

**APPROVE PAYMENT TO AND RATIFY AN AGREEMENT WITH ORACLE CORPORATION
FOR SOFTWARE LICENSES AND TECHNICAL SUPPORT**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve payment to Oracle Corporation in the amount of \$297,000.00 for back support for 300,000 I-Procurement lines to be transferred to the Board from the City of Chicago and ratify an agreement with Oracle Corporation for software upgrades, support and usage of I-Procurement licenses, the self-service HR software and the integrated financial software package provided to the Office of Technology Services ("OTS") at a cost not to exceed \$1,531,610.66; the total aggregate amount to be paid to Oracle Corporation not to exceed \$1,828,610.66. The City of Chicago had 300,000 unused I-Procurement lines with licenses valued at \$900,000.00, which the City agreed to assign to the Board in exchange for the Board paying support costs incurred on the 300,000 I-Procurement Lines to be transferred and assigning to the City of Chicago HR self-service software, which represents a cost savings to the Board in the amount of \$502,500.00. Software licensor was selected on a non-competitive basis because the Oracle Software is the only software that provides the functionality required by Board of Education's integrated financial systems. A written agreement is currently being negotiated. 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 ninety (90) days of the date of this Board Report. Information pertinent to this agreement is stated below.

SPECIFICATION No.: 02-250067

**SOFTWARE
LICENSOR:**

Oracle Corporation
500 Oracle Parkway
Redwood, California 94065
Contact Person: Michael Dean
Telephone No.: (614) 280-6550
Vendor No.: 26099

USER:

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

TERM: The term of this agreement shall commence on October 1, 2005 and shall end on June 30, 2006. This agreement shall have two (2) options to renew for periods of one (1) year each.

USE OF SOFTWARE: The software allows the Board to operate an integrated financial system connecting the accounts receivables, cash management, treasury, general ledger, budget and procurement. By transferring the licenses, I-Procurement will continue to be a robust application by adding the necessary level of procurement lines

OUTCOMES: The software program products will further secure the Board's critical data through June 30, 2006.

SOFTWARE LICENSE, TECHNICAL SUPPORT AND USAGE FEE: Software Licensor shall be paid a fee of \$1,531, 610.66, which includes i) software upgrades, technical support and usage of 500,000 I-Procurement lines (300,000 I-Procurement Lines transferred from the City and the Board's existing 200,000 I-Procurement Lines) ii) software upgrades, technical support and usage of the integrated financial software package and iii) a license for the self-service HR software. The fees shall be payable upon invoicing at times specified in the agreement. The Board shall not be charged a license fee for the 300,000 I-Procurement lines to be transferred to the Board from the City.

COMPENSATION: Software licensor shall be paid a lump sum of \$297,000.00 upon invoicing for back support of the 300,000 I-Procurement lines to be transferred to the Board from the City of Chicago upon invoicing and execution of the agreement and all necessary assignment documents. This payment is for use of 300,000 I-Procurement lines by the Board during the period March 31, 2004 through September 30, 2005. The total compensation to be paid to Software Licensor shall not exceed \$1,828,610.66.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions, including any indemnity from the Board to Licensor, in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Information Officer to execute all ancillary documents including any intergovernmental agreement between the Board and the City, required to administer or effectuate this agreement, including the assignment of the I-Procurement Lines from the City of Chicago to the Board and the transfer and/or assignment of the HR self-service software to the City of Chicago.

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 Technology Services: \$1,828,610.66
Budget Classification: 0220-467-000-1111-5311 \$1,828,610.66 Capital Funds FY 06

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.

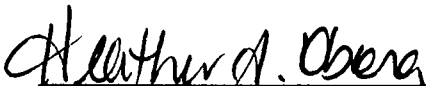
Indebtedness – The Board's Indebtedness Policy adopted July 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

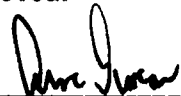
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

Approved:



Heather A. Obora
Chief Purchasing Officer



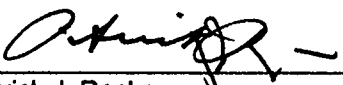
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form: 



Patrick J. Rocks
General Counsel