

**APPROVE EXERCISING THE TWO OPTIONS TO RENEW THE AGREEMENT WITH
AT&T INC. FOR LONG DISTANCE SERVICES, TELECONFERENCING, DIGITAL LINK LOCAL
SERVICE AUTHORIZATION AND TOLL-FREE 800 SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the two options to renew the agreement with AT&T Inc. ("AT&T") to provide long distance, teleconferencing, digital link local service authorization and toll-free 800 services for Chicago Public Schools' Information & Technology Services ("ITS") at a cost not to exceed \$281,017.61, of which approximately \$281,017.61 is eligible for, but not contingent upon, discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate"), at a total cost to the Board not to exceed \$39,342.47.

Charter schools, CPS consortium members, and City of Chicago sister agencies are also allowed to purchase services under this agreement. Payments for purchases shall be the responsibility of the district schools, charter schools, CPS consortium members, and City of Chicago sister agencies. Charter schools and City sister agencies shall pay AT&T directly, and district schools and consortium members shall reimburse the Board for such purchases.

AT&T was selected pursuant to a duly advertised Request for Proposals (Specification No. 05-250030). A written document exercising these options is currently being negotiated. No payment shall be made to AT&T during the option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 120 days of the date of this Board Report. Information pertinent to this option is stated below.

SPECIFICATION NO.: 05-250030

VENDOR: AT&T Inc.
225 West Randolph, Floor 23C
Chicago, IL 60606
Contact: Keneese McNamer
Telephone No.: (312) 364-2982
Vendor No. 11912

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

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 05-1116-PR12 as amended by 06-0125-PR8 and 07-0124-PR10) in the amount of \$402,800.94, was 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, at a cost to be negotiated at the time of renewal. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

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

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: AT&T will continue to provide the Board with long distance, teleconferencing, digital link local service authorization and toll-free 800 services for the existing voice network to approximately 8,000 lines. It is estimated that long distance services will increase five percent each year during the renewal term.

DELIVERABLES: AT&T will continue to provide the Board with long distance services, teleconferencing, digital link local service authorization and toll-free 800 services through the end of fiscal year 2011.

OUTCOMES: AT&T's services will result in the Board having continuous long distance services, teleconferencing, digital link local service authorization and toll-free 800 services through the end of fiscal year 2011.

COMPENSATION: AT&T shall be paid during this option period as follows: Upon monthly invoicing, at a cost not to exceed \$281,017.61 for the renewal term, of which approximately \$281,017.61 is eligible for, but not contingent upon, E-Rate discounts, at a cost to the Board not to exceed the sum of \$39,342.47.

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: Pursuant to section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation, this contract is exempt from review because it is for a non-competitive utility.

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

FINANCIAL:

	FY10	FY11	TOTAL
Annual Eligible	\$137,081.76	\$143,935.85	\$281,017.61
CPS-14%	\$19,191.45	\$20,151.02	\$39,342.47
SLD-86%	\$117,890.31	\$123,784.83	\$241,675.14
Annual InEligible	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	\$137,081.76	\$143,935.85	\$281,017.61
CPS PAYS 12540-230-54405-254501-00000	\$19,191.45	\$20,151.02	\$39,342.47
SLD PAYS	<u>\$117,890.31</u>	<u>\$123,784.83</u>	<u>\$241,675.14</u>
	\$137,081.76	\$143,935.85	\$281,017.61

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.

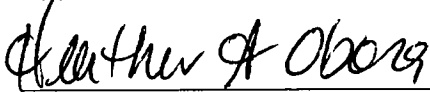
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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

Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), 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:



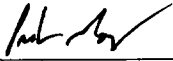
Heather A. Obora
Chief Purchasing Officer

Approved:



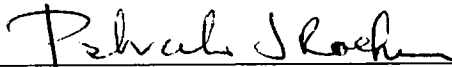
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form



Patrick J. Rocks
General Counsel

