

**APPROVE ENTERING INTO TWO NEW AGREEMENTS WITH QUANTUM CROSSINGS, LLC FOR
TELECOMMUNICATIONS WIRING/CABLING, NON-MITEL VOICE SYSTEM MAINTENANCE,
TECHNICAL PROGRAMMING AND SUPPORT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into two agreements with Quantum Crossings, LLC ("Quantum") to provide telecommunications wiring/cabling, non-Mitel voice system maintenance, technical programming and support services to the Board. The first agreement ("Contract 1") is for basic maintenance services which are eligible for discounts to be funded by the School and Libraries Division of the Universal Service Administration Company ("SLD/USAC") as part of the E-Rate program. The total amount of Contract 1 shall not exceed \$4,396,447.80, of which approximately \$3,468,015.05 is the discounted portion of 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 \$928,432.75. 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 \$8,200,252.80, of which approximately \$1,758,393.65 is the discounted portion of 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 \$6,441,859.15. 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 to the continuing operation of eligible equipment, including repair and upkeep of eligible hardware, wire and cable maintenance, basic technical support and configuration changes. Quantum was selected on a competitive basis pursuant to Board Rule 7-2. Written agreements are currently being negotiated. No services shall be provided by Quantum and no payment shall be made to Quantum prior to the execution of the written agreements. The authority granted herein shall automatically rescind in the event the written agreements not executed within 90 days of the date of this Board Report. Information pertinent to these agreements is stated below.

Specification Number : 10-250045
Contract Administrator : Ethan Sinnema / 773-553-3295

VENDOR:

- 1) Vendor # 32334
QUANTUM CROSSINGS, INC.
111 EAST WACKER DRIVE, SUITE 990
CHICAGO, IL 60601
Rodger Martinez
312-467-0065
312-467-0340

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: 773-553-1300

TERM:

The term of this agreement shall commence July 1, 2011 and shall end June 30, 2014. 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, Quantum will provide maintenance of the Board's voice/data cabling infrastructure, non-Mitel voice systems, voice mail systems and onsite break/fix repair services as well as basic maintenance technical programming for all voice systems. This will include Avaya and Mitel certified technical programmers as well as certified telecommunications field technicians to support approximately six hundred (600) Board locations throughout the City of Chicago. Contract 2 shall cover eligible and ineligible services that are not considered basic maintenance including non-basic MAC requests, electrical requests, new installations, advanced technical programming and support, call center programming and support, telephone line appearances, handset placement and programming, telecommunications invoice analysis and processing, inventory database administration and support and web-based database application services.

DELIVERABLES:

For Contract 1, Quantum will provide basic maintenance of telecommunications wiring/cabling infrastructure, voice systems, hardware, software, applications, voice mail systems and all associated components including, but not limited to: Repair/replacement/maintenance of the Board's voice/data cabling infrastructure, repair/replacement of voice systems, system equipment, cards and components, on site break/fix services, certified technical programmers and field service technicians, systems programming, voice mail programming and basic maintenance, extending and testing local exchange carrier (LEC) services as needed, service Level Agreement (SLA) compliance, pro-active issue resolution with incident tracking system, documented incident diagnosis, root cause analysis and remediation/problem management, CPS accessible documentation of all processes and procedures, and reporting as requested by the Board.

For Contract 2, Quantum will provide wiring/cabling and telecommunications support services that are not considered basic maintenance including: Installation of new wiring/cabling, advanced technical support services, Call Center programming and support, electrical and power services, moves, adds and changes (MAC) requests, maintain and/or collect and replace 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, technical support for ineligible voice systems, handset placement, telecommunications invoice analysis and processing, inventory database administration and support, and Web-based database application programming, maintenance and support.

OUTCOMES:

Quantum's services shall result in the Board having telecommunications wiring/cabling maintenance and installation, non-Mitel voice system maintenance and installation, technical programming and support services through fiscal year 2014.

COMPENSATION:

Upon monthly invoicing, Quantum shall be paid as follows: The total amount of Contract 1 shall not exceed \$4,396,447.80, but the Board shall only be responsible for the non-discounted portion of E-Rate eligible services and/or products, which shall not exceed \$928,432.75. Contract 2 shall cover eligible and ineligible services and/or products that are not considered basic maintenance. The total amount of Contract 2 shall not exceed 8,200,252.80, 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 or products, which shall not exceed 6,441,859.15. 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 agreements. Authorize the President and Secretary to execute the agreements. Authorize Chief Information Officer to execute all ancillary documents required to administer or effectuate these agreements.

AFFIRMATIVE ACTION:

This agreement is in full compliance with the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts. The goals for this agreement include: 25% total MBE and 5% total WBE participation.

