

**APPROVE ENTERING INTO AN AGREEMENT WITH
OMICRON TECHNOLOGIES FOR SCHOOL KEY CARD SYSTEMS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Omicron Technologies ("Omicron") for the purchase of software and support services for all schools at a cost not to exceed \$5,000,000.00 for a 5-year term. Omicron was selected on a non-competitive basis because of Omicron's expertise in developing and implementing school-based key card systems and their strategic position with Chancery Student Management System. A written agreement is currently being negotiated. No payment shall be made to Omicron 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.: 04-250164

VENDOR: Omicron, Inc.
6348 N. Milwaukee Ave, Suite 328
Chicago, Illinois 60646
Contacts: Lionel Rabb
Telephone No.: (773) 583-8267
Vendor No.: 22049

USER: Office of Technology Services
125 South Clark, 3rd Floor
Chicago, Illinois 60603
Contact: Robert W. Runcie, Chief Information Officer
Gretchen Olson, Student Information Systems, Program Manager
Telephone No.: (773) 553-1300

TERM: The term of this agreement shall commence October 1, 2004 and shall end September 30, 2009. The Board shall have two (2) options to extend the agreement for additional one-year periods under the same terms and conditions contained in the original agreement.

EARLY TERMINATION RIGHT: Either party may terminate this Agreement upon sixty (60) days written notice.

SCOPE OF SERVICES: Omicron will provide software, hardware and associated installation, configuration, warranty and maintenance services for elementary and high school student and staff IDs, high school student access to buildings, student debt tracking, textbook distribution and returns, and training and support services on an individual school basis. Schools may purchase equipment and services at their option, up to \$25,000, via requisition to the Department of Procurement and Contracts, which will mail a purchase order to the vendor. School purchases over \$25,000.00 must be approved by the Area Instructional Officer (AIO).

DELIVERABLES: Omicron will provide the following deliverables for new implementations:

- Pre-Installation Schedule – log of scheduled pre-installation sites, with status
- Pre-Installation Survey – site readiness survey, with follow-up call log
- Installation Schedule – log of scheduled site installations, with status
- Installation Acceptance Form – installation sign off sheet for school official
- Technical Training Certificate – certificate of technical training and quick reference card
- Impact Support Plan – description of 3-tier support plan, with phone numbers and emails
- End-User Training Schedule – log of scheduled site trainings and participants, with status
- End-User Training Certificate – certificate of end-user training and quick reference card
- Site Implementation Completion Form – implementation sign off sheet for school official
- All above deliverable documents will be available via project website

COMPENSATION: The compensation payable to vendor shall be in accordance with the price scheduled included in the written agreement; not to exceed \$5,000,000.00 for the 5-year term.

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 Information Officer to execute all ancillary documents required to administer or effectuate this 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.

However, the Waiver Review Committee recommends that a full waiver of the participation goals for this Contract as required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) granted because the Vendor demonstrated reasonable good faith efforts.

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

FINANCIAL: Charge to various schools and departments.
Fiscal Years: 2005-2010
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.

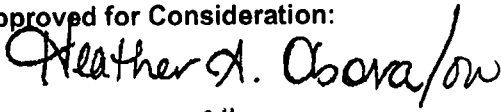
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

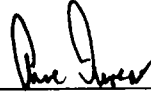
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora ^{P.H.}
Chief Purchasing Officer

Approved:



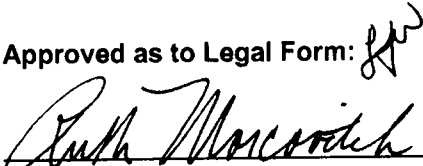
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form:



Ruth Moscovitch
General Counsel