

**APPROVE EXERCISING THE FIRST OPTION TO RENEW TWO AGREEMENTS WITH SUN  
MICROSYSTEMS CORPORATION FOR NETWORK MONITORING, MANAGEMENT, AND  
MAINTENANCE SERVICES**

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

Approve exercising the first option to renew two agreements with Sun Microsystems, Inc. ("Sun") to provide network monitoring, management and maintenance services for Wide Area Network ("WAN"), Local Area Network ("LAN"), and Network Security Infrastructure located throughout the district for the Office of Technology Services ("OTS"). The first agreement to be renewed covers services eligible for the E-rate discount and shall not exceed \$12,626,264.00 during the renewal term, of which \$10,984,850.00 is eligible for discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate") Eligible Contract. 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 during the renewal term shall not exceed \$1,641,414.00. The second agreement to be renewed covers eligible and ineligible non-basic maintenance services at a cost not to exceed \$1,616,499.00 during the renewal term, of which \$515,134.00 is eligible for E-Rate discounts for a total cost to the Board during the renewal term not to exceed \$1,101,365.00. Written agreements exercising these options 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 renewal agreements. The authority granted herein shall automatically rescind as to each renewal agreement in the event such agreement is not executed within ninety (90) days of the date of this Board Report.

**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

**ORIGINAL AGREEMENT:** The original agreements (authorized by Board Report 05-1116-PR10, as amended by Board Report 06-0125-PR6) in the amounts of \$11,093,305.00 for the eligible services agreement and \$1,384,773.00 for the eligible and ineligible non-basic maintenance services agreement are for a term commencing July 1, 2006 and ending on June 30, 2007, with the Board having three (3) options to renew for periods of one (1) year each. Sun was selected pursuant to a duly advertised Request for Proposals (Specification No. 05-250034).

**OPTION PERIOD:** The term of both agreements shall be extended for one (1) year commencing on July 1, 2007 and ending June 30, 2008. This renewal term is necessary to coincide with, and allow for the participation in, Year 10 of the E-Rate program.

**OPTION PERIODS REMAINING:** These agreements have two (2) one-year options to renew remaining. Pricing for the option period shall be in accordance with pricing formulas specified in the Contract.

**SCOPE OF SERVICES:** During the renewal of the first agreement covering services eligible for the E-Rate discount, Sun will continue to 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, 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

During the renewal of the second agreement covering non-basic maintenance and ineligible services, Sun will continue to provide 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:

- 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 for designated infrastructure.
- Equipment audits at regular intervals with the Board and include changes to cover any device changes as required.

Sun will also continue to provide installation, configuration, and project management for the following equipment and initiatives:

- Replacement of network equipment at approximately seventy schools to include replacement of switches, wireless access points, and wireless network interface cards. This also will include incidental low voltage cabling and minor construction
- Upgrades to school MDF room network equipment
- Upgrades and installation of core networking equipment

**DELIVERABLES:** Sun will continue to provide the following deliverables 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 and other related equipment at schools and in the core network
- 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 continue to provide the following assigned dedicated resources servicing 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 both renewal agreements, not to exceed the sum of \$14,242,764.00 (\$12,626,265.00 for renewal of the first agreement and \$1,616,499.00 for renewal of the second agreement), of which \$13,218,373.00 is eligible for E-Rate discounts; the total cost to the Board during the option period shall not exceed \$2,742,780.00. If E-Rate funding should it not be 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 renewal agreements, including provisions allowing charter schools and members of any CPS charter school consortium which may be created of charter and contract schools located in CPS facilities, to purchase services from SUN under the agreements. Authorize the President and Secretary to execute the renewal agreements. Authorize the Chief Information Officer to execute all ancillary documents required to administer or effectuate the renewal agreements and to participate in any collaborative efforts regarding the purchase of technology, equipment and services with various City of Chicago sister agencies, as previously authorized by 04-0428-RS11.

**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 40% MBE:**

**Total 25% African American:**

**IMC Connect, Inc. - 20.3%**  
 207 E. Ohio #293  
 Chicago, Illinois 60611

**Thomas A. McCrary - 2.5%**  
 16515 S. Prairie Ave.  
 South Holland, Illinois 60473

**ST Products 2.2%**  
 765 E. 69<sup>th</sup> Place  
 Chicago, Illinois 60637

**Total 10% Hispanic:**

**Computer Services & Consulting 10%**  
 1613 S. Michigan Ave.  
 Chicago, Illinois 60639

**Total 5% WBE:**

**KMC Enterprises 5%**  
 13235 Hiawatha Drive  
 Homer Glen, Illinois 60491

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

**FINANCIAL:**

		<b>FY08</b>
<b>Annual Eligible</b>		\$13,218,373.00
	<b>CPS-13%</b>	\$1,718,388.00
	<b>SLD-87%</b>	\$11,499,984.00
<b>Annual Ineligible</b>		\$1,024,391.00
<b>CPS PAYS</b>		
Budget Classification: 0220-552-000-1618-5410		\$2,742,779.00
<b>SLD PAYS</b>		\$11,499,984.00

**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.

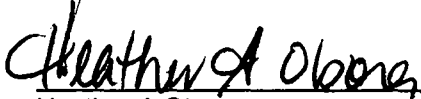
Indebtedness – The Board’s Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended

from time to time, shall be incorporated into and made a part of the agreement.


Ethics – The Board’s Ethics Code adopted 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 Oboza  
Chief Purchasing Officer


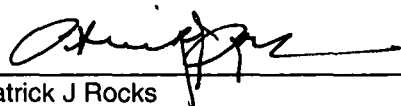
**Approved:**

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

**Within Appropriation:**

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

**Approved as to Legal Form:**

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