

**AMEND BOARD REPORT 06-0125-PR13  
APPROVE ENTERING INTO TWO AGREEMENTS WITH QUANTUM CROSSINGS, LLC  
FOR TELECOMMUNICATIONS MAINTENANCE, CABLING, AND MOVES, ADDS AND CHANGES SERVICES**

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

Approve entering into two agreements with Quantum Crossings, LLC ("Quantum") to provide Telecommunications maintenance, cabling, and moves, adds and changes (MAC) services for the Office of Technology Services ("OTS"). The first agreement will cover basic maintenance services eligible for the E-Rate discount and shall not exceed ~~\$6,848,622.00~~ \$7,123,638.00 of which approximately ~~\$5,958,304.44~~ \$6,126,328.68 is eligible for discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate") ("Eligible Contract" or "Contract #1"). It is anticipated that the school and Library Division/Universal Services Administrative Company ("SLD/USAC") will fund eligible E-Rate services and products, and the total cost to the Board shall not exceed ~~\$890,320.86~~ \$997,309.32. The second agreement shall cover both eligible and ineligible services (other than basic maintenance) at a cost not to exceed ~~\$6,816,832.20~~ \$11,917,331.40 of which approximately ~~\$1,962,526.86~~ \$2,141,617.75 is eligible for E-Rate discounts, at a total cost to the Board not to exceed ~~\$4,854,305.34~~ \$9,775,713.65 ("Contract #2"). Quantum was selected pursuant to a duly advertised Request for Proposals (Specification No. 05-250046). Written agreements for Quantum's services are currently being negotiated. No services shall be provided by Quantum and no payment shall be made to Quantum prior to the execution of the respective written agreement. The authority granted herein shall automatically rescind as to each agreement in the event such 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 i) adjust the E-Rate percentage discount from 87% to 86% due to recent SLD rulings, ii) add language allowing charter schools, CPS consortium members and City of Chicago sister agencies to purchase services under the agreement; iii) to increase the funding amount of Contract #1 by \$275,016.00 and Contract #2 by \$600,499.20 to cover any billings to the Board as the Billed Entity for the CPS consortium and iv) authorizes the use of school-funded services to be provided by Quantum via the Board's 124 funding mechanism. Payment for purchases so made shall be the responsibility of the District schools, charter schools, CPS consortium members, and City of Chicago sister agencies. Charter schools and City sister agencies shall pay vendor directly and CPS District schools and consortium members shall reimburse the Board for such purchases. Written amendments to the agreements are required. The authority granted herein shall automatically rescind in the event the written amendments are not executed within 90 days of this amended Board Report.

**SPECIFICATION NO.:** 05-250046

**VENDOR:** Quantum Crossings LLC  
455 North Cityfront Plaza  
Chicago, Illinois 60611  
Contact: Mr. Roger Martinez, President  
Telephone No.: (312) 467-0065  
Vendor No.: 32334

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

**TERM:** The term of both agreements shall commence on July 1, 2006 and shall end on June 30, 2009. This term is necessary to coincide with, and allow for the Board's participation in, Years 9, 10, and 11 of the Federal E-Rate program. These agreements 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:** The first agreement covering basic maintenance services eligible for the E-Rate discount shall be as follows: Quantum will provide onsite basic maintenance services in conjunction with the E-Rate Program to the Board. This will include qualified telecommunications technicians for maintenance, cabling and MAC services for the Board's voice communications system infrastructure and voice/data cabling infrastructure for

approximately seven hundred (700) Board locations throughout the City of Chicago. Quantum shall also provide maintenance of the Board's communications systems, data drops, MAC orders and voice/data cabling infrastructure, including fiber, to support the Board's premise-based communications systems.

The second agreement shall cover eligible and ineligible services (other than basic maintenance) including technical support for intercom programming, telephone line appearances, handset placement and programming, high voltage cabling and electrical work as well as additional school/department requested and funded services via the Board's 124 funding mechanism.

