

**APPROVE ENTERING INTO AN AGREEMENT WITH KRONOS INCORPORATED FOR THE PURCHASE OF SOFTWARE LICENSES AND SERVICES**

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

Approve entering into an agreement with Kronos Incorporated for the purchase of software, installation, licenses, interfaces, training and maintenance services related to Kronos Workforce Central, version 4.3 and Decisions, version 4.2 for the Bureau of Payroll Services at a cost not to exceed \$842,000.00. Vendor was selected on a non-competitive basis because of its proprietary system already installed at the Board. A written license agreement for such software products and services is currently being negotiated. Software upgrades and "bug fixes" will be provided free of charge for one year. Thereafter, the Board must pay an annual maintenance fee for such upgrades and bug fixes. No payment shall be made to software Licensor prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written document is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this agreement is stated below.

**SOFTWARE LICENSOR:** Kronos Incorporated  
1515 Woodfield Road  
Schaumburg, Illinois 60173  
Contact: Robin Platt  
Telephone: (847) 969-1300  
Vendor No. 31925

**USER:** Bureau of Payroll Services  
125 S. Clark Street 14<sup>th</sup> Floor  
Michael Edwards, Deputy CFO- Payroll  
Phone: 773-553-2660

**TERM:** The term of this agreement shall commence on September 1, 2003 and shall end August 31, 2004. This agreement shall have 3 options to renew for periods of 1year each.

**USE OF SOFTWARE:** Workforce Central, version 4.3 software will be used by Chicago Public Schools for reporting time and attendance. Kronos will also provide identification badges for all employees.

**SERVICES:** Kronos will provide software and installation, training, configuration, and maintenance services for the implementation of the Workforce Version 4.3 and the Decisions version 4.2 for the Bureau of Payroll Services. Kronos will provide Identification Badges per Chicago Public Schools specifications.

**DELIVERABLES:** Kronos will provide resources and project management as needed to ensure the proper installation, and operation of the software. Kronos will also provide maintenance support to ensure the operating system functions properly.

**OUTCOMES:** Chicago Public Schools will be able to take advantage of the new feature enhancements included in the new software. It will also allow more efficient processing of time and attendance data.

**COMPENSATION:** Consultant shall be paid as follows: Upon monthly invoicing, \$842,000.00 for Kronos software, licenses, and services.

**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 Fiscal Officer to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:** Pursuant to section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE) this contract is *exempt* from review because the contract is a unique transaction.

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

<b>FINANCIAL:</b> Charge to Department of Finance :	\$842,000.00	Fiscal Year: 2004
Budget Classification: 0230-210-1129-000-5410	\$342,000.00	
0230-060-1129-000-5410	\$500,000.00	

**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

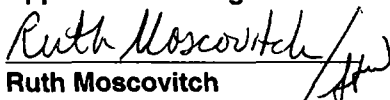
**Approved:**

  
 Arne Duncan  
 Chief Executive Officer

**Within Appropriation:**

  
 Peggy A. Davis  
 Chief of Staff

**Approved as to legal form:**

  
 Ruth Moscovitch  
 General Counsel