

**APPROVE ENTERING INTO AN AGREEMENT WITH HITEC GROUP INTERNATIONAL, INC. FOR
TTY SERVICES, TRAINING AND SUPPORT**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Hitec Group International, Inc. ("Hitec") to provide TTY services to the Board. This agreement is 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 the contract shall not exceed \$629,535.00, of which approximately \$534,369.60 is the discounted portion eligible E-Rate services or products to be funded by SLD/USAC. The Board shall only be responsible for the non-discounted portion of E-Rate eligible services and products and the cost of ineligible services and products, which shall not exceed \$95,165.40. Hitec 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 Hitec and no payment shall be made to Hitec 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 : 10-250049
Contract Administrator : Ethan Sinnema / 773-553-3295

VENDOR:

- 1) Vendor # 16374
HITEC GROUP INTERNATIONAL, INC
P.O. BOX 446
HINSDALE, IL 60522-0446
Richard Uzuanis
630-321-2300
630-654-9212

USER:

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

Contact : Arshele Stevens
Phone: 773-553-1300
Project Manager: Kathryn Zalewski
Phone: 773-553-3060

TERM:

The term of this agreement shall commence on July 1, 2011 and shall end June 30, 2014. This agreement shall have two 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:

Hitec will provide the Board with a Textnet TTY communications system, maintenance and associated training services for a network of 1,500 licenses. Textnet is a shared, digital TTY communications system that provides a seamless integration of the public switched telephone network, the Internet and the Board's data network to enable telephone calls to be made by people who are deaf, hard of hearing or

speech restricted. Since the system utilizes the Board's current data network and existing PCs, no additional hardware or equipment is required. Hitec will also provide 60 hours of free staff training for each year of the agreement and provide on-going support as needed.

DELIVERABLES:

Hitec will provide the Board with Textnet TTY services through the end of fiscal year 2014.

OUTCOMES:

Hitec's services will result in the Board being in compliance with legal mandates of the Americans with Disabilities Act, Sections 504 and 508 of the Rehabilitation Act, IDEA and Section 255 of the Telecommunications Act through the end of fiscal year 2014.

COMPENSATION:

Hitec shall be paid as follows: Upon monthly invoicing, at a total cost not to exceed \$629,535.00, of which approximately \$534,369.60 is eligible for E-Rate discounts. The Board shall only be responsible for the non-discounted portion of E-Rate eligible services and products and the cost of ineligible services and products, which shall not exceed \$95,165.40.

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:

The M/WBE goals for this agreement include: 25% MBE and 5% WBE participation. However, the Office of Business Diversity recommends a partial waiver of the MBE goal as required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts be granted, as the scope of the contract is not further divisible.

The Vendor has identified the following participation:

Total WBE - 100%

Hitec Group International
1743 Quincy Ave., Suite #155
Naperville, Illinois 60540
Contact: Richard Uzuanis

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to Information & Technology Services: \$95,165.40

Budget Classification:

12540-230-54405-254501-000000 \$31,721.80 FY12

12540-230-54405-254501-000000 \$31,721.80 FY13

12540-230-54405-254501-000000 \$31,721.80 FY14

See Attachment 1 for School and Libraries Division of the Universal Service Administrative Company ("SLD/USAC") financials.

12540-230-54405-254501-000000-2012

\$31,721.80

12540-230-54405-254501-000000-2013 \$31,721.80

12540-230-54405-254501-000000-2014 \$31,721.80

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.

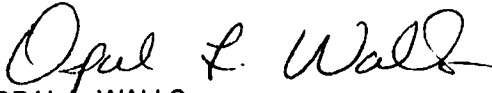
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Approved:



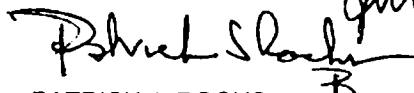
RON HUBERMAN
Chief Executive Officer

Within Appropriation:



DIANA S. FERGUSON
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel

Attachment 1

| | | FY12 | FY13 | FY14 | TOTAL |
|--------------------------|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Annual Eligible | | \$207,120.00 | \$207,120.00 | \$207,120.00 | \$621,360.00 |
| | CPS-14% | \$28,996.80 | \$28,996.80 | \$28,996.80 | \$86,990.40 |
| | SLD-86% | \$178,123.20 | \$178,123.20 | \$178,123.20 | \$534,369.60 |
| Annual InEligible | | <u>\$2,725.00</u> | <u>\$2,725.00</u> | <u>\$2,725.00</u> | <u>\$8,175.00</u> |
| | | \$209,845.00 | \$209,845.00 | \$209,845.00 | \$629,535.00 |
| CPS PAYS | 12540-230-54405-254501-000000 | \$31,721.80 | \$31,721.80 | \$31,721.80 | \$95,165.40 |
| SLD PAYS | | <u>\$178,123.20</u> | <u>\$178,123.20</u> | <u>\$178,123.20</u> | <u>\$534,369.60</u> |
| | | \$209,845.00 | \$209,845.00 | \$209,845.00 | \$629,535.00 |