

AMEND BOARD REPORT 08-0123-PR4
AMEND BOARD REPORT 07-1219-PR11
**APPROVE EXERCISING THE FIRST OPTIONS TO RENEW TWO AGREEMENTS
WITH CENTRAL AUDIO-VISUAL EQUIPMENT, INC. FOR THE PURCHASE OF MEDIA
MANAGEMENT SOLUTION AND BASIC MAINTENANCE SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first options to renew two agreements with Central Audio-Visual Equipment, Inc. ("CAV, Inc.") for the purchase of a Media Management Solution and Basic Maintenance Services by the Office of Information & Technology Services for use at CPS school locations, Area Instructional Offices and Central Office. The first agreement being renewed is for basic maintenance services eligible for the E-Rate discount ("Basic Maintenance Contract" or "Contract #1") at a total cost for the renewal term not to exceed ~~\$352,728.00~~ \$264,546.00, of which approximately ~~\$282,482.40~~ \$211,636.80 is the discounted portion of eligible E-rate services and/or products to be funded by the School and Libraries Division of the Universal Service Administrative Company ("SLD/USAC"). The Board shall only be responsible during the renewal term of Contract #1 for the non-discounted portion of E-rate eligible services and/or products and the cost of ineligible services and/or products, which shall not exceed ~~\$70,545.60~~ \$52,909.20. The second agreement being renewed is for non-basic maintenance eligible and ineligible services ("Contract #2). For the renewal term of Contract #2, the total cost will not to exceed \$1,034,885.00 for the renewal term, of which approximately \$545,528.44 is the discounted portion of eligible E-rate services and/or products to be funded by the School and Libraries Division of the Universal Service Administrative Company ("SLD/USAC"). The Board shall only be responsible during the renewal term of Contract #2 for the non-discounted portion of E-rate eligible services and/or products and the cost of ineligible services and/or products, which shall not exceed \$489,356.56. Written documents exercising these options are currently being negotiated. No payment shall be made to CAV, Inc. prior to the execution of the written documents. *The authority granted herein shall automatically rescind in the event the written documents are not executed within ninety (90) days of the date of this Board Report.* Information pertinent to these options is stated below.

This first January 2008 amendment is necessary to change the start date to October 1, 2008 from July 1, 2008 and to change the end date to June 30, 2009 from September 30, 2009. No written amendment is required for this matter.

This May 2008 amendment is necessary to reduce the compensation amount of Contract #1. The pricing schedule submitted by Vendor covered a 12 month period that included the initial term and part of the first renewal term. This amendment is to correct the compensation amount so that it corresponds to the services to be provided during the renewal term as amended above. A written amendment to Contract #1 is required.

SPECIFICATION NO.: 06-250057

VENDOR: Central Audio-Visual Equipment, Inc.
375 Roma Jean Parkway
Streamwood, IL 60107
Michael Bashir, President
(630) 372-8100
Vendor No.: 36633

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

ORIGINAL AGREEMENT: The original agreements (authorized by Board Report No. 07-0124-PR16) in the total aggregate amount of \$1,387,613.00 were for a term commencing July 1, 2007 and ending on September 30, 2008, with the Board having (2) options to renew for periods of one (1) year each. CAV, Inc. was selected pursuant to a duly advertised Request for Proposals (Specification No. 06-250057).

RENEWAL TERM: The term of each agreement is being extended for a term commencing on October 1, 2008 and ending on June 30, 2009.

OPTION PERIODS REMAINING: There is one option period for one (1) year remaining.

SCOPE OF SERVICES: CAV, Inc. will continue to provide Media Management Distribution Equipment, Maintenance and Support Services to the Chicago Public Schools in conjunction with the E-Rate Program.

During the renewal agreement of Contract #1, CAV, Inc. will continue to provide basic maintenance on the new and legacy media management systems throughout the district. This maintenance of new and legacy systems will be provided by CAV, Inc. CAV, Inc. will assist CPS in the continued implementation of its district-wide media management solution — CPS ON Demand using the SAFARI Montage interface. Currently, SAFARI Montage is operating in approximately 200 CPS schools.

During the renewal agreement of Contract #2, CAV, Inc. will continue to cover school and central office head end media management solutions. CAV, Inc. will provide additional systems (not to exceed 120) in order to continue the standardization of this media management system. Additionally, CAV, Inc. will continue to provide training and professional development.

DELIVERABLES: CAV, Inc. will continue to provide equitable access to Media Management for the district and ensure long-term success with maximum capacity for anytime access.

During the renewal term Contract #1, CAV, Inc. will continue to cover and provide basic maintenance on the new and legacy media management systems throughout the district. CAV, Inc. will provide latest version of the Operating System, ongoing updates, and quarterly system tests and checks to verify functionality.

