

AMEND BOARD REPORT 05-1221-PR1
**APPROVE THE RENEWAL OF EXISTING AGREEMENTS WITH APPLE COMPUTER, INC. AND DELL
 COMPUTER MARKETING LLP FOR THE PURCHASE AND LEASE OF DESKTOP AND LAPTOP
 COMPUTERS AND WARRANTY SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the renewal of existing agreements with Apple Computer, Inc. and Dell Computer Marketing LLP for the purchase and lease of desktop and laptop computers and warranty services for all schools including charter schools, area instructional offices and departments at a cost for the option period not to exceed \$30,000,000.00. Written agreements exercising this option are currently being negotiated. No goods may be ordered or received and no payment shall be made to any vendor during this option period prior to the execution of such vendor's written agreement. The authority granted herein shall automatically rescind as to each vendor in the event a written agreement is not executed by such vendor within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

This amendment is necessary to 1) correctly reflect vendors names; 2) include Apple Financial Services and Dell Financial Services as the leasing agents for Apple Computer, Inc. and Dell Marketing LLP; and 3) to revise the M/WBE participation. No written amendments to the agreements are required.

Specification No.: 03-250116

Commodity Manager Craig Holloway 553-2903

Vendor: 1. Apple Computer, Inc.
 10 South Wacker
 Chicago, Ill 60606
 (312) 902-7406
 Contact Person: Marie Vickers
 Vendor No.: 23266

2. Dell Computer Marketing LLP
 One Dell Way
 MS Box 8707
 Round Rock, TX 78682
 (512) 728-2353
 Contact Person: J.C. Madrigal, Marketing
 Regional Contract Manager/Vendor No.: 44646

Leasing Agent:
Apple Financial Services
300 Lakeside Drive
Suite 200 North
Bannockburn, Illinois 60015
(847) 283-6225
Contact Person: Valerie Snyder
Vendor No.: 20950

Leasing Agent:
Dell Financial Services
One Dell Way
MS Box 8707
Round Rock, TX 78682
(615) 871-9439
Contact Person: Michel Mertens
Vendor No.: 14600

USER: All schools, Area Instructional Offices and Central Office Departments
 c/o Office of Procurement and Contracts
 125 S. Clark St., 10th Floor
 Chicago, IL 60603

ORIGINAL AGREEMENT: The original agreements (authorized by Board Report 03-1022-PR03) in the aggregate amount of \$30,000,000 are for a term commencing upon execution and ending December 31, 2005, with the Board having 2 options to renew for one-year terms. The original agreements were awarded on a competitive basis pursuant to Board Rule 5-4.1.

OPTION PERIOD: The term of each agreement is being extended for one year commencing January 1, 2006 and ending December 31, 2006.

OPTION PERIODS REMAINING: There is one (1) option to renew for one (1) year remaining.

SCOPE OF SERVICES: Vendors will continue to provide desktops and laptops computers and associated installation, configuration extended warranty and maintenance services. Schools, instructional offices and central

office departments may purchase or lease equipment and services at their option via requisition to Procurement and Contracts who will mail a purchase order to the vendor. School purchases that exceed \$25,000 must be approved by the AIO. In the Central Offices, the respective Chief must approve purchases over \$25,000.

DELIVERABLES: Vendors will continue to provide desktops and laptops computers and associated installation, configuration extended warranty and maintenance services.

PRICES: The prices for the purchase and/or leasing of the equipment shall be in accordance with the price lists included in each vendor's original agreement.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option agreements. Authorize the President and Secretary to execute the option agreements. Authorize the Chief Purchasing Officer and Chief Information Officer or their designee to execute leasing schedules, acceptance certificates, and all ancillary documents required to administer or effectuate these agreements.

AFFIRMATIVE ACTION: Pursuant to Section 6.2 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the Per Contract and Category Goals method for M/WBE participation will be utilized. Thus, contracts for subsequent vendors from the pool created by this contract will be subject to compliance reviews on a contract-by-contract basis. Aggregated compliance of the vendors in the pool will be reported on a quarterly basis.

~~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; 11% total African American, 22% total Hispanic, 2% total Asian 5% total WBE.

Dell Marketing, LL.P. has identified and scheduled the following firms and percentages:

TOTAL MBE 35%

Total 11% African American:

Smart Technology 11%
156 N. Jefferson St. Suite 300
Chicago, IL 60661

Total Hispanic ~~40%~~ 22%

Interface Computer Comm., Int 22%
633 S. Plymouth Ct. Suite 1A
Chicago, IL 60605

Total Asian 2%

Alligator Computer Services 2%
7021 S. 153rd Street Suite 5
Orland Park, IL 60462

TOTAL WBE 5%

A.A. Rosales & Associates 5%
509 W. 38th Street
Chicago, IL 60617

Apple Computer Inc. has identified the following firm and percentages:

TOTAL MBE 35% African American

KBS Computer Services, Inc. 35%
418 Highland Road
Matteson, IL 60443

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

FINANCIAL: Charge to various schools and departments

Fiscal Years: 2004-2006

Budget Classification: 5320-Supplies, 5730-Equipment, 5470-Services/Repair Contracts

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 member 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-P04), as amended from time to time, shall be incorporated into and made a part of the agreement.

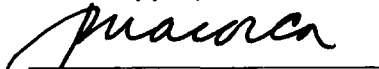
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



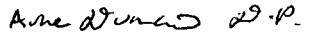
Heather A. Obora
Chief Purchasing Officer

Within Appropriation:

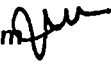


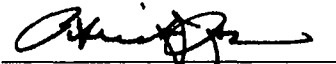
John Maiorca
Chief Financial Officer

Approved:



Arne Duncan
Chief Executive Officer

Approved as to legal form 



Patrick J. Rocks
General Counsel