APPROVE ENTERING INTO A PRODUCT LICENSE AGREEMENT WITH
HOUGHTON MIFFLIN HARCOURT PUBLISHING COMPANY (AREA 2)

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a license agreement with Houghton Mifflin Harcourt Publishing Company (HMH) for online rights to StoryTown/Villa, Cuentos e-Tools, and StoryTown/Villa Cuentos e-Student books via HMH's *Think Central* for 14,000 students to be shared by all 34 Area 2 schools (listed in Appendix A) and assessment licenses for Grades 1 through 6 at all 34 Area 2 schools at a cost not to exceed $178,192.00. Houghton Mifflin Harcourt was selected on a non-competitive basis due to the company being a sole source provider for the online StoryTown/Villa Cuentos etools, StoryTown/Villa Cuentos eStudent books, and online assessments for the Harcourt Series StoryTown and Villa Cuentos. A written license agreement for the usage of these products via *Think Central* is currently being negotiated. Product upgrades and "bug fixes" will be provided free of charge for the term of the agreement. No services shall be provided by and no payment shall be made to Licensor prior to the execution of the written license 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.

PRODUCT
LICENSOR: Houghton Mifflin Harcourt Publishing Company
222 Berkeley Street, Boston, MA 02116
Contact: Maria Guerrero
Phone: 773-480-5787
Vendor #: 13240

USER: Area 2
6323 N. Avondale
Deborah R. Esparza, Chief Area Officer
773-534-1100

TERM: The term of this product license agreement shall commence on the date the agreement is signed and shall end September 1, 2017. The Board shall have no options to renew this agreement.

SCOPE OF SERVICES: HMH will provide Area 2 with Storytown/Villa Cuentos' Reading/Language Arts series' etools which support the core print text series. The HMH etools will be available via portal called ThinkCentral (TC).

The StoryTown/VillaCuentos etool purchase will include:
- Student textbook online versions called student e-books for grades 1-6;
- Student assessment online versions called e-assessments for grades 1-6. E-assessments are Benchmark assessments, Weekly assessments and theme assessments; and
- K-6 Online Teacher Editions and Planning Resource Package: which include: online TE, online leveled readers for below, on, above and ELL titles, online TE to leveled books, online practice and phonics workbooks and TEs, online Teacher Resource Book, online K-2 predecodable and decodable books, and Professional Development Video/podcasts, online transparencies, online leveled literacy center activity cards, online Extra Support CopyMasters, online Intervention Readers (Tier 2 intervention), Online Challenge CopyMasters, online Spelling CopyMasters and online Grammar CopyMasters

DELIVERABLES: HMH will provide the following to Area 2:
- CPS' Area 2 schools and Area 2 office, as organized in June 2010, will access Houghton Mifflin Harcourt (HMH) K-6 StoryTown and VillaCuentos etools (as defined in Scope of Services) thru the ThinkCentral (TC) portal.
- HMH will add on new Area 2 schools as needed;
- HMH TC access will be available thru July 30th 2017;
- Internet based etools;

- HMH TC etool assessments and instruction are aligned to standards of the State of Illinois;
- HMH etools are accessible thru the ThinkCentral (TC) portal;
- CPS administrators, staff and students will have access to TC etools;
- HMH shall create Administrator TC accounts for each Area 2 school;
- HMH shall create Administrator TC account for the Area 2 Chief Area Officer or designee;
- HMH will provide 18 days of Professional Development sessions to train Area 2 teachers, coaches and administrators;
- HMH will provide tech support via ITS helpdesk: tschbse@hbtechsupport.com or 1-800-419-3900;
- Area 2 will have a dedicated liaison with HMH representative, Maria Guerrero: maria.guerrero@hmhpub.com

OUTCOMES:
- Increase in percentage of 1-6 classrooms with access to etools;
- Increase in percentage of teachers administering and scoring curriculum based assessments;
- Increase in percentage of teachers using assessments formatively to inform instruction;
- Increase in trend in percentage exceeds in ISAT Reading Grades 3-6

COMPENSATION: Costs for an individual student access to e-tools and e-book will not exceed $7.00 per student. Online assessment costs for StoryTown will not exceed $273 per grade, per school.

HMH will be paid:

- a one-time access fee of $98,000 for StoryTown eTools and StoryTown eStudent books for a maximum of 14,000 students in grades 1-6 in all 34 schools in Area 2 based upon a per student charge of $7;
- a one-time access fee of $55,692 for online assessments for StoryTown for grades 1-6 in all 34 schools in Area 2 based upon a charge of $1,638 per school; and
- an annual technical services fee of $3,500 for a total of $24,500.

The total compensation payable to HMH during the term of the agreement for the services described above shall not exceed the sum of $178,192.

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

AFFIRMATIVE ACTION: Pursuant to section 5.2 of the Remedial Program for the Minority and Women Business Enterprise contract participation in Goods and Services (M/WBE program), this contract is exempt from review because the nature of the services is a unique transaction.

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

FINANCIAL: Charge to Area 2 (Title I Schools): $114,660.00   Fiscal Year: 2010
Budget Classification: 05021-331-221067-54505-430101
Source of Funds: ARRA

Charge to Area 2 (Title II Schools): $39,032.00   Fiscal Year: 2010
Budget Classification: 05021-353-221068-54505-494032
Source of Funds: Title II

Charge to Area 2 (Annual Data Services Fee): $3,500.00 Fiscal Year: 2010
Budget Classification: 05021-331-221067-54105-430101
Source of Funds: ARRA

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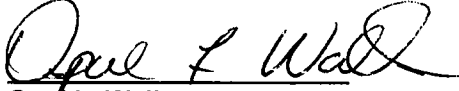
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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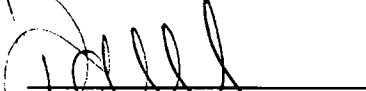
Approved for Consideration:
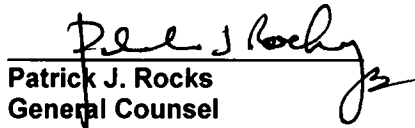
Opal L. Walls
Chief Purchasing Officer

Within Appropriation:

Diana S. Ferguson
Chief Financial Officer

Approved as to legal form:

Patrick J. Rocks
General Counsel

Approved:

Ron Huberman
Chief Executive Officer

10-0526-PR12

Appendix A:

All 34 Area 2 Schools listed below:

Title I Schools				
Armstrong	Coonley	Greeley	McCutcheon	Stockton
Bateman	Courtenay	Hamilton	McPherson	Swift
Boone	Disney	Hayt	New Field	Trumbull
Brennemann	Field	Jahn	Peirce	Waters
Chappell	Gale	Jordan	Rogers	West Ridge Acad.
Clinton	Goudy	Kilmer	Stewart	

Title II Schools				
Bell	Blaine	Decatur	Inter-American	Nettelhorst