

**AMEND BOARD REPORT 05-1116-PR10**  
**APPROVE ENTERING INTO AN TWO AGREEMENTS WITH SUN MICROSYSTEMS CORPORATION**  
**FOR NETWORK MONITORING, MANAGEMENT, AND MAINTENANCE SERVICES**

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

Approve entering into an two agreements with Sun Microsystems, Inc. ("Sun") to provide network monitoring, management and maintenance services for Wide Area Network ("WAN"), Local Area Network, and Network Security Infrastructure located throughout the district for the Office of Technology Services ("OTS"). The first agreement will cover basic maintenance services eligible for the E-Rate discount at a cost not to exceed \$12,478,078.00 \$11,093,305.00 of which \$9,895,163.00 approximately \$9,540,242.00 is eligible for discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate") ("Basic Maintenance Contract" or "Contract #1"). It is anticipated that the school and Library Division/Universal Service Administrative Company ("SLD/USAC") will fund eligible E-Rate services and products, and the total cost to the Board shall not exceed \$2,582,915.00 \$1,553,063.00. The second agreement shall cover eligible and ineligible services other than basic maintenance at a cost not to exceed \$1,384,773.00 of which approximately \$354,920.00 is eligible for E-Rate discounts and the total cost to the Board shall not exceed \$1,029,853.00 ("Contract #2"). Sun was selected pursuant to a duly advertised Request for Proposals (Specification No. 05-250034). A written agreements for Sun's services is are currently being negotiated. No services shall be provided by Sun and no payment shall be made to Sun prior to the execution of the respective written agreements. The authority granted herein shall automatically rescind as to each agreement in the event a such written agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this these agreements is stated below.

This amendment is necessary to provide for separate agreements for basic maintenance and non-basic maintenance and to revise the compensation and financial sections to illustrate these separate costs.

**VENDOR:** Sun Microsystems, Inc  
4150 Network Circle  
Santa Clara, CA 95054  
Contact: Charles T. Lockman, Regional Sales Director  
Mark Pingry, Customer Account Manager  
Telephone No.: (217) 359-9805  
Vendor No.: 89823

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

**TERM:** The term of this both agreements shall commence on July 1, 2006 and shall end June 30, 2007. This These agreements shall have three (3) options to renew for periods of one (1) year each at a cost to be negotiated at the time of renewal.

**SCOPE OF SERVICES:** Under the first agreement covering basic maintenance services eligible for the E-Rate discount, Sun will provide onsite basic maintenance services in conjunction with the E-Rate Program to the Board. This will include management services to monitor and maintain the WAN, LAN, and Network Security Infrastructure including routers, switches, Firewall/VPN Appliances, Firewall/VPN Management stations, ~~WebSense content filtering system,~~ Load Balancers, WAN/LAN interfaces, and other ancillary equipment ("Services"), including:

- Remote management of Board owned or leased equipment, maintenance administration of systems, fault/error detection, reporting, analysis, and correction of issues.

- 24x7x365 support for designated infrastructure.
- Notice of outages, reporting and on-site repair services
- Break/Fix Switch maintenance services for school LAN Equipment

Under the second agreement Sun will provide eligible and ineligible management services (other than basic maintenance) to monitor and maintain the WAN, LAN, and Network Security Infrastructure including routers, switches, Firewall/VPN Appliances, Firewall/VPN Management stations, network equipment installation services, Websense content filtering system, Load Balancers, WAN/LAN interfaces, and other ancillary equipment ("Services"), including:

- Proactive remote monitoring and management of Board owned or leased equipment, pro-active and maintenance administration of systems, fault/error detection, reporting, analysis, and correction of issues.
- 24x7x365 network monitoring ~~and support~~ for designated infrastructure.
- Equipment audits at regular intervals with the Board and include changes to cover any device changes as required.
- ~~Notice of outages, reporting and on-site repair services~~
- ~~Break/Fix Switch maintenance services for school LAN Equipment~~

**DELIVERABLES:** Sun will provide the following deliverables under both agreements meeting the Board's specified requirements:

- Reporting (all reports accessible online, in a downloaded form and hard copy)
- Network Analysis
- Network Management and Network Monitoring
- Firewall, VPN, and Websense filter change request management
- General Management
- 3rd Party Security Audit
- Service Level Agreements (SLA) and Implement agreed upon SLAs
- Installation and configuration of Cisco series switches at the schools
- Redeployment of existing school switches replaced by the new switches
- Removal of old equipment at the schools and in the core
- Incident management and onsite maintenance services for all school LAN equipment including switches, hubs, wireless access points, transceivers, and uninterruptible power supplies ("UPS").

