

**APPROVE ENTERING INTO AN AGREEMENT WITH FILENET CORPORATION
FOR SOFTWARE MAINTENANCE SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with FileNet Corporation for the maintenance of FileNet software products provided to the Department of School Financial Services at a cost not to exceed \$ 135,539.35. Software licensor was selected because the software is proprietary to FileNet Corporation. A written agreement for such maintenance is currently being negotiated. Software upgrades and "bug fixes" are included as part of these services. No payment shall be made to Software Licensor prior to the execution of the written license agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification No.: 04-250182

SOFTWARE

LICENSOR: FileNet Corporation
565 Harbor Blvd.
Costa Mesa, CA 92626-1420
Contact Person: Eric Westberg
Phone: (714) 327.3400
Vendor No.: 13517

USER: Department of School Financial Services
125 S. Clark Street 14th Floor
Chicago, IL 60603
Contact Person: Raymond Sanders, Acting Director of Payroll
Phone No.: (773) 553-2669

TERM: The term of this software license agreement shall commence on November 1, 2004 and shall end October 31, 2005. The Board shall have 2 options to renew this agreement for periods of 1 year each.

SERVICES: FileNet Corporation will provide maintenance support for the FileNet software for the Corrected Attendance Report System, and other FileNet applications. FileNet Corporation will provide upgrades and bug fixes during the maintenance period.

OUTCOMES: These services will result in fully maintained and operating software for the Corrected Attendance Report (CARS), After School Attendance Reporting (ASAR) and Summer Employment Roster (SER) applications.

COMPENSATION: FileNet Corporation shall be paid a maintenance fee in two biannual installments, total not to exceed \$ 135,539.35.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written maintenance agreement. Authorize the President and Secretary to execute the maintenance agreement. Authorize the Chief Financial Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: Pursuant to Section 3.7 of the revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) this contract is exempt from review because the nature of the service is a unique transaction.

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

FINANCIAL: Charge to Department of Finance: \$ 135,539.35
Budget Classification: 0230-210-000-1129-5410

Fiscal Year: 2005
Source of Funds: Dept. of Finance-0230

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.

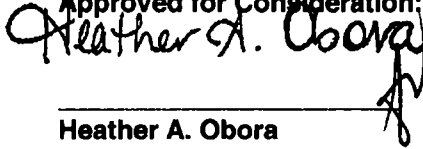
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

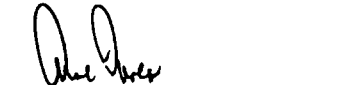
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:



Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form:



Ruth M. Moscovitch
General Counsel