

AMEND BOARD REPORT 06-1115-PR12
APPROVE ENTERING INTO A MASTER AGREEMENT WITH ORACLE USA, INC.
FOR SOFTWARE LICENSE, TECHNICAL SUPPORT, TRAINING AND CONSULTING SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Oracle USA, Inc. (Oracle) to provide software, technical support and consulting services to various CPS departments at a cost not to exceed ~~\$1,486,996.65~~ \$2,756,509.45. Oracle USA, Inc. was selected on a non-competitive basis due to its proprietary software license and maintenance. No payment shall be made to Oracle USA, Inc. prior to the execution of the written master agreement. The authority granted herein shall automatically rescind in the event a written master agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

This first amendment is necessary to allow the Board the option to renew technical support for perpetual software licenses purchased pursuant to prior agreements or ordering documents with Oracle (authorized under Board Reports 04-0225-PR14, 04-0225-PR15, 03-1119-PR11, 03-1022-PR17, 05-0525-PR7 and 05-1026-PR6 ("Related Board Reports")) under this master agreement and ii) to increase the maximum compensation amount by \$1,269,512.80. Any price holds on technical support from the prior agreements or ordering documents (authorized under the Related Board Reports) shall be incorporated into the new master agreement. No payment shall be made to Oracle prior to the execution of the amendment to the written master agreement. The authority granted herein shall automatically rescind in the event the amendment to the written master agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

CONSULTANT: Oracle USA, Inc.
500 Oracle Parkway
Redwood, California 94065
Contact Person: ~~Michael Dean~~ Jason Moriarty
Telephone No.: ~~(614) 280-6550~~ (612) 805-7983
Vendor No.: 91760

USER: 1.) ~~Office of Technology Services~~ Information & Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: Robert Runcie, Chief Information Officer
Jerome Goudelock,
Director, HR & Finance Information Systems
Telephone No.: (773) 553-1300

<p>2.) Department of Finance 125 South Clark, 14th Floor Chicago, Illinois 60603 Contact: John Maioreca <u>Pedro Martinez</u>, Chief Financial Officer Telephone No.: (773) 553-2700</p>	<p>3.) Department of Human Resources 125 South Clark, 2nd Floor Chicago, Illinois 60603 Contact: Ascencion V. Juarez, Chief Human Resources Officer Telephone No.: (773) 553-1070</p>
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4.) Department of Procurement & Contracts
125 South Clark, 10th Floor
Chicago, Illinois 60603
Contact: Heather A. Obora, Chief Purchasing Officer
Telephone No.: (773) 553-2280

TERM: The term of this agreement shall commence on November 26, 2006 and shall end November 25, 2011 with options to renew technical support annually for licenses purchased under the Master Agreement and associated ordering documents for one-year periods.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate this agreement with 60 days written notice.

USE OF SOFTWARE: Oracle will provide forty (40) additional Procurement Contracts licenses and 300,000 additional I-Procurement licenses for the use of Oracle's software program products which include but are not limited to the following: Oracle will provide license to the Board to use Oracle E-Business Suite, Database and Middleware comprised of Treasury- Application User Perp, Real Application Clusters RAC Named Users, Diagnostics Pack - Named User, E-Business Intell (App Users Perp), iProcurement-Purch Line Perp, Database Enterprise Edit -Named User, Tuning Pack - Proc Perp, Diagnostics Pack- Proc Perp, Database Enterprise Edit -Proc Perp, Change Management Pack-Named User, Enterprise Asset Mgmt, Sourcing, Tuning Pack - Named User, Change Management Pack-Proc, Tutor for Apps, iSupplier Portal, Internet Dev Suite-Named User, Database Enterprise Edition-Proc, Financials & Sales Analyzer, Express Server, Project Billing, Application Server Enterprise Edition-Proc, Diagnostic Pack-Proc, Express Analyzer-Named User, Open System Gateway, Payroll, Project Costing, Grants, Purchasing, Order Management, Financials, Change Management Pack-Proc, Real Application Clusters-Proc, Tuning Pack-Proc, and Express Objects. Oracle will continue to provide technical support on this licensed software, which consists of program corrections and enhancements that Oracle may develop during the term of this agreement as long as the Board's technical support fee is current.

Oracle will provide instructor led training which will provide CPS staff with hands-on experience to match job role. From in-class demonstrations to hands-on-labs, Oracle instructor led training will provide a dynamic learning environment. Other training methods may include:

- Private Classes
- Web On-Demand Classes (CBT)
- Self-Study CD-ROMs

Oracle will provide two (2) non-exclusive, nontransferable licenses for UPK Developer(s) to use the PeopleSoft User Productivity Kit ("UPK") materials only as necessary to create and provide training solely for UPK Employees.

OUTCOMES: The software program products will further secure the Board's critical data through November 25, 2011.

SOFTWARE LICENSE FEE: The software license fees shall not exceed \$678,500.99.

TECHNICAL SUPPORT FEE: The software License technical support fee for Oracle's I-Procurement, PeopleSoft User Productivity Kit ("UPK") and Procurement and Contracts suite shall be \$149,270.22 during the first year and shall not exceed a 4% increase per year thereafter. Oracle agrees that any price holds on technical support from prior agreements (authorized under the Related Board Reports) shall be incorporated into the new master agreement. The software license technical support fee for PeopleSoft shall be \$308,000.00 during FY08 and FY09; and shall not exceed a 4% increase per year in FY10 and FY11.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement including any indemnities to be provided to the Consultant by Board. Authorize the President and Secretary to execute the master agreement. Authorize the Chief Information Officer or the Chief Purchasing Officer to execute ordering documents and any ancillary documents required to administer or effectuate this master agreement.

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

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

FINANCIAL: Charge to ~~the Office of Technology Services~~ Information & Technology Services:

		\$1,486,996.65	<u>\$2,756,509.45</u>
Budget Classification:	0220-474-000-9590-5311	\$678,500.99	FY07
	0220-474-000-9590-5410	\$149,270.22	FY07
	0220-474-000-9590-5410	\$155,241.03	<u>\$463,241.03</u> FY08
	<u>12540-115-54125-254901-000000</u>		
	0220-474-000-9590-5410	\$161,450.67	<u>\$469,450.67</u> FY09
	<u>12540-xxx-54125-254901-000000</u>		
	0220-474-000-9590-5410	\$167,998.70	<u>\$488,288.70</u> FY10
	<u>12540-xxx-54125-254901-000000</u>		
	0220-474-000-9590-5410	\$174,625.04	<u>\$507,757.84</u> FY11
	<u>12540-xxx-54125-254901-000000</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.

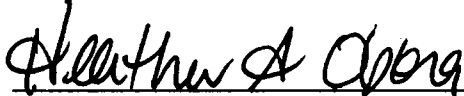
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Indebtedness – The Board's Indebtedness Policy adopted 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-P04), as amended from time to time, shall be incorporated into and made a part of the agreement.

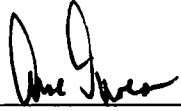
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:




Heather A. Obora
Chief Purchasing Officer

Approved:



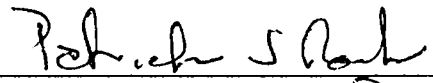
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form: SB



Patrick J. Rocks
General Counsel