

**APPROVE ENTERING INTO THE FIRST RENEWAL OF AN AGREEMENT WITH  
KRONOS INCORPORATED FOR SOFTWARE AND HARDWARE MAINTENANCE**

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

Approve entering into the first renewal of an agreement with Kronos Incorporated ("Kronos" or "Vendor") to provide software and hardware maintenance for all of the Board's Kronos software and hardware products for the Information & Technology Services ("ITS") at a cost for the option period not to exceed \$354,625.71. A written renewal agreement for Vendor's services is currently being negotiated. No services shall be provided and no payment shall be made to Kronos during the option period prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written 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.:** 01-250357

**VENDOR:** Kronos Incorporated  
297 Billerica Road  
Chelmsford, Massachusetts 01824  
Contact: John Hogan  
Telephone: (847) 969-6578  
Vendor No.: 31925

**USER:** Information & Technology Services  
125 South Clark, 3rd Floor  
Chicago, Illinois 60603  
Contact: Robert W. Runcie, Chief Information Officer  
Anthony McPhearson, LAN Services, Director  
Telephone No.: (773) 553-1300

**ORIGINAL AGREEMENT:** The original agreement in the amount of \$354,625.71 (authorized by Board Report 06-1025-PR9) is for a term commencing January 1, 2007 and ending December 31, 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 January 1, 2008 and ending December 31, 2008. There is one (1) option to renew for a period of one (1) year remaining.

**SCOPE OF SERVICES:** Kronos will continue to provide mission critical maintenance on the Workforce TimeKeeper system and depot repair maintenance on the smart converter and keypad system. This maintenance consists of program corrections and enhancements that Kronos may develop during the term of this agreement as long as the Board's maintenance fee is current.

**DELIVERABLES:** Kronos will continue to provide hardware support to insure the proper operation of the WorkForce TimeKeeper units. Kronos will also provide software support to ensure the operating systems function properly, and will provide quarterly optimizations and necessary process documentation.

**OUTCOMES:** Kronos' services will result in the WorkForce TimeKeeper systems being maintained properly and functioning properly and ITS and Payroll Services will have the necessary hardware and software support to ensure the proper functioning of the operating system.

**COMPENSATION:** Kronos shall be paid in bi-annual installments of \$177,312.85 and \$177,312.86, respectively; total amount not to exceed \$354,625.71.

**REIMBURSEABLE EXPENSES:** None.

**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.

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.

<b>FINANCIAL:</b>	Charge to Information & Technology Services: \$354,625.71		
	Budget Classification: 12510-115-56105-266402-000000	\$28,861.17	FY08
	12540-230-56105-266402-000000	\$148,451.68	FY08
	12510-115-56105-266402-000000	\$177,312.86	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.

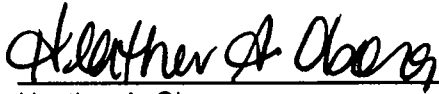
**Conflicts** – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



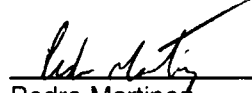
Heather A. Obora  
Chief Purchasing Officer

**Approved:**



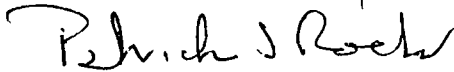
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**



Pedro Martinez  
Chief Financial Officer

**Approved as to Legal Form:** *sub/gum*



Patrick Rocks  
General Counsel