**DELIVERABLES:** Under Contract #1, during the term, Quantum will provide basic maintenance of Eligible E-Rate Services and/or Products including:

- An "as-needed" pool of certified and qualified telecommunications technicians, as well as one (1) working supervisor and one (1) driver for OTS Telecommunications.
- Cabling, systems programming, voicemail programming and basic maintenance
- Extending and testing local exchange carrier (LEC) services
- Repair/replacement of system equipment cards and components
- Cross-connections to trunks/lines
- 12-24 hours notification to dispatch technicians to site.
- Daily status tickets and other supplemental reports upon request.

Under Contract #2, during the term, Quantum will provide non-basic maintenance of Eligible and InEligible E-Rate Services and/or Products including:

- Cabling, systems programming, and voicemail programming for new circuits
- Maintain and/or collect and replace damaged telephone components with new and/or refurbished equipment.
- Cabling and technical support for new cabling and new systems.
- Technical support for intercom systems, ineligible voice systems, handset placement
- Electrical and power services
- Additional school/department requested and funded services via the Board's 124 funding mechanism.

**OUTCOMES:** Quantum's services shall result in the Board having infrastructure and telecommunications systems maintenance, cabling and MAC support services through fiscal year 2009.

**COMPENSATION:** Upon monthly invoicing, Quantum shall be paid as specified in each agreement. The first agreement covering basic maintenance services eligible for the E-Rate discount shall not exceed ~~\$6,848,622.00~~ \$7,123,638.00 of which approximately ~~\$5,958,304.44~~ \$6,126,328.68 is eligible for, but not contingent upon E-Rate discounts, at a total cost to the Board not to exceed ~~\$890,320.86~~ \$997,309.32.

Compensation payable under Contract #2 shall not exceed ~~\$6,846,832.20~~ \$11,917,331.40, of which approximately ~~\$1,962,526.86~~ \$2,141,617.75 is eligible for E-Rate discounts; the total cost to the Board shall not exceed ~~\$4,854,305.34~~ \$9,775,713.65. Note: Services requested and funded via the Board's 124 funding mechanism shall not exceed \$4,500,000.00 and are included in the not to exceed cost to the Board.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written agreements and amendments. Authorize the President and Secretary to execute the written agreements and amendments. Authorize the Chief Technology Officer to execute all ancillary documents required to administer or effectuate the written 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 and 5% total WBE.

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

Total 90% Hispanic:

**Quantum Crossing, LLC**  
455 N. Cityfront Plaza, Suite# 3100  
Chicago, Illinois 60611

Certified until April 1, 2006

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

**FINANCIAL:**

**Original Before Consortium:**

		<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>TOTAL</b>
Annual Eligible-Basic Mtnce		\$2,282,874.00	\$2,282,874.00	\$2,282,874.00	\$6,848,622.00
	CPS-13%	\$296,773.62	\$296,773.62	\$296,773.62	\$890,320.86
	SLD-87%	\$1,986,100.38	\$1,986,100.38	\$1,986,100.38	\$5,958,301.14
Annual Eligible-Other		\$751,926.00	\$751,926.00	\$751,926.00	\$2,255,778.00
	CPS-13%	\$97,750.38	\$97,750.38	\$97,750.38	\$293,251.14
	SLD-87%	\$654,175.62	\$654,175.62	\$654,175.62	\$1,962,526.86
<b>TOTAL ANNUAL ELIGIBLE</b>		<b>\$3,034,800.00</b>	<b>\$3,034,800.00</b>	<b>\$3,034,800.00</b>	<b>\$9,104,400.00</b>
	CPS-13%	\$394,524.00	\$394,524.00	\$394,524.00	\$1,183,572.00
	SLD-87%	\$2,640,276.00	\$2,640,276.00	\$2,640,276.00	\$7,920,828.00
<b>ANNUAL INELIGIBLE</b>		<b>\$1,520,351.40</b>	<b>\$1,520,351.40</b>	<b>\$1,520,351.40</b>	<b>\$4,561,054.20</b>
		<u>\$4,555,151.40</u>	<u>\$4,555,151.40</u>	<u>\$4,555,151.40</u>	<u>\$13,665,454.20</u>
CPS PAYS 12510-230-54405-254906-000000		\$1,914,875.40	\$1,914,875.40	\$1,914,875.40	\$5,744,626.20
SLD PAYS		<u>\$2,640,276.00</u>	<u>\$2,640,276.00</u>	<u>\$2,640,276.00</u>	<u>\$7,920,828.00</u>
		<u>\$4,555,151.40</u>	<u>\$4,555,151.40</u>	<u>\$4,555,151.40</u>	<u>\$13,665,454.20</u>

