

**AMEND BOARD REPORT 03-1217-PR22**  
**APPROVE ENTERING INTO AN AGREEMENT WITH MITEL NETWORKS**  
**SOLUTIONS, INC. FOR THE PURCHASE, INSTALLATION, TRAINING AND MAINTENANCE OF A**  
**CONVERGED VOICE AND DATA NETWORK SOLUTION**

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

Approve entering into an agreement with Mitel Networks Solutions, Inc. ("Company" or "Vendor") for the purchase and implementation of a converged voice and data converged network solution, including design, installation, equipment removal, maintenance, user support and associated training for the Office of Technology Services ("OTS") at a cost not to exceed \$32,828,405.00 for a three (3) year term; of which approximately \$24,621,304.00 is eligible for, but not contingent upon, discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate"). The estimated Schools and Library Division portion is approximately \$22,159,173.00 and the total cost to the Board should not exceed \$10,669,232.00. Vendor was selected on a competitive basis pursuant to a duly advertised Request for Proposals (Specification No. 03-250212). A written agreement for Vendor's services is currently being negotiated. No payment shall be made to the Vendor 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 ninety (90) days of the date of this Board Report. Information pertinent to this agreement is stated below.

This amendment is necessary to amend the Affirmative Action and Financial Sections of the Board Report.

**SPECIFICATION NO.:** 03-250212

**VENDOR:** Mitel Networks Solutions, Inc.  
205 Van Buren Street, Suite 400  
Herndon, Virginia 22180  
Contact: Sharon Melluzzo  
Telephone No.: (516) 593-8368  
Vendor No.: 37538

**USER:** Office of Technology Services  
125 South Clark Street  
Chicago, Illinois 60603  
Contact: Robert W. Runcie, Chief Information Officer  
Kathryn Zalewski, Telecommunications - Director  
Telephone No.: (773) 553-1300

**TERM:** The term of this agreement shall commence on July 1, 2004 and end on June 30, 2007. This agreement shall have two (2) options to renew for one (1) year periods at a cost to be negotiated upon renewal.

**EARLY TERMINATION RIGHT:** The Board has the right to terminate this agreement upon thirty (30) days written notice.

**SCOPE OF SERVICES:** Mitel Corporation will provide a converged Internet Protocol (IP) voice/data network solution with uniform voice systems that provides caller ID, voicemail, unified messaging, enhanced call center functionality and voice/data convergence to approximately 700 school sites and the Central Office. The solution will ensure the Board's compliance with E911 laws and provide infrastructure disaster recovery and business continuity. Vendor will provide design, installation, asset tagging, equipment removal, maintenance, ongoing user support and technical and user training services.

**DELIVERABLES:** Vendor will provide the following:

- A converged voice/data network that provides a uniform, E911-compliant voice system with enhanced calling features at each school site and the Central Office including all systems, common equipment, station equipment, necessary low voltage wiring and related components.
- E911 compliant equipment
- An integrated unified messaging voicemail system
- Project management and support including:
  - A Project Manager who will be the single point of contact regarding overall network design, system installations, equipment removal, E911 compliance, any and all problems, coordination of any diagnostics and repairs with all vendors (equipment manufacturers/suppliers, new phones systems, inside wiring, etc.)
  - Project Planning
  - Service Provider Coordination
  - Status Reporting
  - Scheduling
- Maintenance, Service, Ongoing Support and Asset Tagging to include:
  - Fully trained and certified personnel to troubleshoot and maintain the full network and all system components including hardware, software and peripherals.
  - Service Level Agreement (SLA).
  - A second level help desk for technical and user troubleshooting
  - Asset tagging of all equipment, including recording all equipment data into the Board's asset management system
- Technical and User Training including:
  - Help Desk Support
  - Break/Fix Practices
  - Systems Operations
  - User Training

**OUTCOMES:** Vendor's services will result in the Board having a converged voice/data network solution that leverages the infrastructure to provide high quality, economical, redundant voice and data functionality. The converged voice/data network will also ensure E911 compliance for all school sites, full disaster recovery and business continuity for the District.

**COMPENSATION:** Vendor shall be paid during the three (3) year term as follows: Upon monthly invoicing under specific E-Rate guidelines and project rollout, at a total three year cost not to exceed \$32,828,405.00, of which approximately \$24,621,304.00 is eligible for, but not contingent upon, E-Rate discounts. The estimated Schools and Library Division portion is approximately \$22,159,173.00 and the total cost to the Board should not exceed approximately \$10,669,232.00.

**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.

**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). The M/WBE participation goals for the contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE. In addition to full compliance with the goals required by the M/WBE program, Mitel will implement an internship program for CPS students during their summer sessions.

