

AMEND BOARD REPORT 07-1114-PR12
APPROVE THE SECOND OPTION TO RENEW THE EXISTING AGREEMENTS
WITH SUN MICROSYSTEMS
FOR NETWORK MONITORING, MANAGEMENT, AND MAINTENANCE SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the second renewal of two existing agreements with Sun Microsystems ("Sun") to provide network monitoring, management and maintenance services for Wide Area Network ("WAN"), Local Area Network ("LAN"), and Network Security Infrastructure located throughout the district for Information & Technology Services ("ITS") at a total cost for the first agreement ("Basic Maintenance Contract" or "Contract #1") not to exceed ~~\$12,237,777.85~~ \$12,636,732.37 for a one (1) year renewal term, of which approximately ~~\$10,524,488.95~~ \$10,544,815.20 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 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 ~~\$1,713,288.90~~ \$2,091,917.17. For the second agreement ("Contract #2"), the total cost will not exceed ~~\$1,497,298.03~~ \$1,719,907.16 for a one (1) year renewal term, of which approximately ~~\$235,610.76~~ \$248,570.96 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 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 ~~\$1,261,687.27~~ \$1,471,336.20. Vendor was selected pursuant to a duly advertised Request for Proposals (Specification No. 05-250034). Written documents exercising this option are currently being negotiated. No payment shall be made to Vendor prior to the execution of the written documents. The authority granted herein shall automatically rescind as to each renewal in the event a written document is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this option is stated below.

This April 2009 amendment is necessary to increase the cost of Contract #1 by \$398,954.52 and to increase the cost of Contract #2 by \$222,709.13. These increases are necessary as a result of an adjustment in SLD/USAC funding from 86% to 88%. Additionally, the amended compensation amounts reflect additional installation and maintenance services that will cover the implementation of an Intrusion Prevention System, which was previously approved and purchased by the Board through a separate vendor and Board Report. Amendments to the renewal agreements for Contract #1 and Contract #2 are required. The authority granted herein shall automatically rescind as to each amendment in the event the written amendment is not executed within ninety (90) days of the date of this Board Report.

SPECIFICATION NO.: 05-250034

VENDOR: Sun Microsystems, Inc
4150 Network Circle
Santa Clara, CA 95054
Contact: Charles T. Lockman, Regional Sales Director
Mark Pingry, Customer Account Manager
Telephone No.: (217) 359-9805
Vendor No.: 89823

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. 05-1116-PR10 as amended by Board Report 06-0125-PR6) in the amount amounts of \$11,093,305.00 for the eligible

services agreement and \$1,553,063.00 for the ineligible and non-basic maintenance services agreement was for a term commencing July 1, 2006 and ending on June 30, 2007, with the Board having three (3) options to renew for periods of one (1) year each.

RENEWAL TERM: The term of these two agreements shall commence on July 1, 2008 and shall end on June 30, 2009.

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

SCOPE OF SERVICES: Sun will continue to provide the Board with services described below during the renewal term:

The first agreement covering services eligible for the E-Rate discount shall be as follows: Sun will provide onsite basic maintenance services in conjunction with the E-Rate Program to the Board. This will include management services to monitor and maintain the WAN, LAN, and Network Security Infrastructure including routers, switches, Firewall/VPN Appliances, Firewall/VPN Management stations, Load Balancers, WAN/LAN interfaces, and other ancillary equipment ("Services"), including:

- Remote management of Board owned or leased equipment, maintenance administration of systems, fault/error detection, reporting, analysis, and correction of issues.
- 24x7x365 support for designated infrastructure.
- Notice of outages, reporting and on-site repair services
- Break/Fix Switch maintenance services for school LAN Equipment

The second agreement shall cover non-basic maintenance and ineligible services as follows: Sun will provide management services to monitor and maintain the WAN, LAN, and Network Security Infrastructure including routers, switches, Firewall/VPN Appliances, Firewall/VPN Management stations, Websense content filtering system, Load Balancers, WAN/LAN interfaces, and other ancillary equipment ("Services"), including:

- Proactive remote monitoring and management of Board owned or leased equipment, pro-active and maintenance administration of systems, fault/error detection, reporting, analysis, and correction of issues.
- 24x7x365 network monitoring for designated infrastructure.
- Equipment audits at regular intervals with the Board and include changes to cover any device changes as required.

Sun will also provide installation, configuration, and project management for the following equipment and initiatives:

- Replacement of network equipment at approximately seventy schools to include replacement of switches, wireless access points, and wireless network interface cards. This also will include incidental low voltage cabling and minor construction
- Upgrades to school MDF room network equipment
- Upgrades and installation of core networking equipment

In addition to these services, Sun will provide installation and maintenance services for an Intrusion Prevention System, which is being implemented by the Board. These additional services fall within the scope of these agreements and will be provided under the renewal of both Contract #1 and Contract #2.

