

**AMEND BOARD REPORT 04-0623-PR8**  
**AMEND BOARD REPORT 03-0924-PR09**  
**AMEND BOARD REPORT 03-0625-PR11**  
**AMEND BOARD REPORT 01-1219-PR21**  
**APPROVE THE RENEWAL OF THE AGREEMENT WITH SBC DATACOMM**  
**(f/k/a SBC GLOBAL SERVICES, INC.) FOR**  
**LOCAL AREA NETWORK (LAN) CONSTRUCTION SERVICES**

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

Approve the renewal of the agreement with SBC Datacomm (f/k/a SBC Global Services, Inc.) to provide LAN construction services to the Department of Operations at a cost not to exceed \$16,000,000.00 during the renewal term. Vendor was selected pursuant to a request for proposals solicited in accordance with the guidelines and requirements issued by the Federal Government's Universal Services Program. Because vendor currently has a contract for these services, a new contract is not necessary and the parties have agreed to renew the current contract. 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 document is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this renewal is stated below:

This amendment is necessary to extend the term of the contract for a three (3) month period in order to coincide with and allow for the Board's participation in Year 4 of the E-Rate LAN Wiring Program at no additional cost to the Board. Year 4 was extended by Universal Services Administrative Company (USAC) through September 30, 2003. 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.

This second amendment is necessary to reflect the reduction in funding for this program and to extend the term of the contract for a nine (9) month period in order to coincide with and allow for the Board's participation in Year 5 of the E-Rate LAN Wiring Program at no additional cost to the Board. It is anticipated Year 5 of the E-Rate Program will be extended by the Universal Services Administrative Company (USAC) through June 30, 2004. 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.

This third amendment is necessary to extend the term of the contract to September 30, 2004, to allow vendor to complete E-Rate Year 4 services, at no additional cost to the Board. A written amendment to the contract is required. 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 ninety (90) days of the date of this amended Board Report.

This fourth amendment is necessary to extend the term of the contract to February 28, 2005, to allow vendor to complete E-Rate Year 4 services, at no additional cost to the Board. A written amendment to the contract is required. 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 ninety (90) days of the date of this amended Board Report.

**VENDOR:** SBC Datacomm (f/k/a SBC Global Services, Inc.)  
225 West Randolph, Floor 23C  
Chicago, Illinois 60606  
Contact: Keneese McNamer  
Telephone No.: (312) 364-2982  
Vendor No. 73289

**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, 3rd Floor  
Chicago, Illinois 60603  
Contacts: Robert W. Runcie, Chief Information Officer  
Telephone: (773) 553-1300

**ORIGINAL AGREEMENT:** The original Local Area Network agreement (authorized by Board Report 99-0324-PR20) is for a term commencing May 1, 1999 and ending June 30, 2001, with the Board having the option to renew for one additional year. The first extension to the agreement (authorized by Board Report 00-1220-PR11) is for a term commencing July 1, 2001 and ending June 30, 2002.

**RENEWAL PERIOD:** By mutual consent of the parties, the agreement is being renewed for a period commencing July 1, 2002 and ending ~~September 30, 2004~~ February 28, 2005. This renewal term is necessary to coincide with and allow for the Board's participation in Year ~~5~~ 4 of the E-Rate Program.

**SCOPE OF SERVICES:** SBC Datacomm will continue to provide construction and administrative services regarding the installation of the LAN infrastructure and pertinent network equipment and services at the individual schools. SBC Datacomm will also continue to provide the Board with working capital up to \$6,000,000 at no cost to the Board to fund project costs pending E-Rate reimbursement.

**DELIVERABLES:** SBC Datacomm will continue to provide all deliverables detailed in the Local Area Network Agreement.

**OUTCOMES:** The individual schools will have a local area network and classroom internet access.

**COMPENSATION:** SBC Datacomm shall be paid as follows: 9.5% of program management for administration, plus LAN installations, 8.5% for LAN design services and 8.5% for power design services, all not to exceed \$16,000,000.00. The Board shall be responsible, as part of the required match, to pay \$1,500,000.00 for the LAN wiring installations. The power design cost is a non E-Rate eligible item; the estimated cost of this service is \$1,000,000.00. (This figure is estimated based on previous discount percentages.) All compensation other than power design is contingent on E-Rate reimbursements and availability of capital funds. These services are 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 Operating Officer to execute all ancillary documents required to administer or effectuate this renewal agreement.

**AFFIRMATIVE ACTION:** The M/WBE goals for this 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 35% MBE:**

**Total 22% African American:**

**Globetrotters Engineering Corporation**  
300 S. Wacker Dr.  
Chicago, Illinois 60606

\$ 2,742,456 / 8%  
Certified until 06/30/07

**Architect Enterprise** \$ 2,059,181 / 7%  
116 S. Michigan Ave., Suite 700 Certified until 02/28/07  
Chicago, Illinois 60603

**LANSOft** \$ 2,108,988 / 7%  
811 W. Evergreen, Suite 103 Certified until 01/31/07  
Chicago, Illinois 60622

**Total 10% Hispanic:**  
**Interface Computer Communications** \$ 1,833,975 / 5%  
633 S. Plymouth Ct., Ste. 1-A Certified until 07/31/06  
Chicago, Illinois 60605

**Meso America** \$ 1,307,219 / 5%  
4543 S. Richmond Street Certified until 08/31/07  
Chicago, Illinois 60632

**Total 2% Asian:**  
**SDI** \$ 628,239 / 2%  
180 W. N. LaSalle Street Certified until 07/31/07  
Chicago, Illinois 60601

**Total 5% WBE:**  
**TeamWerks** \$ 1,570,597 / 5%  
307 N. Michigan Avenue, Suite 1818 Certified until 07/31/06  
Chicago, Illinois 60601

The City of Chicago Department of Procurement Services certifies each identified firm. The identified firms are subject to change upon approval from the Office of Business Diversity without further Board approval.

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

**FINANCIAL:** Total Cost: \$16,000,000.00

Charge to the Department of Operations (Capital Funds): \$1,500,000.00

Charge to the Office of Technology Services:  
0960-410-000-1110-5400 \$1,000,000.00 FY '04

Charge to Schools and Library Division: \$13,500,000.00

**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.

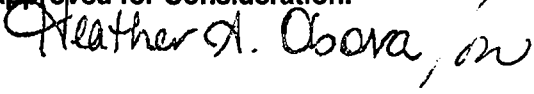
**Conflicts** – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of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

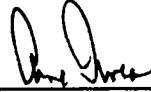
**Contingent Liability** – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**



Heather A. Obora *H.A.*  
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 