

AMEND BOARD REPORT 04-0225-PR14
AMEND BOARD REPORT 03-0723-PR17
RATIFY THE RENEWAL OF THE EXISTING AGREEMENT WITH
ORACLE CORPORATION FOR SOFTWARE LICENSE AND MAINTENANCE

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify the renewal of the existing software license and maintenance agreement with Oracle Corporation for software license and maintenance technical support provided to the Office of Technology Services ("OTS"), the Department of Human Resources, and the Department of Finance at a cost not to exceed \$2,851,553.82 \$4,559,553.82. A written renewal agreement is currently being negotiated. No payment during the renewal term shall be made to software Licensor prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this renewal agreement is stated below.

This amendment is necessary to (i) increase the contract amount by \$1,476,539.49 for additional maintenance support for new software license purchases (ii) extend the renewal term by 12 months; and (iii) provide for two (2) additional options to extend. A written amendment to the contract is currently being negotiated. No payment shall be made for these additional 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 ninety (90) days of the date of this amended Board Report.

This second amendment is necessary to increase the contract amount by \$1,708,000.00 for additional software license purchases and additional maintenance support for new software license purchases. A written amendment to the contract is currently being negotiated. No payment shall be made for these additional 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 thirty (30) days of the date of this amended Board Report.

SPECIFICATION No.: 02-250067

SOFTWARE LICENSOR:

Oracle USA Inc., f/k/a
 Oracle Corporation
 233 South Wacker Drive
 Chicago, Illinois 60606
 Contact: ~~Michael Dean~~ Jason Moriarity
 Telephone No.: ~~(614) 280-6550~~ (612) 805-7983
 Vendor Number: 26099

USER:

Office of Technology Services
 125 South Clark Street, 3rd Floor
 Chicago, Illinois 60603
 Contact: Robert Runcie, Chief Information Officer
 Telephone No.: (773) 553-1300

Department of Finance
125 S. Clark Street, 14th Floor
Chicago, Illinois 60603
Contact: John Maiorca, Chief Financial Officer
Telephone No.: (773) 553-2700

Department of Human Resources
125 South Clark, 2nd Floor
Chicago, Illinois 60603
Contact: Ascencion V. Juarez, Chief Human Resources Officer
Telephone No.: (773) 553-1070

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report 02-0522-PR10,) is for a term commencing on May 30, 2002 and ending May 31, 2003 in an amount not to exceed \$1,269,244.00. The original agreement was awarded on a non-competitive basis because the Oracle software is proprietary to Oracle.

RENEWAL PERIOD: By mutual consent of the parties, the term of this agreement is being renewed for a twenty-five (25) month period commencing June 1, 2003 and ending June 30, 2005. The amendment shall also provide for two (2) additional options to renew the agreement for one-year periods each.

USE OF SOFTWARE: Oracle will continue to provide a license to the Board for the use of Oracle's software program products. Oracle/PeopleSoft will provide licenses to the Board to use HR, Payroll, Ben Admin, Time and Labor, Learning Management, ePerformance, eProfile Mgr, Candidate Gateway, Talent Acquisition Management, eCompensation, eCompensation Mgr, eBenefits, ePay, HRMS Portal Pack, Community Portal, Workforce Rewards, Workforce Planning, HRMS Warehouse, HR Helpdesk, Helpdesk Self Service, Peoplesoft Directory Interface, Absence Monitoring and Online Marketing. Oracle will also continue to provide maintenance on this licensed software, which consists of program corrections and enhancements that Oracle may develop during the term of this agreement as long as the Board's maintenance fee is current.

OUTCOMES: The software program products will further secure the Board's critical data through June 30, 2005. In addition, the Board will receive an Enterprise License based on 60,000 employees. The additional software will replace the Legacy HR/Payroll application.

SOFTWARE LICENSE FEE: The software license fee is included in the maintenance fee stated below.

MAINTENANCE FEE: Software Licensor shall be paid the lump sum of \$1,375,014.33 and amount of \$1,474,539.49 upon invoicing. Software Licensor shall be paid an additional fee of \$1,708,000 (\$1,400,000 license fee and a \$308,000 annual maintenance fee).

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 Human Resources Officer and the Chief Information 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.

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) be waived because the contract is not further divisible.

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

FINANCIAL: Charge to ~~the Office of Finance~~ Citywide Technology Services: \$1,375,014.33 FY03 + \$1,476,539.49 FY05 = \$2,851,553.82 and to the Department of Human Resources: \$1,708,000.00 FY05 = \$4,559,553.82

Budget Classifications: 0960-210-000-1111-5470 \$1,375,014.33 FY 03
0960-410-000-1111-5311 \$1,476,539.49 FY 05
0710-464-000-1010-5311 \$1,708,000.00 FY 05

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. Obara
Chief Purchasing Officer

Approved:



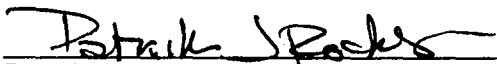
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form: 



Patrick Rocks
General Counsel