DELIVERABLES: Sun will continue to provide the Board with the following deliverables meeting the Board's specified requirements:

- Reporting (all reports accessible online, in a downloaded form and hard copy)
- Network Analysis
- Network Management and Network Monitoring

- Firewall, VPN, and Websense filter change request management
- General Management
- 3rd Party Security Audit
- Service Level Agreements (SLA) and Implement agreed upon SLAs
- Installation and configuration of Cisco series switches and other related equipment at schools and in the core network
- Redeployment of existing school switches replaced by the new switches
- Removal of old equipment at the schools and in the core
- Incident management and onsite maintenance services for all school LAN equipment including switches, hubs, wireless access points, transceivers, and uninterruptible power supplies ("UPS").

Sun will also provide the following assigned dedicated resources servicing both agreements:

- (2) Customer Service Managers
- (1) Technical Manager
- (1) Sr. Level Project Manager
- (4) Tier 3 Senior WAN Engineers
- (2) Tier 2 Senior WAN Engineers
- (2) Tier 2 Midlevel WAN Engineers
- (2) Senior Checkpoint Engineers
- (2) Senior PIX Engineers
- (1) Senior Windows Engineer
- (2) Senior LAN Engineer
- (1) Senior Network Engineer
- (1) Business Solution Analyst
- (1) QA Manager

All assigned engineers will serve as primary resource with a secondary engineer (familiarized with the Board's network) acting as backup. Also, Sun will have appropriate field personnel for the proper dispatches in order to meet or exceed Service Level Agreements.

OUTCOMES: Sun's services will result in the Board having comprehensive managed services for its WAN, LAN, and Network Security Infrastructure. This will result in improved service and bandwidth to the Chicago Public Schools. Sun will provide the Board with management services, including monitoring and maintenance, for WAN, LAN, and Network Security Infrastructure. These services will result in the Board having managed services and appropriate reporting and maintenance for all CPS locations including network monitoring, fault management (detection and notification), fault isolation and resolution, configuration and software support, hardware/software dispatch with on-site repair and technical assistance. These services will result in the Board (i) being notified of outages and having the ability to view trouble tickets via a web-based ticketing system and reports; (ii) receiving appropriate on-site repair services dispatched to schools and Central Office that experience outages related to WAN, LAN, and Network Security data equipment, and (iii) improved ability to maximize uptime. Sun will also provide installation and project management services for new equipment within the core network and at the Schools. School LAN equipment will be repaired in a timely fashion, reducing network downtime. The switches will have a common configuration and operating system that will improve uptime and reduce intermittent issues.

COMPENSATION: Vendor shall be paid as described in the first agreement, at a total cost not to exceed ~~\$12,237,777.85~~ \$12,636,732.37 for the renewal term, of which approximately ~~\$10,524,488.95~~ \$10,544,815.20 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, which shall not exceed ~~\$1,713,288.90~~ \$2,091,917.17. Vendor shall be paid as described in the second agreement, at a total cost of ~~\$1,497,298.03~~ \$1,719,907.16 for the renewal term, of which approximately ~~\$235,610.76~~ \$248,570.96 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, which shall not exceed ~~\$1,261,687.27~~ \$1,471,336.20.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option documents and amendments. Authorize the President and Secretary to execute the documents and amendments. Authorize the Chief Information Officer to execute all ancillary documents required to administer or effectuate the 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, 25% total African American, 10% total Hispanic, 5% total WBE. **Sun has identified and scheduled the following firms and percentages:**

TOTAL 35% MBE:

Total 18.2% African American:

IMC Connect, Inc. - 14.2%
 207 E. Ohio #293
 Chicago, Illinois 60611

Thomas A. McCrary - 2.2%
 16515 S. Prairie Ave.
 South Holland, Illinois 60473

ST Products 1.8%
 765 E. 69th Place
 Chicago, Illinois 60637

Total 8.5% Hispanic:

Computer Services & Consulting 8.5%
 1613 S. Michigan Ave.
 Chicago, Illinois 60639

Total 7.6% Asian:

Catalyst Consulting Group 7.6%
 211 W Wacker Drive, Suite 400
 Chicago, IL 60606

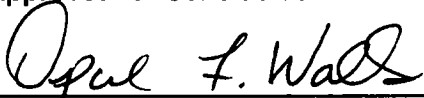
Total 4.1% WBE:

KMC Enterprises 4.1%
 13235 Hiawatha Drive
 Homer Glen, Illinois 60491

Construction Vendor – TBD 1.7%


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

Approved for Consideration:



~~Heather A. Oberg~~ Opal L. Walls
Chief Purchasing Officer

Approved:


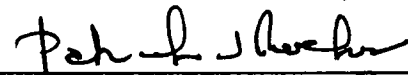


~~Arne Duncan~~ Ron Huberman
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form: 


Patrick J. Rocks
General Counsel 