

AMEND BOARD REPORT 07-0124-PR11
APPROVE EXERCISING THE FIRST AND SECOND OPTIONS TO RENEW THE AGREEMENT WITH MITEL NETWORKS SOLUTIONS, INC. FOR THE PURCHASE, INSTALLATION, TRAINING AND MAINTENANCE OF A CONVERGED VOICE AND DATA NETWORK SOLUTION

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first and second options to renew the agreement with Mitel Networks, Inc ("Mitel" or "Vendor") for the purchase and implementation of a converged voice and data network solution, including design, installation, equipment removal, maintenance, user support and associated training for the ~~Office of~~ Information & Technology Services ("OITS") at a cost during the option period not to exceed \$31,847,371.34 for the two-year option period; of which approximately \$23,954,698.87 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"). The estimated Schools and Library Division portion is approximately \$20,601,041.03 and the total cost to the Board for the option period shall not exceed \$11,246,330.31. Vendor was selected on a competitive basis pursuant to a duly advertised Request For Proposals (Specification No. 03-520212). A written agreement exercising these options is currently being negotiated. No payment shall be made to the Vendor prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this option is stated below.

This amendment is necessary in order to i) extend the option period to December 30, 2010 to coincide with extensions that were granted by E-Rate due to late funding approvals and ii) update the Vendor's address and contact information. The term extension does not require additional funding. A written amendment to the agreement is required. The authority granted herein will automatically rescind in the event the written amendment is not executed within 90 days of the date of this amended board report.

SPECIFICATION NO.: 03-250212

VENDOR: Mitel Networks Solutions, Inc
~~205 Van Buren Street, Suite 400~~ 70 W. Madison Street, Suite 2000
~~Herndon, VA 20170-0591~~ Chicago, IL 60602
 Contact: ~~Sharon Molluzzo~~ Peter Cosme
 Telephone No.: ~~(616) 693-8368~~ (312) 479-9032
 Vendor No.: 37538

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

ORIGINAL AGREEMENT: The original agreement (authorized by # 03-1217-PR22 as amended by Board Report # 03-0628-PR18), in an amount not to exceed \$32,828,405.00 is for a term commencing July 1, 2004 and ending June 30, 2007 with the board having two options to renew for one-year periods. Vendor was selected on a competitive basis pursuant to Board Rule 5.4-1.

OPTION PERIOD: The term of this Agreement is being extended for two (2) years commencing July 1, 2007 and ending ~~June 30, 2009~~ December 31, 2010.

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: Mitel will continue to provide a converged Internet Protocol (IP) voice/data network solution with uniform voice mail systems that provide Caller ID, voicemail, unified messaging, enhanced call center functionality and voice/data convergence to approximately 700 school sites and the Central Office. The solution will ensure that the Board's compliance with E911 laws and provide infrastructure disaster recovery and business continuity. Vendor will continue to provide design, installation, asset tagging, equipment removal, maintenance, ongoing user support, and technical and user training services.

DELIVERABLES: Vendor will continue to provide the following:

- A converged voice/data network that provides a uniform, E911-compliant voice system with enhanced calling features at each school site and the Central Office including all systems, common equipment, station equipment, necessary low voltage wiring and related components.
- E911 compliant equipment
- An integrated unified messaging voicemail system
- Project Management and support including :
 - A Project Manager who will be the single point of contact regarding overall network design, system installations, equipment removal, E911 compliance, any and all problems, coordination of any diagnostics and repairs with all vendors (equipment manufacturers/suppliers, new phones systems, inside wiring, etc.)
 - Project Planning
 - Service Provider Coordination
 - Status Reporting
 - Scheduling
- Maintenance, Service, Support, and Asset Tagging including:
 - Fully trained and certified personnel to troubleshoot and maintain the full system.
 - Service Level Agreements (SLA).
 - A second level help desk for technical and user troubleshooting.
 - Asset tagging of all equipment, including recording of all equipment data into the Board's asset management system.
- Technical and User Training including:
 - Help Desk Support
 - Break/Fix Practices
 - Systems Operations
 - User Training
- Additional school/department requested and funded equipment/services via the Board's 124 funding mechanism.

OUTCOMES: Vendor's services will result in the Board having a converged voice/data network solution that leverages the infrastructure to provide high quality, economical, redundant voice and data functionality. The converged voice/data network will also ensure E911 compliance for all school sites, full disaster recovery and business continuity for the District.

