

AMEND BOARD REPORT 06-1220-PR1

APPROVE EXERCISING THE SECOND RENEWAL OF EXISTING AGREEMENTS WITH APPLE COMPUTER, INC. AND DELL MARKETING, L.P. LLP FOR THE PURCHASE AND LEASE OF DESKTOP AND LAPTOP COMPUTERS AND WARRANTY SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second renewal of existing agreements with Apple Computer, Inc. and Dell Marketing, L.P. LLP for the purchase and lease of desktop and laptop computers and warranty services for all schools including charter schools, area instructional offices and departments at a cost for the option period not to exceed ~~\$30,000,000.00~~ ~~\$45,000,000.00~~. Written agreements exercising this option are currently being negotiated. No goods may be ordered or received and no payment shall be made to any vendor during this option period prior to the execution of such vendor's written agreement. The authority granted herein shall automatically rescind as to each vendor in the event a written agreement is not executed by such vendor within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

This December 2007 amended Board Report is necessary i) to change the names of the vendors and update contact information ii) to extend the agreement with Apple, Inc. for an additional six (6) months for the purchase only of desktop and laptop computers iii) to extend the agreement with Dell Marketing, L.P. and Dell Financial Services, LP for an additional six (6) months for the purchase and lease of desktop and laptop computers, and iii) to increase the compensation amount for second renewal period by \$15,000,000. During this six (6) month extension period no additional Apple desktop or laptop computers will be leased. Written amendments to the second renewal agreements with vendors are currently being negotiated. No payment shall be made to any vendor during this extended period prior to the execution of such vendor's written amendment. The authority granted herein shall automatically rescind as to each vendor in the event a written amendment is not executed by such vendor within 90 days of the date of this amended Board Report.

Specification No.: 03-250116

Commodity Manager Craig Holloway 553-2903

Vendor: 1. Apple Computer, Inc.
1 Infinite Loop
Cupertino, CA 95014
~~(312) 902-7406 (408) 974-6112~~
Contact Person: ~~Marie Vickers~~ Ewa Kalman
Vendor No.: 23266

2. Dell Marketing, L.P. LLP
One Dell Way
~~MS Box 8707 RR8-06~~
Round Rock, TX 78682
~~(512) 728-2353 (512) 728-5386~~
Contact Person: ~~J.C. Madrigal, Marketing~~
Alissa Sirianni Regional Contract
Manager/Vendor No.: 44646

Leasing Agent:
~~Apple Financial Services~~ Apple Education Finance
~~4333 Edgewood Road NE~~ 1 Infinite Loop
~~Suite 400~~
~~Cedar Rapids, Iowa 52411~~ Cupertino, CA 95014
~~(847) 283-6225 (408) 974-8820~~
Contact Person: ~~Valerie Snyder~~ Gregg Gerst
Vendor No.: 20950

Leasing Agent:
Dell Financial Services, LP
12234 N. IH35 BLDG. B ~~One D~~
Austin, Texas 78753
(615) 871-9439
Contact Person: Michel Mertens
Vendor No.: 14600

USER: All schools, Area Instructional Offices and Central Office Departments
c/o Office of Procurement and Contracts
125 S. Clark St., 10th Floor
Chicago, IL 60603

ORIGINAL AGREEMENT: The original agreements (authorized by Board Report 03-1022-PR03) in the aggregate amount of \$30,000,000 are for a term commencing upon execution and ending December 31, 2005, with the Board having 2 options to renew for one-year terms. The original agreements were renewed for a period commencing January 1, 2006 and ending December 31, 2006 (authorized by Board Report 05-1221-PR1 as amended by Board Report 06-0426-PR1). The original agreements were awarded on a competitive basis pursuant to Board Rule 5-4.1.

OPTION PERIOD: The term of each agreement is being extended for one year commencing January 1, 2007 and ending ~~December 31, 2007~~ June 30, 2008.

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: Vendors will continue to provide desktops and laptop computers and associated installation, configuration extended warranty and maintenance services. Schools, instructional offices and central office departments may purchase or lease equipment and services at their option via requisition to Procurement and Contracts who will mail a purchase order to the vendor. School purchases that exceed \$25,000 must be approved by the AIO. In the Central Offices, the respective Chief must approve purchases over \$25,000.

DELIVERABLES: Vendors will continue to provide desktops and laptop computers and associated installation, configuration extended warranty and maintenance services.

PRICES: The prices for the purchase and/or leasing of the equipment shall be in accordance with the price lists included in each vendor's original agreement.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option agreements and amendments. Authorize the President and Secretary to execute the option agreements and amendments. Authorize the Chief Purchasing Officer and Chief Information Officer or their designee to execute leasing schedules, acceptance certificates, and all ancillary documents required to administer or effectuate these agreements.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 4% MBE and 1% WBE participation. 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 scope is not further divisible.

Dell Marketing, ~~L.P.~~ ~~LLP~~ has identified and schedules the following firm and percentage:

Interface <u>Advotek, Inc.</u>	4% <u>1%</u>
A.A. Rosales & Associates	4% <u>5%</u>

Apple Computer, <u>Inc</u>	
KBS	5%

Apple Computer Inc. has identified the following firm and percentages:

TOTAL MBE 5% African American	
KBS Computer Services, Inc.	5%
418 Highland Road	
Matteson, IL 60443	

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

FINANCIAL: Charge to various schools and departments
Fiscal Years: 2004-2006
Budget Classification: 5320-Supplies, 5730-Equipment, 5470-Services/Repair Contracts

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.

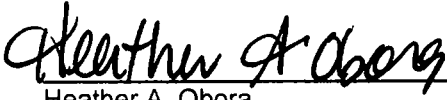
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their 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-P04), as amended from time to time, shall be incorporated into and made a part of the agreement.

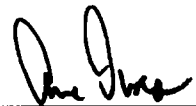
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



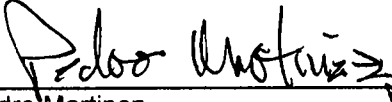
Heather A. Obora
Chief Purchasing Officer

Approved:



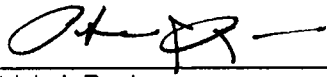
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form: 



Patrick J. Rocks
General Counsel