

**APPROVE THE RENEWAL OF THE AGREEMENT  
WITH HALLAGAN BUSINESS MACHINES FOR THE PURCHASE AND/OR LEASE  
OF DIGITAL DUPLICATORS**

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

Approve the renewal of the agreement with Hallagan Business Machines for the purchase and/or lease of digital duplicators and associated supplies, maintenance and repair services for use by all Area Instruction offices and central office departments and schools at a cost not to exceed \$1,575,000.00 for a 9-month renewal period. This contract is subject to the Board's Strategic Sourcing policy. A written renewal document is currently being negotiated. No payment shall be made to Vendor during the renewal period prior to the execution of the written renewal document. The authority granted herein shall automatically rescind in the event a written renewal document is not executed within 90 days of the date of this Board Report. Information pertinent to this renewal is stated below.

**SPECIFICATION NO.: 00-250499**

**VENDOR:** Hallagan Business Machines  
6854 W. North Ave.  
Chicago, Illinois 60603  
Contact Person: Joan Hallagan  
(773) 637-0368  
Vendor No. 19766

**USER:** All Departments and Schools of the Board of Education of the City of Chicago

Contact Person: Jacqueline Daly, Commodity Manager 553-2274

**ORIGINAL AGREEMENT:** The original agreement (authorized by Board Report 00-0823-PR1, as amended by Board Report 02-0123-PR1) is for a term commencing December 20, 2000 and ending December 19, 2002, with the Board having the option to renew for two additional one year periods. The agreement was renewed (authorized by Board Report 02-1218-PR08) for a term commencing December 20, 2002 and ending December 19, 2003. The agreement was further renewed (authorized by Board Report 03-1119-PR04) for a term commencing December 20, 2003 and ending December 19, 2004. The original Agreement was awarded on a competitive basis pursuant to a duly advertised Request for Proposal (Specification #00-250499).

**RENEWAL TERM:** By mutual agreement of the parties, the term of this contract is being extended for no more than nine (9) months commencing December 20, 2004 and ending September 30, 2005. However, the contract can be terminated at any time upon 30 days written notice.

**DELIVERABLES:** Vendor will continue to provide digital duplicators and associated supplies, maintenance, and repair services. Schools, Area Instruction offices and central office departments may purchase or lease equipment at their option via purchase order to Procurement and Contracts who will mail to the Vendor. Principals have the authority to enter into a lease agreement for up to three (3) years. Any lease agreement which extends beyond the term of such Principal's contract with the Board or exceeds \$25,000.00 must be signed by the Area Instruction Officer (AIO). In the Central Office, all purchases must be approved by the Chief.

**PRICES:** The prices for the purchase and or lease of the equipment shall be as specified in the original agreement.

**COMPENSATION:** Vendor shall be paid as periodic invoices are submitted and verified in amounts not to exceed \$1,575,000.00 during the renewal period.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written renewal document. Authorize the President and Secretary to execute the renewal document.

**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 recommended that a partial waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the contract is not further divisible.

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

Total MBE 16%

Total 8% African American:

DLV Printing	7 S. Austin, Chgo., IL 60644
\$160,000.00/8%	Certified through 11/30/03

Total 8% Asian:

Active Copier	3839 W. Devon Avenue, Chgo., IL 60659
\$ 160,000/8%	Certified through 6/1/04

Total WBE 84%

Hallagan Office Machines	6854 W. North Avenue, Chgo., IL 60707
\$ 1,680,000.00/84%	Certified through 8/31/04

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

**FINANCIAL:** Charge to Various Departments  
Fiscal Years: 2004, 2005  
Source of Funds: Various

**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.

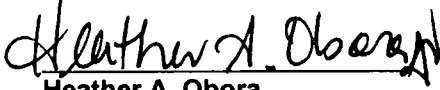
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

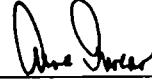
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora  
Chief Purchasing Officer

Approved:



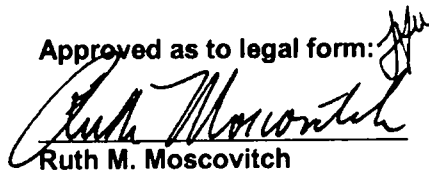
Arne Duncan  
Chief Executive Officer

Within Appropriation:



John Maiorca  
Chief Financial Officer

Approved as to legal form:



Ruth M. Moscovitch  
General Counsel