

**APPROVE EXERCISING THE FIRST OPTION TO RENEW A SOFTWARE LICENSE AND SERVICES AGREEMENT WITH
MAXIMUS, INC. FOR A SPECIALIZED SERVICES MANAGEMENT SOLUTION**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to renew a software license and service agreement with MAXIMUS, Inc. ("Software Licensor" or "MAXIMUS") for a specialized services management solution to be provided to the Information & Technology Services ("ITS") at no additional cost to the Board. Due to unavoidable delays in the project schedule, only Phase 0 of the Specialized Services Management module was completed during the original term of the agreement. This extension is required to complete the project under the same pricing as set forth in the agreement. A written renewal document is currently being negotiated. No payment shall be made prior to the execution of the written renewal document. The authority granted herein shall automatically rescind in the event a renewal document is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this option is stated below.

SPECIFICATION NO.: 06-250037

SOFTWARE LICENSOR: MAXIMUS, Inc.
11419 Sunset Hills Road
Reston, VA 20190
Contact Person: Dr. Philip Geiger
Telephone No.: (703) 251-8508
Fax: (703) 251-8240
Vendor No.: 29626

USER : Information & Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: Robert W. Runcie, Chief Information Officer
Mary Ellen Scott, Project Manager
Telephone No.: 773-553-1300

ORIGINAL AGREEMENT: The original agreement in the amount of \$5,427,910.00 (authorized by Board Report 06-0927-PR10) is for a term commencing October 1, 2006 and ending September 30, 2007, with the Board having two options to renew for one-year periods. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

RENEWAL TERM: This agreement shall be renewed for a term commencing October 1, 2007 and ending September 30, 2008. There is one (1) option to renew for a period of one (1) year remaining.

USE OF SOFTWARE: The solution is called Specialized Services Management, (SSM), Solution and it will be used for the tracking and delivery of Special Education Services.

LICENSE FEE: Software Licensor shall be paid a license fee of \$ 849,760.20 for unlimited users.

MAINTENANCE FEE: The maintenance fee for this renewal term will be \$372,075.00.

SCOPE OF SERVICES: Due to unavoidable delays in the project schedule, only Phase 0 of the Specialized Services Management module was built under the original agreement, ending October 31, 2007. In addition to the software licenses, MAXIMUS will provide the following on a revised schedule to implement the Board's new Specialized Services Management (SSM) software:

Phases 1 - 3: (See below for Components of Phases 1 - 3)

- 1. General Project Management**
 - a) Manage Project efforts
 - b) Develop Project work plan
 - c) Develop Communication plan

- 2. Process Review and Gap Analysis**
 - a) Assess technical environment
 - b) Review business processes
 - c) Document Gaps
 - d) Submit recommendations for Fits

- 3. Product, Data Conversion and Interface Development**
 - a) Update SSM application according to fits
 - b) Develop interfaces to ODS, SIM, CIM, Active Directory and ancillary systems
 - c) Data Conversion
 - d) Identify/map data to convert
 - e) Design Develop conversion scripts
 - f) Design/develop customizations
 - g) Design/Develop Security
 - h) Install application into relevant environments
 - i) Training and End-User Support
 - j) Develop Training Plan and Curriculum
 - k) Develop/modify training
 - l) Design/develop training database
 - m) Design/develop training materials (Web Based, Instructor Led, Self Paced)
 - n) Develop Online Quick Reference tool
 - o) Design Pilot Implementation Approach
 - p) Design District Implementation Approach

- 4. Pilot and District Implementation**
 - a) Convert Data
 - b) Clean up Data
 - c) Deliver training
 - d) Evaluate training

PHASE 1 COMPONENTS

- Automated IEP/Section 504
- Areas of Need
- Accommodations/Modifications
- Specialized Instruction
- Grades, Promotion, Graduation
- Transition
- Extended School Year
- Least Restrictive Environment
- Transportation
- Referral
- Consent
- Evaluation
- Eligibility

PHASE 2 COMPONENTS

- Placement
- Procedural
- Safeguards

PHASE 3 COMPONENTS

- o Planning
- o HSMP
- o Monitoring
- o Document Management

DELIVERABLES: Software Licensor shall continue to deliver the software, program corrections and enhancements that Software Licensor develops during the term of the agreement, to the Board on magnetic tape, CD, email attachment or via downloadable FTP or the then current method of software delivery.

OUTCOMES: Software licensor's services will result in enhancing educational opportunities, and overall education processes, enable new application development and allow for future growth. The database and enterprise software program will further automate the Board's Individualized Education Program process.

COMPENSATION: MAXIMUS shall be paid for the deliverables based upon the Statement of Work and Budget attached to the original agreement, which is summarized as follows: a maintenance fee in the amount of \$372,075.00 in a lump sum upon completion of Phase 1 deployment; a license fee in the amount of \$849,760.20 after acceptance of Phase I deployment; \$250,000.00 after acceptance of Phase I mini-deployment; \$500,000.00 after acceptance of Phase I deployment; \$187,500.00 after acceptance of Phase II mini-deployment; \$562,500.00 after acceptance of Phase II deployment; \$75,000.00 after acceptance of Phase III mini-deployment; \$220,413.25 after acceptance of Phase III deployment. The remaining compensation payable to MAXIMUS under the original agreement for the performance of services which have been extended to this renewal term is \$3,017,248.45.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option document, including any indemnities to be provided by the Board to the Software Licensor. Authorize the President and Secretary to execute the option document. Authorize the Chief Information Officer (CIO) to negotiate changes to the statement of work, to execute all ancillary documents required to administer or effectuate the option agreement, including any agreements with charter schools or CPS charter school consortium members necessary for implementation of the specialized services management solution and having no financial impact on the Board.

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.

However, the Waiver Review Committee recommends that a partial waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the contract is not further divisible.

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

Total MBE – 32%

Total African American – 22%

Synchronous Solutions, Inc.
d/b/a/ Synch Solutions
211 West Wacker Drive
Suite 300
Chicago, Illinois 60606

certified through 11/01/2007

Total Hispanic – 10%

Advance Electronic Instruments, Inc.
d/b/a Stratus Consulting Group
118 North Peoria Street
Suite 5N
Des Plaines, Illinois 60607

certified through 11/01/2007

Total WBE – 8.5%

Bronner Group, LLC – 5%
120 North LaSalle Street
Suite 1300
Chicago, Illinois 60602

certified through 08/01/2008

8th Day Consulting – 3.5%

6110 Rob Roy Drive
Oak Park, Illinois 60452

certified through 01/01/2009

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

FINANCIAL: Charge to the Information & Technology Services: \$3,017,248.45
Budget Classification No.: 12510-478-54125-009572-000000 \$ 1,787,260.20 FY08
12540-230-53306-266406-000000 \$ 372,075.00 FY08
12510-478-54125-009572-000000 \$ 857,913.25 FY09

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:



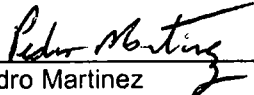
Heather A. Oboza
Chief Purchasing Officer

Approved:



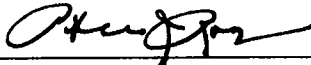
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form. 



Patrick Rocks
General Counsel