

**APPROVE EXERCISING THE FIRST AND SECOND OPTIONS TO RENEW TWO AGREEMENTS
WITH QUANTUM CROSSINGS, LLC FOR TELECOMMUNICATIONS MAINTENANCE, CABLING,
AND SERVICES FOR MOVES, ADDS, AND CHANGES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first and second options to renew two agreements with Quantum Crossings, LLC ("Quantum") to provide telecommunications maintenance, cabling, and services for moves, adds, and changes ("MAC"), for CPS Information & Technology Services ("ITS"). The first agreement ("Contract #1") is for basic maintenance services eligible for discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate") discount. For the renewal term, Contract #1 shall not exceed \$4,200,000.00, of which approximately \$3,612,000.00 is eligible for E-Rate discounts and the cost to the Board shall not exceed \$588,000.00. The second agreement ("Contract #2") is for both eligible and ineligible services (other than basic maintenance). For the renewal term, Contract #2 shall not exceed \$6,050,000.00, of which approximately \$1,161,000.00 is eligible for E-Rate discounts and the cost to the Board shall not exceed \$4,889,000.00. Written agreements exercising these options are currently being negotiated.

No payment shall be made to Quantum prior to the execution of the respective written renewal agreement. The authority granted herein shall automatically rescind as to each renewal agreement in the event such agreement is not executed within 120 days of the date of this Board Report. Information pertinent to these options is stated below.

SPECIFICATION NO.: 05-250046

VENDOR: Quantum Crossings LLC
455 North Cityfront Plaza
Chicago, Illinois 60611
Contact: Roger Martinez, President
Telephone No.: (312) 467-0065
Vendor No.: 32334

USER: Information & Technology Services
125 South Clark Street
Chicago, Illinois 60603
Contact: Robert W. Runcie, Chief Information Officer
Kathryn Zalewski, Director of Telecommunications
Telephone No.: (773) 553-1300

ORIGINAL AGREEMENT: The original agreements (authorized by Board Report 06-0125-PR13 as amended by #06-1115-PR8) in the amount of \$7,123,638.00 for Contract #1 and \$11,917,331.40 for Contract #2, are for a term commencing July 1, 2006 and ending June 30, 2009, with the Board having two options to renew for a term of one year each. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

OPTION PERIOD: The term of each agreement is being extended for two (2) years, commencing July 1, 2009 and ending June 30, 2011.

OPTION PERIODS REMAINING: There are no remaining options to renew.

SCOPE OF SERVICES: Under Contract #1, which covers basic maintenance services eligible for the E-Rate discount, Quantum will continue to provide remote and onsite basic maintenance services in conjunction with the E-Rate Program to the Board. This will include qualified telecommunications technical resources for maintenance, cabling and MAC services for the Board's voice communications system infrastructure and voice/data cabling infrastructure for approximately 700 Board locations throughout the City of Chicago. Quantum shall also continue to provide maintenance of the Board's communications systems, data drops, MAC orders and voice/data cabling infrastructure, including fiber, to support the Board's premise-based communications systems.

Under Contract #2, which covers eligible and ineligible services (other than basic maintenance), Quantum shall continue to provide technical support for intercom programming, telephone line appearances, handset placement and programming, high voltage cabling and electrical work as well as additional school/department requested and funded services via the Board's 124 funding mechanism.

DELIVERABLES: Under Contract #1, during the renewal term, Quantum will provide basic maintenance of eligible E-Rate services and/or products, including:

- Systems programming, voice mail programming, and basic technical support of all voice systems
- An "as-needed" pool of certified and qualified telecommunications technicians, as well as one working supervisor and one driver
- Wiring and cabling in accordance with CPS and City of Chicago Infrastructure Standards
- Extending and testing local exchange carrier (LEC) services
- Repair/replacement of system equipment cards and components
- Cross-connections to trunks/lines
- Notification of 12-24 hours to dispatch technicians to site
- Daily status tickets and other supplemental reports upon request

Under Contract #2, during the renewal term, Quantum will provide non-basic maintenance of eligible and in-eligible E-Rate services and/or products, including:

- Cabling, systems programming, and voicemail programming for new circuits
- Maintain and/or collect, and replace damaged telephone components with new and/or refurbished equipment
- Cabling and technical support for new cabling and new systems
- Technical support for intercom systems, ineligible voice systems, and handset placement
- Electrical and power services
- Additional school/department requested and funded services via the Board's 124 funding mechanism.

