

FINAL

09-1216-PR14

APPROVE ENTERING INTO AGREEMENTS WITH MITEL NETWORKS, INC. FOR VOICE NETWORK MAINTENANCE, MONITORING, AND ADVANCED SUPPORT SERVICES**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into two agreements with Mitel Networks, Inc. ("Mitel") to provide Mitel voice network maintenance, monitoring, and advanced support services for Chicago Public Schools ("CPS"). The first agreement ("Contract 1") is for basic maintenance services eligible for discounts to be funded by the School and Libraries Division of the Universal Service Administrative Company ("SLD/USAC") as part of the E-Rate program. The total amount of Contract 1 shall not exceed \$9,240,540.00, but the Board shall only be responsible for the non-discounted portion of E-Rate eligible services and/or products, which shall not exceed \$924,054.00. The second agreement ("Contract 2") shall cover eligible and ineligible services that are not considered basic maintenance. The total amount of Contract 2 shall not exceed \$8,543,844.00, but 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 \$7,330,042.80. No Board funds will be disbursed if E-Rate funding is denied except for Priority 2 Basic Maintenance Services as defined by SLD/USAC. Basic Maintenance Services are those that are necessary for the continuing operation of eligible equipment, including repair and upkeep of eligible hardware, wire and cable maintenance, basic technical support and configuration changes. Mitel was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement is currently being negotiated. No services shall be provided by Mitel and no payment shall be made to Mitel prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification Number : 09-250067

Contract Administrator : Ethan Sinnema / 773-553-3295

VENDOR:

Vendor # 37538
Mitel Networks Incorporated
70 West Madison, Ste 2000
Chicago, IL 60602
Peter Cosme
312-479-9032

USER:

Information & Technology Services
125 South Clark Street - 3rd Floor
Chicago, IL 60603

Contact : Arshele Stevens

Phone: 773-553-1300

TERM:

The term of this agreement shall commence on October 1, 2010 and shall end June 30, 2013. This agreement shall have three options to renew for periods of one year each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

For Contract 1, Mitel will provide network, voicemail, onsite repair, basic maintenance, and moves/adds/changes ("MAC") services to the Board. This will include providing Mitel- and NuPoint-certified engineers as well as certified telecommunications technicians for maintenance of the Board's Mitel voice communications network, NuPoint voicemail system, and Mitel voice communications systems, as well as components for approximately 600 Board locations. Contract 2 shall cover eligible and ineligible services that are not considered basic maintenance, including Mitel voice network and Nupoint voicemail monitoring, non-basic MAC requests, new installations, advanced design and programming, telephone line appearances, handset placement and programming, and advanced technical support services.

DELIVERABLES:

During the term, Mitel will provide telecommunications basic maintenance of the Mitel voice network, systems, hardware, software, applications, NuPoint voicemail systems, and all associated components, including, but not limited to:- Service Level Agreement (SLA) compliance;- Pro-active issue resolution with an incident tracking system, documented incident diagnosis, root-cause analysis, and remediation/problem management; - Repair/replacement of system equipment, cards, and components;- On-site break/fix services;- Mitel- and NuPoint-certified engineers and field service technicians;- Systems programming, voicemail programming, and basic maintenance;- Extending and testing local exchange carrier services as needed;- Documentation of all processes and procedures; and- Other reporting as requested by the Board.Mitel will also provide telecommunications support services, including:- Mitel network, systems, and voicemail monitoring 24 hours a day, seven days a week, 365 days per year;- Advanced technical support services;- MAC requests;- Maintainance, collection, and replacement of damaged telephone systems and components with new and/or refurbished equipment or software; - Complete system and component installations for ineligible sites, new construction sites and/or new school or department initiatives;- Re-programming of existing systems to accommodate new school or department initiatives; and- Technical support for ineligible voice systems, including handset placement.

OUTCOMES:

Mitel's services shall result in the Board having Mitel network, systems and components maintenance, MAC, monitoring and advanced support services through fiscal year 2013.