However, the waiver Review Committee recommends that a partial waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the vendor has demonstrated reasonable good faith efforts.

The vendor has identified and scheduled the following firms and percentages:

**Total 34% MBE:**

**African American: 18%**

<b>KBS Computer Services</b> 4749 Lincoln Mall Drive, Suite 503 Matteson, Illinois 60443	<del>\$1,154,594.00 / 3.5%</del> <u>5.7%</u> <del>Reapplied 8/5/03</del>
<b>Blackwell Consulting Services</b> 100 South Wacker Drive, Suite 800 Chicago, Illinois 60606	<del>\$1,443,242.00 / 4.4%</del> <del>Certified through 06/30/04</del>
<b>Smart Technology Services</b> 156 North Jefferson Street, Suite 300 Chicago, Illinois 60661	<del>\$1,154,594.00 / 3.5%</del> <del>Certified through 08/31/07</del>
<b>Bonaparte Corporation</b> 1455 South Michigan Avenue Chicago, Illinois 60605	<del>\$1,443,242.00 / 4.4%</del> <del>Reapplied 8/18/03</del>
<del><b>DMG Phoenix</b> 939 W. Madison St., Ste 507 Chicago, Illinois 60607</del>	<del>\$721,621.00 / 2.2%</del> <del>Certified through 6/30/04</del>

**Hispanic : 14%**

<b>Quantum Crossings, LLC</b> 455 North Cityfront Plaza, Suite 3100 Chicago, Illinois 60611	<del>\$2,886,485.00 / 8.8%</del> <del>Reapplied 9/10/03</del>
<b>Interface Computer Communications, Inc.</b> 633 S. Plymouth Court, Suite 1A Chicago, Illinois 60605	<del>\$894,945.00 / 2.7%</del> <del>Certified through 07/31/04</del>
<b>Arias Technology</b> 8 E. Jackson, 10 <sup>th</sup> Floor, #A781 Chicago, Illinois 60604	<del>\$859,945.00 / 2.6%</del> <u>2.5%</u> <del>Certified through 12/31/03</del>

**Asian: 2%**

<del><b>Electrical Power &amp; Systems, Inc.</b> 5950 West 115<sup>th</sup> Street Alsip, Illinois 60803</del>	<del>\$577,297.00 / 2%</del> <del>Reapplied 8/27/03</del>
<b>Clarity Partners, LLC</b> <u>330 N. Wabash, Suite 3200</u> <u>Chicago, IL 60611</u>	<u>2%</u>

**Total 6% 5.7% WBE:**

**RL Canning Inc.**  
 1112 North Paulina, Suite 3  
 Chicago, Illinois 60622

~~\$721,621.00~~ / 2.2%  
 Reapplied 9/2/03

**NJW Technology Solution**  
 1 East Wacker Drive  
 Chicago, Illinois 60601

~~\$1,154,514.00~~ / 3.5%  
 Certified through 11/30/07

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

**FINANCIAL:** Total Cost: \$32,828,405.00

Charge to the Office of Technology Services: \$10,669,232.00

Budget Classification:	<del>0960-410-000-1614-5410</del>	<del>\$2,667,308.00</del>	<del>FY '05</del>
	<del>0960-410-000-1614-5410</del>	<del>\$4,000,962.00</del>	<del>FY '06</del>
	<del>0960-410-000-1614-5410</del>	<del>\$4,000,962.00</del>	<del>FY '07</del>
	0220-467-000-9593-5410	\$ 500,000.00	FY 06 P.O.# 1037229
	0220-467-000-9593-5410	\$10,169,232.00	FY 07

Charge to Schools and Library Division: \$22,159,173.00

<del>\$5,539,793.00</del>	<del>FY '05</del>
<del>\$8,309,690.00</del>	<del>\$ 1,538,462.00</del> FY '06
<del>\$8,309,690.00</del>	<del>\$20,620,711.00</del> FY '07

**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.

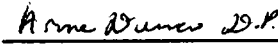
**Ethics** – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time shall be incorporated into and made a part of the agreement.

**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).

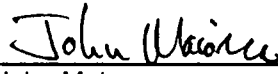

**Approved for Consideration:**

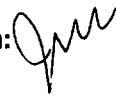
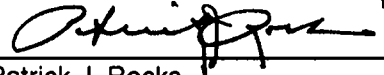
  
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Heather A. Obora  
Chief Purchasing Officer

**Approved:**

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

**Within Appropriation:**

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

**Approved as to Legal Form:**   
  
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Patrick J. Rocks  
General Counsel