

AMEND BOARD REPORT 06-0628-PR22**APPROVE EXERCISING THE OPTION TO RENEW AN AGREEMENT WITH ORACLE USA, INC. (f/k/a ORACLE CORPORATION, INC.) FOR SOFTWARE LICENSES AND TECHNICAL SUPPORT****THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve exercising the option to renew the agreement with Oracle USA, Inc. (f/k/a Oracle Corporation, Inc.) for software upgrades, support and usage of I-Procurement licenses, and the integrated financial software package provided to the Office of Technology Services ("OTS") at a cost not to exceed \$1,442,379.95. A written renewal agreement is currently being negotiated. No payment shall be made to software Licensor prior to the execution of the written renewal 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 option is stated below.

This amendment adds unlimited options to renew technical support for software purchased under the agreement with Oracle USA, Inc. No written amendment is required for this matter.

SPECIFICATION No.: 02-250067

**SOFTWARE
LICENSOR:**

Oracle USA, Inc. (f/k/a Oracle Corporation, Inc.)
500 Oracle Parkway
Redwood, California 94065
Contact Person: Michael Dean
Telephone No.: (614) 280-6550
Vendor No.: 91760

USER:

Office of Technology Services
125 South Clark, 3rd Floor
Chicago, Illinois 60603
Contacts: Robert W. Runcie, Chief Information Officer
Telephone No.: (773) 553-1300

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report # 05-1026-PR6 as amended by Board Report# 06-0222-PR7) in the amount of \$1,828,610.66 is for a term commencing October 1, 2005 and ending June 30, 2006, with the Board having two (2) options to renew for periods of one (1) year each. The original Agreement was awarded on a non-competitive basis because the Oracle Software is the only software that provides the functionality required by Board of Education's integrated financial systems.

OPTION PERIOD: The term of this agreement is being extended for a period to commence on July 1, 2006 and end on June 30, 2007.

OPTION PERIODS REMAINING: ~~There is one (1) option to renew remaining~~ are unlimited options to renew technical support on an annual basis.

USE OF SOFTWARE: The software will continue to allow the Board to operate an integrated financial system connecting the accounts receivables, cash management, treasury, general ledger, budget and procurement.

OUTCOMES: The software program products will further secure the Board's critical data through June 30, 2007.

SOFTWARE LICENSE, TECHNICAL SUPPORT AND USAGE FEE: Software Licensor shall be paid a fee of \$1,442,379.95, which includes i) software upgrades, technical support and usage of 500,000 I-Procurement lines (300,000 I-Procurement Lines transferred from the City and the Board's existing 200,000 I-Procurement Lines) ii) software upgrades, technical support and usage of the integrated financial software package. The fees shall be payable upon invoicing at times specified in the agreement.

COMPENSATION: The total compensation to be paid to Software Licensor shall not exceed \$1,442,379.95.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions, in the written renewal agreement and amendment. Authorize the President and Secretary to execute the renewal agreement. Authorize the Chief Information Officer to execute all ancillary documents, required to administer or effectuate this renewal agreement and amendment.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 35% total MBE, ~~22% total African American, 10% total Hispanic, 2% total Asian~~ and 5% total WBE.

Oracle was originally granted a waiver of the M/WBE participation goals because the contract is not further divisible. Oracle, however has elected to demonstrate good faith efforts to participate in CPS's Diversity Program by complying with the Goods and Services Remedial Program Section 9.5.11 which states Oracle will implement a strategy for the training, employment or continuing education of present or former CPS students.

~~However, the Waiver Review Committee recommends that a full waiver of the participation goals for this contract as required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (MAWBE Plan) be waived because the contract is not further divisible.~~

Oracle has provided a number of opportunities to address the requirements. The vendor will fund three awards in the UNCF scholarship program which will be open to students from Chicago. CPS plans to participate in the Oracle Academy for the 2007-2008 school year; for each participating school, there is an associated \$250K in-kind grant. After the first year of participation, successful CPS instructors will be eligible to apply to be adjunct instructors (paid mentor positions within the Oracle Academy). CPS plans to participate in Think.com, giving teachers access to free e-mail in a protected environment to integrate technology into their classrooms. This program is provided at no cost to CPS.

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

FINANCIAL: Charge to the Office of Technology Services: \$1,442,379.95
Budget Classification: 0220-474-000-9588-5311 \$1,442,379.95 Capital Funds 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.

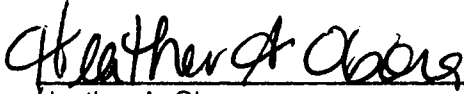
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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

Indebtedness – The Board's Indebtedness Policy adopted July 26, 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-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

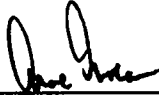
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

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