

AMEND BOARD REPORT 06-0125-PR6
AMEND BOARD REPORT 05-1116-PR10

APPROVE ENTERING INTO TWO AGREEMENTS WITH SUN MICROSYSTEMS CORPORATION FOR NETWORK MONITORING, MANAGEMENT, AND MAINTENANCE SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into 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 will cover basic maintenance services eligible for the E-Rate discount at a cost not to exceed \$11,093,305.00 of which 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 \$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~~ \$4,378,653.00, of which approximately ~~\$354,920.00~~ \$2,898,800.00 is eligible for E-Rate discounts and the total cost to the Board shall not exceed ~~\$1,029,853.00~~ \$1,479,853.00 ("Contract #2"). Sun was selected pursuant to a duly advertised Request for Proposals (Specification No. 05-250034). Written agreements for Sun's services 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 such written agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to 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.

This second amendment is necessary to i) amend Contract #2 to add installation, configuration, and project management services for system-wide school Local Area Network (LAN) upgrades; ii) to increase the compensation amount by \$2,993,880.00, of which approximately \$2,543,880.00 is eligible for E-Rate discounts and iii) to increase KMC Enterprises' level of participation in the affirmative action section. The total cost to the Board for these additional services shall not exceed \$450,000.00. A written amendment to contract #2 is required. The authority granted herein shall automatically rescind in the event such written amendment 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

TERM: The term of both agreements shall commence on July 1, 2006 and shall end June 30, 2007. 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, 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 for designated infrastructure.
- Equipment audits at regular intervals with the Board and include changes to cover any device changes as required.

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

- Replacement of aging 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 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. Aging LAN equipment will be replaced at the schools to improve network performance and reliability.

COMPENSATION: Sun shall be paid, as specified in 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~~ \$4,378,653.00 of which approximately ~~\$354,920.00~~ \$2,898,800.00 is eligible for E-rate discounts and the total cost to the Board shall not exceed ~~\$1,029,853.00~~ \$1,479,853.00.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreements and amendment. Authorize the President and Secretary to execute the agreements and amendment. Authorize the Chief Technology Officer to execute all ancillary documents required to administer or effectuate the 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 18.2% African American:

IMC Connect, Inc. 14.2%
207 E. Ohio #293
Chicago, Illinois 60611

Thomas A. McCrary 2.2%
16515 S. Prairie Ave.
South Holland, Illinois 60473

ST Products 1.8%
765 E. 69th Place
Chicago, Illinois 60637

Total 8.5% Hispanic:

Computer Services & Consulting 8.5%
1613 S. Michigan Ave.
Chicago, Illinois 60639

Total 7.6% Asian:

Catalyst Consulting Group 7.6%
211 W Wacker Drive, Suite 400
Chicago, IL 60606

Total 4.4 5.0% WBE:

KMC Enterprises 4.4 5.0%
13235 Hiawatha Drive
Homer Glen, Illinois 60491

Total 1.7% MBE:

Bonaparte Corporation 1.7%
1455 South Michigan Ave.
Chicago, Illinois 60605

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

FINANCIAL:

Contract 1		FY07
Annual Eligible-Basic Mtnce		\$11,093,305.00
	CPS-14%	\$1,553,063.00
	SLD-86%	\$9,540,242.00
	Total CPS Costs	\$1,553,063.00
Contract 2		\$1,384,773.00
Annual Eligible-Other		\$4,387,653.00
		\$57,700.00
	CPS-14%	\$437,898.00
		\$354,920.00
	SLD-86%	\$2,898,800.00
		\$972,153.00
ANNUAL INELIGIBLE		\$1,042,033.00
		\$1,029,853.00
	Total CPS Costs	\$1,479,853.00
CPS PAYS		
Budget Classification: 0220-552-000-1618-5410		\$2,582,916.00
Budget Classification: 0220-552-000-1618-5410		\$450,000.00
	Grand Total CPS Costs	\$3,032,916.00
SLD PAYS		\$9,895,162.00
		\$12,439,043.00

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 ~~July 26, 1995 (95-0726-EX3)~~ 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)~~ 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:



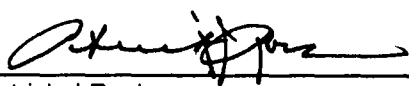
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form 



Patrick J. Rocks
General Counsel