OUTCOMES: Quantum's services shall result in the Board having infrastructure and telecommunications systems maintenance, cabling, and MAC services through fiscal year 2011.

COMPENSATION: Upon monthly invoicing, Quantum shall be paid as specified in each agreement. Compensation payable under the renewal term of Contract #1 covering basic maintenance services eligible for the E-Rate discount shall not exceed \$4,200,000.00 of which approximately \$3,612,000.00 is eligible for, but not contingent upon E-Rate discounts, at a total cost to the Board not to exceed \$588,000.00.

Compensation payable under the renewal term of Contract #2 shall not exceed \$6,050,000.00, of which approximately \$1,161,000.00 is eligible for E-Rate discounts; the total cost to the Board shall not exceed \$4,889,000.00. Note: Services requested and funded via the Board's 124 funding mechanism shall not exceed \$1,000,000.00 and are included in the not to exceed cost to the Board.

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

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 vendor has identified and scheduled the following firms and percentages:

Total 90% Hispanic:

Quantum Crossing, LLC
 455 N. Cityfront Plaza, Suite# 3100
 Chicago, Illinois 60611

Total 10% WBE:

Phoenix Business Solution
 5330 W. 124th Street
 Alsip, Illinois 60803

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

FINANCIAL:

	FY10	FY11	TOTAL
Annual Eligible-Basic Mtnce	\$2,100,000.00	\$2,100,000.00	\$4,200,000.00
CPS-14%	\$294,000.00	\$294,000.00	\$588,000.00
SLD-86%	\$1,806,000.00	\$1,806,000.00	3,612,000.00
Annual Eligible-Other	675,000.00	675,000.00	\$1,350,000.00
CPS-14%	\$94,500.00	\$94,500.00	\$189,000.00
SLD-86%	\$580,500.00	\$580,500.00	\$1,161,000.00
TOTAL ANNUAL ELIGIBLE	\$2,775,000.00	\$2,775,000.00	\$5,550,000.00
CPS-14%	\$388,500.00	\$388,500.00	\$777,000.00
SLD-86%	\$2,386,500.00	\$2,386,500.00	\$4,773,000.00
ANNUAL INELIGIBLE	\$1,350,000.00	\$1,350,000.00	\$2,700,000.00
ANNUAL INELIGIBLE-124 FUNDS	<u>\$1,000,000.00</u>	<u>\$1,000,000.00</u>	<u>\$2,000,000.00</u>
	\$2,350,000.00	\$2,350,000.00	\$4,700,000.00
TOTAL	\$5,125,000.00	\$5,125,000.00	\$10,250,000.00
CPS PAYS 12540-230-54405-254501-000000	\$1,738,500.00	\$1,738,500.00	\$3,477,000.00
CPS PAYS 12510-124-54405-254501-169400	\$1,000,000.00	\$1,000,000.00	\$2,000,000.00
SLD PAYS	<u>\$2,386,500.00</u>	<u>\$2,386,500.00</u>	<u>\$4,773,000.00</u>
	\$5,125,000.00	\$5,125,000.00	\$10,250,000.00

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.

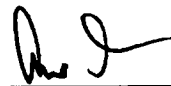
Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time shall be incorporated into and made a part of the agreement.

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).




Heather A. Obora
Chief Purchasing Officer


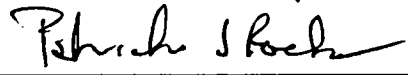
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form: 


Patrick J. Rocks
General Counsel 