

AMEND BOARD REPORT 08-0827-PR15
APPROVE EXERCISING THE FIRST OPTION TO RENEW TWO AGREEMENTS WITH SENTINEL TECHNOLOGIES, INC. TO PROVIDE ENTERPRISE SERVER AND NETWORK MAINTENANCE SUPPORT SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to renew the agreements with Sentinel Technologies, Inc. ("Sentinel" or "Consultant") to provide centralized enterprise server and network support services to Chicago Public Schools' Information & Technology Services. The first renewal agreement (renewing "Eligible Contract" or "Contract #1") covers services eligible for the E-Rate discount. Due to the uncertainty in E-Rate funding, however, a Reduced Scope will be implemented for Contract #1 until E-Rate funding is secured. The cost for the option period for the Reduced Scope of Contract #1 shall not exceed \$312,151.00. Should E-Rate funding become available, the Full Scope will be implemented and the at-a cost for the option period shall not exceed \$1,200,270.00 of which approximately ~~\$1,032,232.00~~ \$888,119.00 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 ~~\$168,038.00~~ \$312,151.00. The second renewal agreement (renewing "Ineligible Contract" or "Contract #2") shall cover services ineligible for the E-Rate discount at a cost to the Board not to exceed \$360,048.00. Sentinel was selected on a competitive basis pursuant to a duly advertised Request for Qualifications (Specification No. 05-250035). Written documents exercising this option are currently being negotiated. No payment shall be made to Consultant during this option period prior to the execution of the written documents. The authority granted herein shall automatically rescind as to each unexecuted agreement in the event the Consultant fails to execute such agreement within 90 days of the date of this Board Report. Information pertinent to these options is stated below.

This June 2009 amendment is necessary to (1) change the E-Rate percentage rate from 86% to 90%, (2) reduce the scope of services provided under renewal agreement for Contract #1 in response to a possible lack of E-Rate funding for the duration of this contract, and (3) change the parties funding amounts as a result of the percentage change. However, if E-Rate funding does become available, Sentinel Technologies shall perform the Full Scope of services. This amended Board Report is also necessary to authorize the Chief Information Officer to give written notification to Vendor in the event additional funding becomes available and to proceed under the Full Scope of services without further Board approval. A written amendment to Contract #1 is required. The authority granted herein shall automatically rescind in the event the written amendments to the renewal agreements are not executed within ninety (90) days of the date of this Board Report.

CONSULTANT: Sentinel Technologies, Inc.
2550 Warrenville Road
Downers Grove 60515
Telephone No.: (630) 769-4300
Contact Person: Brian Osborne
Vendor No.: 21472

USER: Information & Technology Services
125 South Clark Street
Chicago, Illinois 60603
Contact: ~~Robert W. Runcie~~ Arshele Stevens, Chief Information Officer
Ed Wagner, Director of Infrastructure Services
Telephone No.: (773) 553-1300

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report # 06-0125-PR15) were for a term commencing July 1, 2006 and ending June 30, 2009, with the Board having two options to renew for a one year term. The original agreements were awarded on a competitive basis pursuant to Board Rule 5-4.1.

OPTION PERIOD: The term of these agreements is being extended for one year commencing July 1, 2009 and ending June 30, 2010.

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

SCOPE OF SERVICES:

Until E-Rate funding becomes available, Sentinel shall provide a reduced level of services. The reduced scope of services will reduce the amount of skilled resources staffed and relax the response times and other standards in the Service Level Agreement. This will allow for the continuation of the below services but at a reduced service capacity. Once E-Rate funding is available, Sentinel shall perform the services under the Full Scope as outlined in the section below.

Contract #1, covering services eligible for the E-Rate discount, shall continue to be as follows: Sentinel will provide onsite basic maintenance services for the electronic messaging, global directory, and infrastructure (domain-active directory) and in conjunction with the federal E-Rate Program to the Chicago Public Schools. The scope of work will include the following:

- 1) Provide appropriately skilled resources to perform basic administration, basic management and break/fix hardware maintenance which include problem identification and problem resolution for all associated systems as defined by the Board.
- 2) Notice of outages and on-site repair services
- 3) Reporting
 - a. Quarterly reports on hardware and software purchases and maintenance, including upgrades
 - b. Weekly uptime/downtime reporting of the network including incident response time
 - c. Audit(s) of covered equipment, hardware makeup and software revisions
 - d. Status of changes/modifications made
 - e. Proper E-Rate billing procedures and coordination

Contract #2, covering services ineligible for the E-Rate discount, shall continue to be as follows: Sentinel will provide management services to monitor and maintain the Enterprise Servers including:

- 1) 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. The following are the areas of concentration:
 - a. SharePoint Maintenance
 - b. Microsoft operations Manager
 - c. Payroll – Kronos
 - d. Other Servers as cited in detailed scope
 - e. Hardware maintenance related to the above services
 - f. Global Directory
- 2) Notice of outages and on-site repair services
- 3) Reporting
 - g. Quarterly reports on hardware and software purchases and maintenance, including upgrades
 - h. Weekly uptime/downtime reporting of the network including incident response time
 - i. Audit(s) of covered equipment, hardware makeup and software revisions
 - j. Status and detail documentation of all ongoing projects and current problems/issues
 - k. Status of changes/modifications made
 - l. Proper E-Rate billing procedures and coordination

DELIVERABLES: Sentinel will continue to provide the following deliverables meeting the Board's specified requirements under both agreements:

- Reporting (all reports accessible online, in a downloaded form and hard copy)
- Equipment management - administration and Monitoring
- Change request management process
- Service level agreements (SLA) and implementation agreed upon SLAs
- Installation and configuration of equipment

- Incident management and onsite maintenance services for all designated equipment
- All assigned engineers will serve as primary resource with a secondary engineer (familiarized with the Board's environments) acting as backup
- Sentinel will respond to problems based on the severity level set on the incident. An incident will be assigned one of the following severity levels.
 - 1) Severity
 - a. Outage
 - b. Critical
 - c. General
 - 2) Impact
 - a. Business halted/system down
 - b. Business impacted
 - c. Regular Business/day-day Operations
 - 3) Response times services levels – Response time based on the first response attempt by maintenance personnel (this excludes regularly schedules maintenance)

OUTCOMES: Services will result in the Board having support for the messaging, global directory, and infrastructure environments. These services will result in the Board having managed services and appropriate reporting and maintenance including 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 and (iii) improved ability to maximize uptime.

COMPENSATION: Due to the uncertainty in E-Rate funding, however, a Reduced Scope will be implemented for Contract #1 until E-Rate funding is secured. The cost for the option period for the Reduced Scope of Contract #1 shall not exceed \$312,151.00. Should E-Rate funding become available, the Full Scope will be implemented and the cost for the option period shall not exceed \$1,200,270.00 of which approximately \$888,119.00 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 \$312,151.00. Sentinel shall be paid as specified in each agreement. Compensation during the renewal period of the Eligible Contract shall not exceed the sum of \$1,200,270.00, of which approximately \$1,032,232.00 \$888,119.00 is eligible for E-Rate discounts; the total cost to the Board shall not exceed \$168,038.00 \$312,151.00. Compensation during the renewal period of the Ineligible Contract shall not exceed \$360,048.00.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option documents. Authorize the President and Secretary to execute the option documents. Authorize the Chief Information Officer to execute all ancillary documents required to administer or effectuate the option documents. Authorize the Chief Information Officer to give written notification to Vendor in the event additional funding becomes available and to proceed under the Full Scope of services under Contract #1 without further Board approval.

AFFIRMATIVE ACTION: This contract is in full compliance with the goals required by the Revised Remedial Program for the 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 WMB.

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

Total 35% MBE:

Smart Technology
156 N. Jefferson
Chicago, IL 60661

Total 5% WBE:

B2B Strategic Solutions
 150 N. Michigan Avenue; Ste 2800
 Chicago, IL 60601

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

FINANCIAL:

Reduced Scope – Until E-Rate funding becomes available and Sentinel receives written notification from the Chief Information Officer to implement the Full Scope of services, the costs shall be as outlined below.

	FY10
CPS PAYS -	<u>\$672,199.00</u>
12540 230 56105 266414 000000	<u>\$514,210.00</u>
12540 115 56105 266414 000000	<u>\$157,989.00</u>

Full Scope - Should E-Rate funding become available and Sentinel receives written notification from the Chief Information Officer to implement the Full Scopes of services, the cost shall be as outlined below.

	FY10
Annual Eligible	<u>\$1,200,270.00</u> <u>\$986,799.00</u>
CPS 14% 10%	<u>\$168,038.00</u> <u>\$98,680.00</u>
SLD 86% 90%	<u>\$1,032,232.00</u> <u>\$888,119.00</u>
Annual Ineligible	<u>\$360,048.00</u> <u>\$573,519.00</u>
CPS PAYS -	<u>\$528,086.00</u> <u>\$672,199.00</u>
12540 230 56105 266414 000000	<u>\$514,210.00</u>
12540 115 56105 266414 000000	<u>\$157,989.00</u>
SLD PAYS	<u>\$1,032,232.00</u> <u>\$888,119.00</u>
	<u>\$1,560,318.00</u>

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.

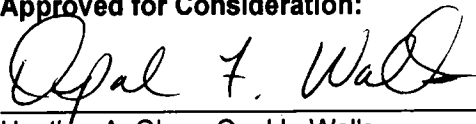
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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-P04), 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:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form: *pr*



Patrick J. Rocks
General Counsel