Sun will also provide the following assigned dedicated resources under both agreements:

- (2) Customer Service Managers
- (1) Technical Manager
- (1) Sr. Level Project Manager
- (4) Tier 3 Senior WAN Engineers
- (2) Tier 2 Senior WAN Engineers
- (2) Tier 2 Midlevel WAN Engineers
- (2) Senior Checkpoint Engineers
- (2) Senior PIX Engineers
- (1) Senior Windows Engineer
- (2) Senior LAN Engineer
- (1) Senior Network Engineer
- (1) Business Solution Analyst
- (1) QA Manager

All assigned engineers will serve as primary resource with a secondary engineer (familiarized with the Board's network) acting as backup. Also, Sun will have appropriate field personnel for the proper dispatches in order to meet or exceed Service Level Agreements.

**OUTCOMES:** The Board will have comprehensive managed services for its WAN, LAN, and Network Security Infrastructure. This will result in improved service and bandwidth to the Chicago Public Schools. Sun will provide the Board with management services, including monitoring and maintenance, for WAN, LAN, and Network Security Infrastructure. These services will result in the Board having managed services and appropriate reporting and maintenance for all CPS locations including network monitoring, fault management (detection and notification), fault isolation and resolution, configuration and software support, hardware/software dispatch with on-site repair and technical assistance. These services will result in the Board (i) being notified of outages and having the ability to view trouble tickets via a web-based ticketing system and reports; (ii) receiving appropriate on-site repair services dispatched to schools and Central Office that experience outages related to WAN, LAN, and Network Security data equipment, and (iii) improved ability to maximize uptime. Sun will also provide installation and project management services for new equipment within the core network and at the Schools. School LAN equipment will be repaired in a timely fashion, reducing network downtime. The switches will have a common configuration and operating system that will improve uptime and reduce intermittent issues.

**COMPENSATION:** Sun shall be paid, as specified in the each agreement. ~~The total compensation payable under Contract #1 shall not exceed \$11,093,305.00 of which approximately \$9,540,242.00 is eligible for E-rate discounts and the total cost to the Board shall not exceed \$1,553,063.00. The total compensation payable under Contract #2 shall not exceed \$1,384,773.00 of which approximately \$354,920.00 is eligible for E-rate discounts and the total cost to the Board shall not exceed \$1,029,853.00. not to exceed the sum of \$12,478,078.00, of which \$9,895,163.00 is eligible for E-Rate discounts; the total cost to the Board shall not exceed \$2,582,915.00. If E-Rate funding is not approved, the Board shall be invoiced for all E-Rate eligible services and equipment at the then current Board discount level. If SLD/USAC denies funding for all or any portion of the eligible E-Rate services and products, the Board shall have the option of discontinuing the receipt of any such services and products for which funding was denied as specified in the agreement; and the Board shall only be responsible for the non-discounted portion of E-Rate eligible services and products and any expenses incurred 1) that have prior written approval of the Board and 2) for orders placed prior to the date of such suspension or discontinuation of services, termination or expiration of the agreement.~~

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

**AFFIRMATIVE ACTION:** This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The M/WBE participation goals for the contract include: 35% total MBE, 25% total African American, 10% total Hispanic, 5% total WBE. Sun has identified and scheduled the following firms and percentages:

**TOTAL 35% MBE:**

**Total 25% African American:**

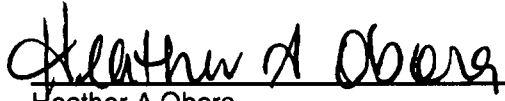
<b>IMC Connect, Inc. -</b>	<b>20.8%</b>
207 E. Ohio #293 Chicago, Illinois 60611	
<b>Thomas A. McCrary -</b>	<b>2.2%</b>
16515 S. Prairie Ave. South Holland, Illinois 60473	
<b>Instructional Management Innovations</b>	<b>2%</b>
765 E. 69 <sup>th</sup> Place Chicago, Illinois 60637	




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:**

  
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Heather A Obora  
Chief Purchasing Officer


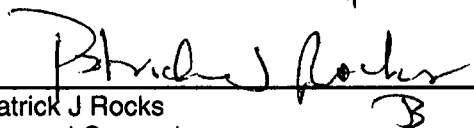
**Approved:**

  
\_\_\_\_\_  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
\_\_\_\_\_  
John Maiorca  
Chief Financial Officer

**Approved as to Legal Form:**

  
  
\_\_\_\_\_  
Patrick J Rocks  
General Counsel