

**APPROVE ENTERING INTO AN AGREEMENT WITH SCHOOLNET, INC. FOR THE PURCHASE OF
STUDENT INFORMATION INSTRUCTIONAL MANAGEMENT SOFTWARE LICENSES,
IMPLEMENTATION AND SUPPORT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with SchoolNet, Inc. for the purchase of instructional management Software Licenses for Office of Technology Services ("OTS"), at a cost not to exceed \$3,977,685.00. The vendor was selected on a non-competitive basis because SchoolNet is the only vendor that can provide this software in the context of the IMPACT project. A written agreement is currently being negotiated. No payment shall be made to SchoolNet prior to 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.

SOFTWARE LICENSOR: SchoolNet, Inc.
525 7th Avenue, 4th Floor
New York, NY 10018
Contact: Nicole Neal
Telephone No.: (646) 496-9031
Vendor No.: 37402

USER: Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: Robert Runcie, Chief Information Officer
Sharnell Jackson, Chief eLearning Officer
Telephone No.: (773) 553-1300

TERM: The term of this agreement shall commence on August 1, 2007 and shall end July 31, 2010.

USE OF SOFTWARE: SchoolNet will provide licenses to the Board for the use of the SchoolNet software modules. SchoolNet will also provide maintenance for the term of this agreement on this licensed software, which consists of program corrections and upgrades, as the same become available to SchoolNet's customers, during the term of this agreement as long as the Board's annual maintenance fee is current.

SCOPE OF SERVICES: SchoolNet shall provide software and licenses, implementation services, data services, curriculum and standards support, marketing communication and project quality assurance, and associated maintenance for the term of the agreement. SchoolNet will develop the Active Directory Integration Module, and deliver the self-hosted Assess Module. SchoolNet will populate the Data Mart with CRBA, CMBA, EXPLORE, PLAN, PSAE Highest and DIBELS data. SchoolNet will support CPS in their efforts to load curriculum and standards. SchoolNet shall also provide product configuration, including KPI configuration. SchoolNet will provide mentoring and training opportunities to ensure technical and product knowledge transfer over the scope of the engagement.

SchoolNet shall provide the Board with the means to enter/import (or have entered on the Board's behalf) the Board's student data through the Licensed Software. The SchoolNet import feature will not modify the content of imported data in any way. All right, title and interest in and to such data shall at all times remain the property of the Board. SchoolNet shall have the right to use the Board's data (i) to provide the Board with the Services (ii) to assess and compare the use of the Licensed Software by various individual schools within the Board for the purpose of auditing the standard functionality of the Licensed Software and (iii) to improve the Licensed Software. In its use of the Board's data, SchoolNet will not use or disclose any personal information particular to any student.

DELIVERABLES: SchoolNet will license the software to the Board, and will also provide program corrections and upgrades during the term of the agreement, on magnetic tape, CD, email attachment, via downloadable File Transport Protocol ("FTP"), or the then current method of software delivery. The SchoolNet will also provide:

- Active Directory Authorization Module
- ASSESS self-hosting
- Technical Knowledge Transfer
- Population of Data Mart using CRBA, CMBA, EXPLORE, PLAN, PSAE Highest, DIBELS
- Curriculum and Standards support
- KPI Configuration
- Marketing Communication
- Project Quality Assurance

OUTCOMES: The SIS software programs will further automate the Board’s student information system applications program which will result in the Board being more efficient and effective in managing student information systems. The SIS software will enhance the Board’s ability to effectively educate students.

COMPENSATION: The cost of the IMS software license fee (Account, Align, Assess and Outreach) is \$865,463 in FY08; \$908,736 in FY09; \$954,172 in FY10. Implementation Support Services will not exceed \$597,133 in FY08, \$334,354 in FY09 and \$83,452 in FY10. Help Desk support services, purchased in blocks of 750 hours at a time, will be \$93,750 in FY08, \$93,750 in FY09; and 375 hours in FY10 for a cost of \$46,875. Upon invoicing, payments shall be made in the Board’s regular course of business.

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: The MWBE participation goals for the contract include: 35% total MBE and 5% total WBE. However, the Waiver Committee recommends that a partial waiver of 20% for the MBE and 5% for the WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the contract scope is not further divisible.

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

Total 20% African American	
KC Management Group Corporation	20%
1525 East 53 rd Street, Suite 932	Certification expires March 1, 2009
Chicago, Illinois 60615	

Total 5% WBE:	
Bronner Group, LLC	5%
120 North LaSalle Street, Suite 1300	Certification expires August 1, 2008
Chicago, IL 60602	

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

FINANCIAL: Charge to Office of Technology Services: \$3,977,685.00
 Budget Classification No.: 0220-210-000-9572-5311 FY08 \$865,463.00
 0220-210-000-9572-5410 FY08 \$690,883.00
 0220-210-000-9572-5311 FY09 \$908,736.00
 0220-210-000-9572-5410 FY09 \$428,104.00
 0220-210-000-9572-5311 FY10 \$954,172.00
 0220-210-000-9572-5410 FY10 \$130,327.00

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 June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

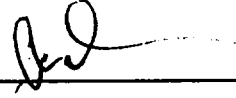
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:



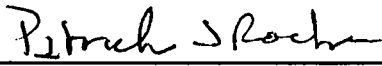
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form:



Patrick J. Rocks
General Counsel