

**APPROVE EXERCISING THE OPTION TO EXTEND THE AGREEMENTS WITH ACER AMERICA CORPORATION, IBM CORPORATION AND DELL COMPUTER FOR THE PURCHASE OF COMPUTERS AND WARRANTY SERVICES**

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

Approve exercising the option to extend the agreements with Acer America Corporation, IBM Corporation and Dell Computer for the purchase of computers and warranty services for all schools, area instructional offices and departments at a cost for the option period not to exceed \$7,000,000.00. These agreements are subject to the Board's Strategic Sourcing Policy. Written documents exercising the option for Acer, IBM and Dell are currently being negotiated. No payment shall be made to Acer, IBM or Dell prior to the execution of such vendor's written extension agreement. The authority granted herein shall automatically rescind as to each vendor in the event a written extension document is not executed by such vendor within 90 days of the date of this Board Report. Information pertinent to these options and agreements is stated below.

**Specification No.: 00-250499**

**Vendor: 1.** Acer America Corporation  
2641 Orchard Parkway  
San Jose, CA 95134  
(847) 839-8473  
Contact Person: Jeff Mahaffa  
Vendor No.: 22242

**2.** IBM Corporation  
330 North Wabash  
Chicago, IL 60611/ (312) 245-5692  
Contact Person: Kai J. Bunch/Vendor No.: 13388

**Commodity Manager: Craig Holloway 553-2903**

**3.** Dell Computer  
One Dell Way  
MS Box 8707  
Round Rock, TX 78682  
(512) 728-2353  
Contact Person: J.C. Madrigal, Marketing  
Regional Contract Manager/Vendor No.: 44646

**ORIGINAL AGREEMENTS:** The original agreement with IBM has a commencement date of January 9, 2001, the original agreement with Acer has a commencement date of January 12, 2001, and were authorized by Board Report 00-1120-PR2. The original agreement with Dell has a commencement date of July 1, 2002 and was authorized by Board Report 02-0724-PR2. All agreements expired on December 31, 2002. The Acer and IBM agreements grant the Board three (3) options to renew for periods of one year each upon the same terms and prices stated in the original agreements. The Acer and IBM agreements were renewed for a six-month term commencing July 1, 2002 and ending December 31, 2002 authorized under Board Report 02-0724-PR2. The Dell agreement grants the Board one option to renew for a period of one year upon the same prices and terms stated in the original agreement. The Acer, IBM and Dell Agreements were renewed for a 9-month period commencing January 1, 2003 and ending September 30, 2003 under the second options authorized under Board Report 02-1218-pr04. The Acer and IBM original agreements were awarded pursuant to a duly advertised Request for Proposals. Dell was selected because it offered competitive pricing on non-biddable equipment.

**OPTION PERIOD:** The term of each agreement with Acer, IBM and Dell is being extended for a term commencing October 1, 2003 and ending on January 31, 2004 or 2 weeks after the execution of the new agreements for the purchase of desktops, and laptops computers and warranty services currently being finalized under a Request for Proposals process, whichever date is earlier.

**OPTION PERIODS REMAINING:** There are no options periods remaining.

**SCOPE OF SERVICES:** Vendors will continue to provide PC desktops and associated installation, configuration extended warranty and maintenance services. Schools, instructional offices and central office departments may purchase equipment and services at their option via requisition to Procurement and Contracts who will mail a

purchase order to the vendor. School purchases that exceed \$10,000 must be approved by the AIO. In the Central Offices, the respective Chief must approve purchases over \$10,000.

**DELIVERABLES:** Vendors will continue to provide PC desktops and associated installation, configuration extended warranty and maintenance services.

**PRICES:** The prices for the purchase of the equipment shall be in accordance with the price lists included in each vendor's original agreement.

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

**AFFIRMATIVE ACTION:** Pursuant to Section 6.2 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the Per Contract and Category Goals method for M/WBE participation will be utilized. Thus, contracts for subsequent vendors from the pool created by this contract will be subject to compliance reviews on a contract-by-contract basis. Aggregated compliance of the vendors in the pool will be reported on a quarterly basis.

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

**FINANCIAL:** Charge to various schools and departments

Fiscal Years: 2003-2004

Budget Classification: 5320-Supplies, 5730-Equipment, 5470-Services/Repair Contracts

**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.

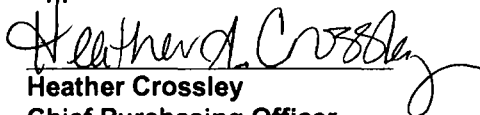
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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

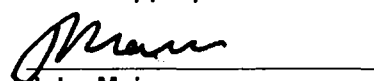
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:**

  
Heather Crossley  
Chief Purchasing Officer

**Within Appropriation:**

  
John Maiorca  
Chief Fiscal Officer

**Approved:**

  
Arne Duncan  
Chief Executive Officer

**Approved as to legal form**

  
Ruth Moscovitch  
General Counsel