

**APPROVE ENTERING INTO AN AGREEMENT WITH BLACKWELL CONSULTING SERVICES FOR  
PROGRAM MANAGEMENT SERVICES FOR THE OVERALL MANAGEMENT AND  
IMPLEMENTATION OF THE LOCAL AREA NETWORK**

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

Approve entering into an agreement with Blackwell Consulting Services to provide Local Area Network program and construction services to the Department of Operations and the Office of Technology Services at an aggregate cost not to exceed \$26,267,572.00 during the agreement term. The estimated Schools and Library Division portion is \$15,821,191.20 and the total cost to the Board should not exceed \$10,446,380.80. Vendor was selected on a competitive basis pursuant to a request for qualifications/proposals (specification No. 03-250196A). A written agreement is currently being negotiated. No payment shall be made to Vendor during the agreement period 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:

**SPECIFICATION NO.:** 03-250196A

**VENDOR:** Blackwell Consulting Services  
100 South Wacker Drive, Ste. 800  
Chicago, IL 60606  
Contact: Robert Blackwell Sr.  
Telephone No.: (312) 553-0730  
Vendor No.: 20588

**USERS:** Department of Operations  
125 South Clark Street, 16th Floor  
Chicago, Illinois 60603  
Contact: Sean P. Murphy, Chief Operating Officer  
Telephone No.: (773) 553-2900

Office of Technology Services  
125 South Clark Street, 3<sup>rd</sup> Floor  
Chicago, Illinois 60603  
Contact: Robert W. Runcie, Chief Information Officer  
Jane Kratochvil, E-Rate - Director  
Telephone No.: (773) 553-1300

**TERM:** The term of this agreement shall commence on July 1, 2004 and shall end on June 30, 2005. This agreement shall have three (3) options to renew for periods of one (1) year each.

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

**SCOPE OF SERVICES:** Vendor will provide construction and program management services regarding the installation of the LAN infrastructure and pertinent network equipment and services at the individual schools. Blackwell Consulting Services will provide the Board with sufficient working capital at no additional cost to the Board to fund project costs pending E-Rate reimbursement.

**DELIVERABLES:** Vendor will provide the following:.

- A. Project Planning
- B. Assessment
- C. Design
- D. Bid and Award
- E. Construction
- F. Testing and Network Integration
- G. Closeout
- H. Reports and Quality
- I. Training
- J. Billing and Invoicing Processes
- K. Pay Contractors
- L. Bill USAC and CPS

**OUTCOMES:** Vendor's services will result in the following:

- Individual Schools will have a local area network and classroom internet access
- Replacement of outdated devices will be upgraded to Board approved equipment ensuring remote manageability by the Wide Area Network Department.

**COMPENSATION:** Vendors shall be paid the following not to exceed amounts for the items listed below, with total compensation not to exceed \$26,267,572.00:

Assessments	\$380,000.00
Design	765,168.00
Construction	19,129,200.00
Management	2,966,704.00
Reimbursables (Printing and Distribution)	26,500.00
Allowance	<u>3,000,000.00</u>
Total	<u>\$26,267,572.00</u>

All expenditures are contingent upon availability of FY 2005 capital funds. These services are eligible for, and 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 agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Operating Officer to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:** This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE). The M/WBE participation goals for the contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE.

The vendor has identified and scheduled the following firms and percentages:

Total 95% MBE:

Total 83% African American:

<b>Blackwell Consulting Services</b> 100 S. Wacker Drive, Suite 800 Chicago, Illinois 60606	\$3,262,854.00 / 79.5% Certified through 06/30/04
<b>Level-1 Global Solutions</b> Three First National Plaza 70 W. Madison Street, Suite 1900 Chicago, Illinois 60602	\$150,000.00 / 3.5% Certified through 11/30/07

Total 10% Hispanic:

**DSR, Inc.**  
329 W. 18<sup>th</sup> Street, Suite 605  
Chicago, Illinois 60616

\$411,187.20 / 10%  
Certified through 08/31/08

Total 2% Asian:

**Shah Engineering, Inc.**  
One IBM Plaza, Suite 3200  
Chicago, Illinois 60611

\$82,237.44 / 2%  
Certified through 03/31/04

Total 5% WBE:

**Kowalenko & Bilotti, Inc.**  
118 N. Peoria Street, Suite 5N  
Chicago, Illinois 60607

\$205,593.60 / 5%  
Certified through 01/31/04

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

**FINANCIAL:** Total Cost: \$26,267,572.00  
Charge to the Department of Operations (Capital Funds): \$10,446,380.80  
Charge to Schools and Library Division: \$15,821,191.20

**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.

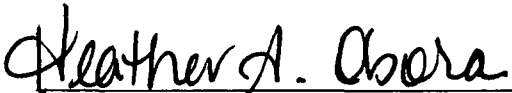
**Conflicts** – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of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

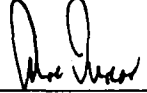
**Ethics** – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

**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:**

  
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Heather A. Obora  
Chief Purchasing Officer

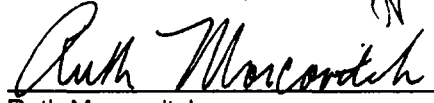
**Approved:**

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

**Within Appropriation:**

  
\_\_\_\_\_  
John Maiorca  
Chief Financial Officer

**Approved as to Legal Form:**

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