of \$3,000,000.00 (authorized by Board Report 00-1220-PR10) is for a term commencing on July 1, 2001 and ending June 30, 2002, with the Board having the option to renew the agreement for two (2) additional one-year terms. The original agreement was awarded on a non-competitive basis because SBC is the provider of these services that qualifies the Chicago Public Schools for the negotiated discount on all Cisco purchases pursuant to a contract between ISBE and SBC Datacomm, which discount is currently 35%.

OPTION PERIOD: This agreement is being renewed for a term commencing July 1, 2002 and ending ~~June 30, 2003~~ September 30, 2004. This term is necessary to coincide with, and allow the Board's participation in, Year 5 of the E-Rate Program.

OPTION PERIODS REMAINING: There is one (1) option period remaining.

SCOPE OF SERVICES: SBC Datacomm will continue to provide equipment, installation and project management services for WAN hardware upgrades, enhancements and expansion. The Chief Technology Officer and SBC Datacomm will define the scope of work for the installation and project

management for each specific project, site and equipment list. If installation is unavailable for a particular location, SBC will provide hardware only. Equipment may include (but is not limited to): Cisco Systems hardware/software/services (including additional 2900 series switches, 6500s, and probes), IBM equipment and Sun servers.

DELIVERABLES: Vendor will continue to provide a Statement of Work with a detailed scope for each project, and technical specifications related to the installation and completion criteria. Prior to the start of all projects, the statement of work will be approved by the Deputy Chief Technology Officer. Project management documentation will include but is not limited to: (1) the summary of project timeline, and (2) change order requests. The vendor will install, configure and integrate new equipment into the Wide Area Network.

OUTCOME: The Board will have improved LAN/WAN services and features to the schools and additional sites will be added to the WAN.

COMPENSATION: Vendor shall be paid during this period as follows: upon invoicing, not to exceed the sum of \$5,564,000.00. The service provided by SBC Datacomm is eligible for, but not contingent upon, E-Rate discounts under the Federal Government's Universal Services program.

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

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 35% total MBE with 22% African American, 10% Hispanic and 2% Asian. The total WBE goal is 5%.

However, the Waiver Review Committee recommends that a partial 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 the Vendor exhibited good faith efforts.

The Vendor has, however, identified and scheduled the following percentages:

- Total MBE: 30%
 - Total African American participation is 21.5%
 - Star Detective and Security, 813 East 87th Street, Chicago, IL 60619 \$1,200,000.00
 - M/WBE certification expires 2/28/07
- Total Hispanic participation is 4.56%
 - Monarch Marketing Group, 1100 West Cermak Road, Chicago, IL 60606 \$254,000.00
 - M/WBE certification expires 2/28/07
- Total Asian participation is 4.58%
 - Task Performance Group, Inc., 3158 S River Rd, Des Plaines, IL 60018 \$255,000.00
 - M/WBE certification expires 1/31/02

The City of Chicago, Department of Procurement Services, certifies each identified firm. The identified firms are subject to change upon approval from the Procurement and Contract's Division of Compliance and Vendor Services without prior Board approval.

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

FINANCIAL: Charge to the Office of Technology Services: \$5,564,000.00
Budget Classification: 0960-210-000-1618-5410 \$5,564,000.00 FY 2003

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.

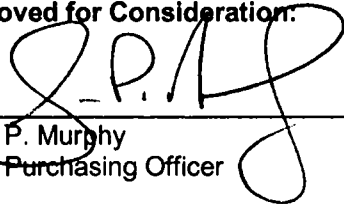
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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



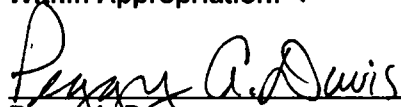
Sean P. Murphy
Chief Purchasing Officer

Approved:




Arne Duncan
Chief Executive Officer

Within Appropriation: 



Peggy A. Davis
Chief of Staff

Approved as to Legal Form: 



Ruth Moscovitch
General Counsel