The vendor has identified the following participation:

Total MBE - 94%

Quantum Crossings, LLC
111 E. Wacker Drive, Suite 990
Chicago, Illinois 60601
Attn: Roger Martinez

Total WBE - 6%

Professional Telecommunications
28 E. Jackson Blvd., Suite 1020
Chicago, Illinois 60604
Attn: Cheryl Rainey

thredpartners
3625 N. Seeley Ave.
Chicago, Illinois 60618
Attn: Gretchen Slusser

Phoenix Business Solutions
12543 S. Laramie Ave.
Alsip, Illinois 60803
Attn: Peggy T. Hrindak

LSC REVIEW:

Local School Council approval is not applicable to this report

FINANCIAL:

Charge to Information & Technology Services: \$7,370,291.91
See Attachment 1 for School and Libraries Division of the Universal Service Administrative Company ("SLD/USAC") financials

12510-124-54405-254501-000000-2012	\$500,000.00
12510-124-54405-254501-000000-2013	\$500,000.00
12510-124-54405-254501-000000-2014	\$500,000.00
12510-499-54125-254501-000000-2012	\$250,000.00

12510-499-54125-254501-000000-2013	\$250,000.00
12510-499-54125-254501-000000-2014	\$250,000.00
12540-230-54405-254501-000000-2014	\$1,706,763.97
12540-230-54405-254501-000000-2012	\$1,706,763.97
12540-230-54405-254501-000000-2013	\$1,706,763.97

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:



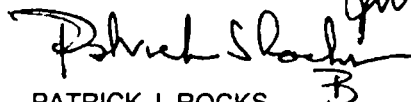
RON HUBERMAN
Chief Executive Officer

Within Appropriation:



DIANA S. FERGUSON
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel

Attachment 1

FINANCIAL:

	FY12	FY13	FY14	TOTAL
Basic Maintenance-Contract 1				
Annual Eligible	\$1,298,882.04	\$1,298,882.04	\$1,298,882.04	\$3,896,646.12
CPS-11%	\$142,877.02	\$142,877.02	\$142,877.02	\$428,631.07
SLD-89%	\$1,156,005.02	\$1,156,005.02	\$1,156,005.02	\$3,468,015.05
Annual In-Eligible	<u>\$166,600.56</u>	<u>\$166,600.56</u>	<u>\$166,600.56</u>	<u>\$499,801.68</u>
Total Contract 1	\$1,465,482.60	\$1,465,482.60	\$1,465,482.60	\$4,396,447.80
Non-Basic Maintenance-Contract 2				
Annual Eligible	\$658,574.40	\$658,574.40	\$658,574.40	\$1,975,723.20
CPS-11%	\$72,443.18	\$72,443.18	\$72,443.18	\$217,329.55
SLD-89%	\$586,131.22	\$586,131.22	\$586,131.22	\$1,758,393.65
Annual In-Eligible	\$1,324,843.20	\$1,324,843.20	\$1,324,843.20	\$3,974,529.60
Annual In-Eligible-Special Requests	\$500,000.00	\$500,000.00	\$500,000.00	\$1,500,000.00
Annual In-Eligible-CIP New Construction, etc	<u>\$250,000.00</u>	<u>\$250,000.00</u>	<u>\$250,000.00</u>	<u>\$750,000.00</u>
Total Contract 2	\$2,733,417.60	\$2,733,417.60	\$2,733,417.60	\$8,200,252.80
Grand Total Services	\$4,198,900.20	\$4,198,900.20	\$4,198,900.20	\$12,596,700.60
Annual Eligible	\$1,957,456.44	\$1,957,456.44	\$1,957,456.44	\$5,872,369.32
CPS-11%	\$215,320.21	\$215,320.21	\$215,320.21	\$645,960.63
SLD-89%	\$1,742,136.23	\$1,742,136.23	\$1,742,136.23	\$5,226,408.69
Annual In-Eligible	<u>\$2,241,443.76</u>	<u>\$2,241,443.76</u>	<u>\$2,241,443.76</u>	<u>\$6,724,331.28</u>
	\$4,198,900.20	\$4,198,900.20	\$4,198,900.20	\$12,596,700.60
CPS PAYS 12540-230-54405-254501-000000	\$1,706,763.97	\$1,706,763.97	\$1,706,763.97	\$5,120,291.91
CPS PAYS 12510-124-54405-254501-000000	\$500,000.00	\$500,000.00	\$500,000.00	\$1,500,000.00
CPS PAYS 12510-499-54125-254501-000000	\$250,000.00	\$250,000.00	\$250,000.00	\$750,000.00
SLD PAYS	<u>\$1,742,136.23</u>	<u>\$1,742,136.23</u>	<u>\$1,742,136.23</u>	<u>\$5,226,408.69</u>
	\$4,198,900.20	\$4,198,900.20	\$4,198,900.20	\$12,596,700.60