COMPENSATION: Vendor shall be paid during the two (2) year renewal term as follows: Monthly invoicing for general project management services and upon site acceptance, invoicing under specific E-Rate guidelines and project roll-out, at a total two (2) year cost not to exceed \$31,847,371.34, of which approximately \$23,954,698.87 is eligible for, but not contingent upon, E-Rate discounts. The estimated Schools and Library Division portion is approximately \$20,601,041.03 and the total cost to the Board should not exceed approximately \$11,246,330.31. Note: Equipment/Services requested and funded via the Board's 124 funding mechanism shall not exceed \$5,000,000.00 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 renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize the Chief ~~Technology~~ Information Officer to execute all ancillary documents required to administer or effectuate this renewal 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). The M/WBE participation goals for the contract include: 35% total MBE, ~~22% total African American, 10% total Hispanic, 2% total Asian~~ and 5% total WBE. In addition to full compliance with the goals required by the M/WBE program, Mitel will implement an internship program for CPS students during a summer session.

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

Total 34% MBE

~~African American: 18%~~

KSB Computer Services 5.7%
4749 Lincoln Mall Drive, Suite 503
Matteson, IL 60443

Blackwell Consulting Services 4.4%
100 South Wacker Drive, Suite 800
Chicago, IL 60606

Smart Technology Services 3.5%
156 N Jefferson Street, Suite 300
Chicago, IL 60661

Bonaparte Corporation 4.4%
1455 South Michigan Ave
Chicago, IL 60605

~~Hispanic: 14%~~

Quantum Crossings 8.8%
455 N Cityfront Plaza, Suite 3100
Chicago, IL 60611

Interface Computer Communications, Inc 2.7%
633 S Plymouth Court, Suite 1A
Chicago, IL 60605

Arias Technology 2.5%
8 E Jackson, 10th Floor, #A781
Chicago, IL 60604

~~Asian: 2%~~

Clarity Partners, LLC 2.0%
330 N Wabash, Suite 3200
Chicago, IL 60611

WBE: 5.7%

RL Canning, Inc 2.2%
1112 N Paulina, Suite 3
Chicago, IL 60622

NJW Technology Solution 3.5%
1 East Wacker Drive
Chicago, IL 60601

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

FINANCIAL:

	FY05	FY06	FY07	FY08	FY09	TOTAL
Annual Eligible	\$3,086,842.54	\$2,735,215.13	\$4,841,040.19	\$4,959,675.50	\$8,331,925.51	\$23,954,698.87
CPS-14%	\$432,157.96	\$382,930.12	\$677,745.63	\$694,354.57	\$1,166,469.57	\$3,353,657.84
SLD-86%	\$2,654,684.58	\$2,352,285.01	\$4,163,294.56	\$4,265,320.93	\$7,165,455.94	\$20,601,041.03
Annual Ineligible	\$1,866,261.53	\$1,079,868.51	\$1,249,752.83	\$1,388,108.81	\$2,308,680.79	\$7,892,672.47
Total	\$4,953,104.07	\$3,815,083.64	\$6,090,793.02	\$6,347,784.31	\$10,640,606.30	\$31,847,371.34
CPS Capital Funds	\$2,298,419.49	\$1,462,798.63	\$1,727,498.46	\$1,582,463.38	\$1,749,115.94	\$8,820,295.89
CPS 12510-124-54405-254501-169400	\$0.00	\$0.00	\$200,000.00	\$500,000.00	\$1,726,034.42	\$2,426,034.42
SLD PAYS	\$2,654,684.58	\$2,352,285.01	\$4,163,294.56	\$4,265,320.93	\$7,165,455.94	\$20,601,041.03
	\$4,953,104.07	\$3,815,083.64	\$6,090,793.02	\$6,347,784.31	\$10,640,606.30	\$31,847,371.34

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.

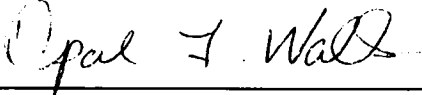
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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



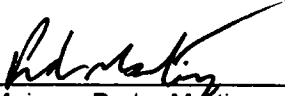
Heather A. Obara Opal L Walls
Chief Purchasing Officer

Approved:



Arne Duncan Ron Huberman
Chief Executive Officer

Within Appropriation:



John Maierca Pedro Martinez
Chief Fiscal Officer

Approved as to Legal Form: DLR



Patrick J. Rocks
General Counsel

