

**APPROVE EXERCISING THE TWO OPTIONS TO RENEW THE AGREEMENT WITH HITEC
GROUP INTERNATIONAL, INC. FOR TTY COMMUNICATIONS SYSTEM, MAINTENANCE, AND
ASSOCIATED TRAINING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the two options to renew the agreement with Hitec Group International, Inc. ("Hitec") to provide Textnet TTY Communications System, maintenance, and associated training services for Chicago Public Schools Information & Technology Services ("ITS"), at a total cost for the option period not to exceed \$429,960.00, of which approximately \$356,246.40 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 \$73,713.60.

A written document exercising these options is currently being negotiated. No payment shall be made to Hitec 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 90 days of the date of this Board Report. Information pertinent to this option is stated below.

SPECIFICATION NO.: 05-250052

VENDOR: Hitec Group International, Inc.
8160 Madison Avenue
Burr Ridge, IL 60521
Contact: Richard Uzuanis, Vice President
Telephone No.: (630) 654-9200
Vendor No. 16374

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

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 06-0125-PR12 as amended by 06-1115-PR7) in the amount of \$747,060.00, is for a term commencing February 1, 2006 and ending July 31, 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: ITS is exercising both available options to renew in order to extend the agreement for two years. The renewal agreement will have a term commencing August 1, 2009 and ending July 31, 2011.

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: Hitec will continue to provide the Board with a Textnet TTY communications system, maintenance, and associated training services for a network of 1,500 licenses. Textnet is a shared, digital TTY communications system that provides a seamless integration of the public switched telephone network, the Internet, and the Board's data network to enable telephone calls to be made by people who are deaf, hard of hearing, or speech restricted. Since the system utilizes the Board's current data network and existing computers, no additional hardware or equipment is required. Hitec also provides on-going support and training as needed.

DELIVERABLES: Hitec will continue to provide the Board with Textnet TTY services through the end of fiscal year 2011.

OUTCOMES: Hitec's services will result in the Board having continuous TTY services. The Board will also be in compliance with legal mandates of the Americans with Disabilities Act, Sections 504 and 508 of the Rehabilitation Act, IDEA, and Section 255 of the Telecommunications Act through the end of fiscal year 2011.

COMPENSATION: Hitec shall be paid during this option period as follows: Upon monthly invoicing, at a cost not to exceed \$429,960.00 for the renewal term, of which approximately \$356,246.40 is eligible for, but not contingent upon, E-Rate discounts, at a cost to the Board not to exceed \$73,713.60.

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 written option document. Authorize the Chief Information Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 26% total MBE and 5% total WBE. 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 vendor has demonstrated reasonable good faith efforts.

The vendor has, however, identified and scheduled the following firms and percentages:

Total 1.2% MBE:
 African American
 Creative Printing Services, Inc.
 1701 Birchwood Avenue
 Des Plaines, Illinois 60018

Total 98.8% WBE: **State Certification Pending**
 Hitec Group Intl
 8160 S. Madison Street
 Burr Ridge, Illinois 60527

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

FINANCIAL:

		FY10	FY11	TOTAL
Annual Eligible		\$207,120.00	\$207,120.00	\$414,240.00
	CPS-14%	\$28,996.80	\$28,996.80	\$57,993.60
	SLD-86%	\$178,123.20	\$178,123.20	\$356,246.40
Annual InEligible		<u>\$7,860.00</u>	<u>\$7,860.00</u>	<u>\$15,720.00</u>
		\$214,980.00	\$214,980.00	\$429,960.00
CPS PAYS	12540-230-54405-254501-00000	\$36,856.80	\$36,856.80	\$73,713.60
SLD PAYS		<u>\$178,123.20</u>	<u>\$178,123.20</u>	<u>\$356,246.40</u>
		\$214,980.00	\$214,980.00	\$429,960.00

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.

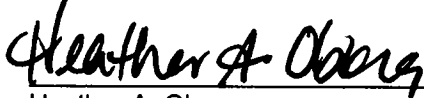
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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

Indebtedness – The Board's Indebtedness Policy adopted 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:



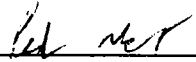
Heather A. Obora
Chief Purchasing Officer

Approved:





Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form: 


Patrick J. Rocks
General Counsel