

**APPROVE EXERCISING THE ANNUAL OPTION TO RENEW TECHNICAL SUPPORT WITH ORACLE USA, INC.**

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

Approve exercising the option to renew annual technical support for licenses purchased under the original agreement with Oracle USA, Inc. at a cost not to exceed \$1,324,709.93. A written document exercising this option is currently being negotiated. No payment shall be made to Software Licensor during the option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

**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 agreement was subsequently renewed for a period commencing July 1, 2006 and ending June 30, 2007 with unlimited one-year options to renew technical support (authorized by Board Report #06-0628-PR22 as amended by Board Report# 07-0425-PR9). 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 renewed for technical support for one year, commencing on July 1, 2007 and ending June 30, 2008.

**OPTION PERIODS REMAINING:** There 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, 2008.

**TECHNICAL SUPPORT FEE:** Software Licensor shall be paid a fee of \$1,324,709.93, which includes software upgrades, technical support and usage of the integrated financial software package. The fee shall be payable upon invoicing at times specified in the renewal agreement.

**COMPENSATION:** The total compensation to be paid to Software Licensor shall not exceed \$1,324,709.93.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions, in the written renewal agreement. 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.

**AFFIRMATIVE ACTION:** The M/WBE goals for this contract include: 35% total MBE 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' 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.

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: \$1,324,709.93  
Budget Classification: Various School Units \$1,324,709.93

**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.

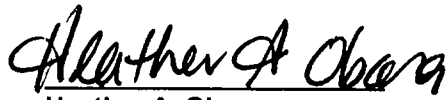
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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

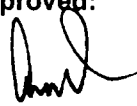
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



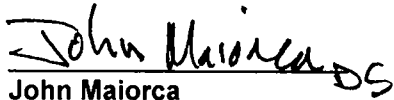
Heather A. Obara  
Chief Purchasing Officer

Approved:



Arne Duncan  
Chief Executive Officer

Within Appropriation:



John Maiorca  
Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks  
General Counsel