

AMEND BOARD REPORT 05-1221-PR9
APPROVE ENTERING INTO AN AGREEMENT WITH CEDARCRESTONE INCORPORATED
FOR INFRASTRUCTURE HOSTING SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with CedarCrestone Inc. to provide the necessary hosted infrastructure for the PeopleSoft application deployment to the Office of Technology Services at a cost not to exceed \$4,873,000.00. Consultant was selected on a competitive basis pursuant to Board Rule 5-4.1. A written agreement for services is currently being negotiated. No services shall be provided by CedarCrestone and no payment shall be made prior to the execution of the written 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.

This amendment is necessary in order to authorize the Board's General Counsel to include an indemnity from the Board to CedarCrestone in the agreement as appropriate.

Specification No. 05-250024

CONSULTANT: CedarCrestone Inc.
 1720 Windward Parkway, Suite 120
 Alpharetta, GA 30005
 Contact: Kevin Bryant
 Director of Managed Services
 Telephone No.: (888) 380-9364
 Vendor Number: 89824

- USER:**
- | | |
|---|---|
| <p>1. Office of Technology Services
 125 South Clark Street, 3rd Floor
 Chicago, Illinois 60603
 Contact: Robert Runcie
 Chief Information Officer
 Telephone No.: (773) 553-1336</p> | <p>2. Department of Finance
 125 S. Clark Street, 14th Floor
 Chicago, Illinois 60603
 Contact: John Maiorca
 Chief Financial Officer
 Telephone No.: (773) 553-2700</p> |
| <p>3. 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</p> | |

TERM: The term of this agreement shall commence on January 1, 2006 and shall end on November 31, 2010. This agreement shall have two (2) options to renew for periods of one (1) year each at a cost to be negotiated at the time of renewal.

SCOPE OF SERVICES: CedarCrestone will provide the necessary hardware, operating systems and database licenses for all tiers (web, application, and database) for all environments along with network connectivity. They will also provide database administration, UNIX and Windows system administration including standard support and help desk services. CedarCrestone will construct and execute a project plan to build the infrastructure at the CedarCrestone Data Center. This also includes disaster recovery at their DR site for the production environment. CedarCrestone will perform performance testing and a third party security audit with mitigation.

DELIVERABLES: CedarCrestone will provide the Board with a supported hosted infrastructure and services for implementing the PeopleSoft application to November 2010.

OUTCOMES: CedarCrestone's services will result in CPS implementing the infrastructure required to implement the Human Capital initiative CPS@Work with the PeopleSoft application.

COMPENSATION: CedarCrestone shall be paid monthly upon invoicing in accordance with the pricing set forth in the agreement. Total compensation shall not exceed the sum of \$4,873,000.00.

REIMBURSABLE EXPENSES: None.

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

INDEMNIFICATION: Authorize the General Counsel to negotiate an indemnification to CedarCrestone for the following matters: (a) a violation by the Board of the security provisions of the agreement; (b) damage done to CedarCrestone's equipment or facilities; and (c) a violation of copyright or intellectual property rights, all of the foregoing on such terms as are acceptable to the General Counsel.

AFFIRMATIVE ACTION: The MWBE goals for this contract include: 35% total MBE and 5% WBE participation.

However, the Waiver Review Committee recommends that a partial waiver of the WBE participation goal for this contract as required by the Revised Plan be granted because of the Contract scope is not further divisible.

The vendor has however identified and scheduled the following firms and percentages.

Total MBE 37%:

Total 10% African American

Synch-Solutions
211 West Wacker Drive, Ste 300
Chicago, IL 60606

Total 27% Native American Indian

The Ojibway Group
100 West Big Beaver, Suite 200
Troy, MI 48084

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

FINANCIAL: Charge to Office of Technology Services: \$4,873,000.00 Fiscal Year: 2006
Budget Classification: 0710-467-000-1418-5410 Source of Funds: CIP Funds

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.

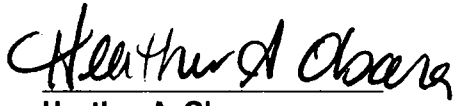
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Indebtedness – The Board's Indebtedness Policy adopted June 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:


Heather A. Obora
Chief Purchasing Officer

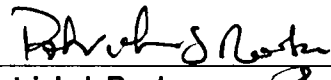
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form: 


Patrick J. Rocks
General Counsel