COMPENSATION:

The total amount of Contract 1 shall not exceed \$9,240,540.00, but the Board shall only be responsible for the non-discounted portion of E-Rate eligible services and/or products, which shall not exceed \$924,054.00. The second agreement ("Contract 2") shall cover eligible and ineligible services that are not considered basic maintenance. The total amount of Contract 2 shall not exceed \$8,543,844.00, but 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 \$7,330,042.80. No Board funds will be disbursed if E-Rate funding is denied except for Priority 2 Basic Maintenance Services as defined by SLD/USAC.

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Information Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

This contract is in full compliance with the goals required by the Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Program). The M/WBE participation goals for the contract include: 35% total MBE and 5% total WBE.

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

Total MBE 35%

Quantum Crossings LLC
111 East Wacker Drive, Suite 990
Chicago, IL 60601

Total WBE 5%

RL Canning, Inc.
5440 N. Cumberland Ave, Suite 138
Chicago, IL 60656

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Please see attachment.

CFDA# : Not Applicable

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.

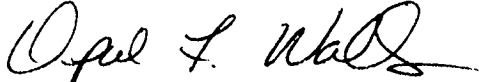
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

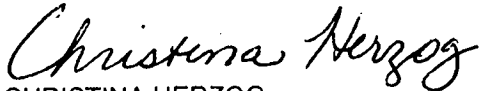
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Opal L. Walls
Chief Purchasing Officer

Within Appropriation:



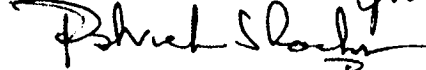
CHRISTINA HERZOG
ACTING CHIEF FINANCIAL OFFICER

Approved:



Ron Huberman
Chief Executive Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel

FINANCIAL:

	FY11	FY12	FY13	TOTAL
Basic Maintenance-Contract 1				
Annual Eligible	\$2,616,180.00	\$3,312,180.00	\$3,312,180.00	\$9,240,540.00
CPS-10%	\$261,618.00	\$331,218.00	\$331,218.00	\$924,054.00
SLD-90%	\$2,354,562.00	\$2,980,962.00	\$2,980,962.00	\$8,316,486.00
Annual In-Eligible	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total Contract 1	\$2,616,180.00	\$3,312,180.00	\$3,312,180.00	\$9,240,540.00
Non-Basic Maintenance-Contract 2				
Annual Eligible	\$409,620.00	\$469,524.00	\$469,524.00	\$1,348,668.00
CPS-10%	\$40,962.00	\$46,952.40	\$46,952.40	\$134,866.80
SLD-90%	\$368,658.00	\$422,571.60	\$422,571.60	\$1,213,801.20
Annual In-Eligible	\$1,499,400.00	\$1,692,888.00	\$1,692,888.00	\$4,885,176.00
Annual In-Eligible-New Construction, etc	<u>\$770,000.00</u>	<u>\$770,000.00</u>	<u>\$770,000.00</u>	<u>\$2,310,000.00</u>
Total Contract 2	\$2,679,020.00	\$2,932,412.00	\$2,932,412.00	\$8,543,844.00
Grand Total Services				
	\$5,295,200.00	\$6,244,592.00	\$6,244,592.00	\$17,784,384.00
Annual Eligible	\$3,025,800.00	\$3,781,704.00	\$3,781,704.00	\$10,589,208.00
CPS-10%	\$302,580.00	\$378,170.40	\$378,170.40	\$1,058,920.80
SLD-90%	\$2,723,220.00	\$3,403,533.60	\$3,403,533.60	\$9,530,287.20
Annual In-Eligible	<u>\$2,269,400.00</u>	<u>\$2,462,888.00</u>	<u>\$2,462,888.00</u>	<u>\$7,195,176.00</u>
	\$5,295,200.00	\$6,244,592.00	\$6,244,592.00	\$17,784,384.00
CPS PAYS 12540-230-54405-254501-000000	\$1,801,980.00	\$2,071,058.40	\$2,071,058.40	\$5,944,096.80
CPS PAYS 12510-499-54125-254501-000000	\$770,000.00	\$770,000.00	\$770,000.00	\$2,310,000.00
SLD PAYS	<u>\$2,723,220.00</u>	<u>\$3,403,533.60</u>	<u>\$3,403,533.60</u>	<u>\$9,530,287.20</u>
	\$5,295,200.00	\$6,244,592.00	\$6,244,592.00	\$17,784,384.00