**Amended to include Consortium:**

		<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>TOTAL</b>
Annual Eligible-Basic Mtnce		\$2,282,874.00	\$2,420,382.00	\$2,420,382.00	\$7,123,638.00
	CPS-14%	\$319,602.36	\$338,853.48	\$338,853.48	\$997,309.32
	SLD-86%	\$1,963,271.64	\$2,081,528.52	\$2,081,528.52	\$6,126,328.68
Annual Eligible-Other		\$751,926.00	\$869,163.60	\$869,163.60	\$2,490,253.20
	CPS-14%	\$105,269.64	\$121,682.90	\$121,682.90	\$348,635.45
	SLD-86%	\$646,656.36	\$747,480.70	\$747,480.70	\$2,141,617.75
<b>TOTAL ANNUAL ELIGIBLE</b>		<b>\$3,034,800.00</b>	<b>\$3,289,545.60</b>	<b>\$3,289,545.60</b>	<b>\$9,613,891.20</b>
	CPS-14%	\$424,872.00	\$460,536.38	\$460,536.38	\$1,345,944.77
	SLD-86%	\$2,609,928.00	\$2,829,009.22	\$2,829,009.22	\$8,267,946.43
<b>ANNUAL INELIGIBLE</b>		<b>\$1,520,351.40</b>	<b>\$1,703,363.40</b>	<b>\$1,703,363.40</b>	<b>\$4,927,078.20</b>
<b>ANNUAL INELIGIBLE-124 FUNDS</b>		<b>\$1,500,000.00</b>	<b>\$1,500,000.00</b>	<b>\$1,500,000.00</b>	<b>\$4,500,000.00</b>
		<u>\$3,020,351.40</u>	<u>\$3,203,363.40</u>	<u>\$3,203,363.40</u>	<u>\$9,427,078.20</u>
<b>TOTAL</b>		<b>\$6,055,151.40</b>	<b>\$6,492,909.00</b>	<b>\$6,492,909.00</b>	<b>\$19,040,969.40</b>
CPS PAYS 12510-230-54405-254906-000000		\$1,945,223.40	\$2,163,899.78	\$2,163,899.78	\$6,273,022.97
CPS PAYS 12510-124-54405-254501-169400		\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$4,500,000.00
SLD PAYS		<u>\$2,609,928.00</u>	<u>\$2,829,009.22</u>	<u>\$2,829,009.22</u>	<u>\$8,267,946.43</u>
		<u>\$6,055,151.40</u>	<u>\$6,492,909.00</u>	<u>\$6,492,909.00</u>	<u>\$19,040,969.40</u>

**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.

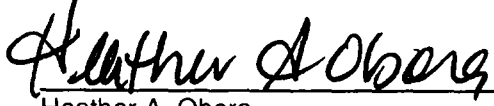
**Conflicts** – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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

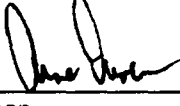
**Ethics** – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time shall be incorporated into and made a part of the agreement.

**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

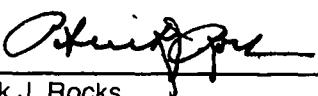
**Approved:**

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

**Within Appropriation:**

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

**Approved as to Legal Form:**

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