During the renewal term of Contract #2, CAV, Inc. will continue to cover school and central office head end media management solutions. CAV, Inc. will continue to expand the school-based server solution that is currently in place. Each school will receive an RM-800 server for participating under this agreement. The number of professional development projects, proposed curriculum initiatives, and requests for additional content mandate a robust server in this roll-out.

Servers will be placed in the MDF rooms of K-8 schools throughout the district and managed by the Office of Information & Technology Services and possibly school-based technology coordinators.

Proposed content must correlate directly to strategic Chicago Public Schools initiatives including literacy, math and science. Proposed content must be accessible using the current Safari Montage browser interface that resides in over 240 schools.

CPS will continue to receive training and professional development that will demonstrate the use of the product, empowering educators to use digital media in the classroom. CPS will also continue to receive training on the use of digital media to meet individual student deficiencies.

Schools will use a variety of methods for viewing the digital media based upon individual school infrastructure. Those methods will include LCD projectors in individual classrooms, existing TV monitors, individual classroom computer stations, and computer labs. Individual schools will be encouraged to

include additional requisite infrastructure into their School Improvement Plan in order to ensure best-practice use of Media Management systems.

The system additions / improvements will include:

1. Infrastructure assessment of the existing environment
2. Coordination of the ordering of equipment
3. Staging of new equipment
4. Testing of all equipment
5. Training (Technical and non-technical)

CAV, Inc. shall add Board approved equipment defined in this scope. CAV, Inc. will continue to provide support services to include installation, integration, configuration, and testing of the equipment. CAV, Inc. shall also be required to perform both technical and non-technical training for CPS employees as determined by the Board.

OUTCOMES: Services provided by CAV, Inc. will result in a comprehensive Media Management solution throughout the district. CPS requires that this system be able to handle the district-wide dissemination of digital video content to all classrooms of items such as Professional Development video, superintendent video addresses and video content for the classroom.

COMPENSATION: During the renewal term of Contract #1, CAV, Inc. shall be paid as follows: upon monthly invoicing, at a total cost not to exceed ~~\$352,728.00~~ **\$264,546.00**, of which approximately ~~\$282,182.40~~ **\$211,636.80** is the discounted portion of eligible E-rate services and/or products to be funded by the SLD/USAC. The Board shall only be responsible for the non-discounted portion of E-rate eligible services and/or products and the cost of ineligible services and/or products during the renewal term of Contract #1, which shall not exceed ~~\$70,545.60~~ **\$52,909.20**. During the renewal term of Contract #1, CAV, Inc. shall be paid at a total cost not to exceed of \$1,034,885.00, of which approximately \$545,528.44 is the discounted portion of eligible E-rate services and/or products to be funded by the SLD/USAC. The Board shall only be responsible for the non-discounted portion of E-rate eligible services and/or products and the cost of ineligible services and/or products during the renewal term of Contract #1, which shall not exceed \$489,356.56.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option documents. Authorize the President and Secretary to execute the option documents. Authorize Chief Information Officer to execute all ancillary documents required to administer or effectuate the option documents.

AFFIRMATIVE ACTION: This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The M/WBE participation goals for the contract include: 35% total MBE, and 5% total WBE.

The CAV, Inc. has identified and scheduled the following firms and percentages:

Total 95% MBE:	95%
Central Audio Visual Inc.	
Total 5% WBE:	
Jennifer Shields, Consultant	5%

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

FINANCIAL:

	FY09
Total Amount for Contract #1	\$352,728.00
	<u>\$264,546.00</u>
	\$352,728.00
Annual Eligible	<u>\$264,546.00</u>
	\$70,545.60
NON-DISCOUNTED PORTION PAID BY THE BOARD 20%	<u>\$52,909.20</u>
DISCOUNTED PORTION FUNDED BY THE SLD/USAC 80%	<u>\$282,182.40</u>
Annual Ineligible	<u>\$211,636.80</u>
	\$0.00
TOTAL PAID BY CPS	\$70,545.60
12540-115-54125-254901-000000	<u>\$52,909.20</u>
	<u>\$282,182.40</u>
TOTAL FUNDED BY THE SLD/USAC	<u>\$264,546.00</u>
Total Amount for Contract #2	\$1,034,885.00
Annual Eligible	\$681,910.55
NON-DISCOUNTED PORTION PAID BY THE BOARD 20%	\$136,382.11
DISCOUNTED PORTION FUNDED BY THE SLD/USAC 80%	\$545,528.44
Annual Ineligible	\$352,974.45
TOTAL PAID BY CPS	
12540-115-54125-254901-000000	\$489,356.56
TOTAL FUNDED BY THE SLD/USAC	\$545,528.44

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.

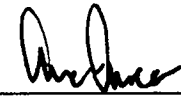
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:




Heather A. Obora
Chief Purchasing Officer

Approved:


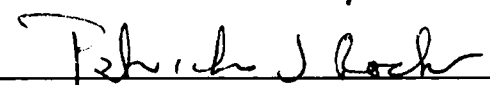


Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form: 


Patrick J. Rocks
General Counsel 