

**AMEND BOARD REPORT 03-1217-PR20**  
**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~~ \$42,267,572.00 during the agreement term. The estimated Schools and Library Division portion is ~~\$15,821,191.20~~ \$29,321,191.20 and the total cost to the Board should not exceed ~~\$10,446,380.80~~ \$12,946,380.80. 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:

This amendment is necessary to increase the dollar amount of the contract by \$16,000,000.00 to allow this vendor to replace the Board's current vendor for Year 5 of the E-Rate LAN Wiring Program and to modify the start date of this contract. A written amendment to the Contract is currently being negotiated. No payments shall be made to the Vendor for Year 5 services 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.:** 03-250196A

**VENDOR:** Blackwell Consulting Services  
 100 South Wacker Drive, Ste. 800  
 Chicago, Illinois 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~~ March 3, 2004, which date coincides with the change date reported to the Schools and Libraries Division 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~~ \$42,267,572.00:

For E-Rate Year 7:

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

For E-Rate Year 5: \$16,000,000.00

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

Total 10% Hispanic:

<b>DSR, Inc.</b>	\$411,187.20 / 10%
329 W. 18 <sup>th</sup> Street, Suite 605	Certified through 08/31/08
Chicago, Illinois 60616	

Total 2% Asian:

<b>Shah Engineering, Inc.</b>	\$82,237.44 / 2%
One IBM Plaza, Suite 3200	Certified through 03/31/04
Chicago, Illinois 60611	

Total 5% WBE:

<b>Kowalenko &amp; Bilotti, Inc.</b>	\$205,593.60 / 5%
118 N. Peoria Street, Suite 5N	Certified through 01/31/04
Chicago, Illinois 60607	

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

**FINANCIAL:** Total Cost: \$26,267,572.00 + \$16,000,000.00 = \$42,267,572.00

Charge to the Department of Operations (Capital Funds):

\$10,446,380.80 + \$1,500,000.00 = \$11,946,380.80

Charge to Schools and Library Division:

\$15,821,191.20 + \$13,500,000.00 = \$29,321,191.20

Charge to the Office of Technology Services:

0960-410-000-1110-5400 \$1,000,000.00 FY '04

**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.

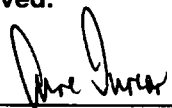
**Ethics** – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

**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. Obara  
Chief Purchasing Officer

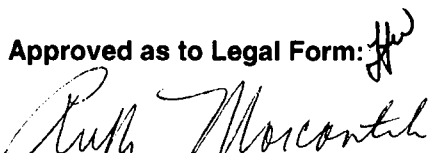
**Approved:**

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

**Within Appropriation:**

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

**Approved as to Legal Form:**

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