

**APPROVE EXERCISING THE ANNUAL OPTION TO RENEW TECHNICAL SUPPORT WITH ORACLE AMERICA, INC.**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve exercising the annual option to renew technical support for licenses purchased under the original agreement with Oracle USA, Inc. at a cost not to exceed \$3,137,250.00. Vendor was selected on a non-competitive basis due to its proprietary software license and maintenance. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

**VENDOR:**

- 1) Vendor # 89823  
ORACLE AMERICA,INC (FKA SUN  
MICROSYSTEMS, INC)  
500 ORACLE PARKWAY  
REDWOOD SHORES, CA 94065  
Ryan Pike  
719-757-3300  
719-757-4256

**USER INFORMATION :**

Contact:

12510 - Information & Technology Services  
125 South Clark Street - 3rd Floor  
Chicago, IL 60603  
Stevens, Miss Arshele C  
773-553-1300

Project

Manager:

12510 - Information & Technology Services  
125 South Clark Street - 3rd Floor  
Chicago, IL 60603  
Nettem, Mr. Prasad Venkata  
773-553-1300

**ORIGINAL AGREEMENT**

The original Agreement (authorized by Board report #05-1026-PR6 as amended by Board Report #06-0222-PR7), in the amount of \$1,828,610.66 is for a term commencing October 1, 2005 and ending June 30, 2006, with the Board having two options to renew for periods of one year each. The Agreement was subsequently renewed through June 30, 2007, with unlimited options to renew (authorized by Board Report #06-0628-PR22 as amended by #07-0425-PR9) and further extended through June 30, 2008

(authorized by Board Report #07-0627-PR15). The Agreement was further extended through June 30, 2009 (authorized by Board Report #08-0625-PR20) and further extended through June 30, 2010 (authorized by Board Report #09-0624-PR20). The Agreement was further extended through June 30, 2011 (authorized by Board Report #10-0922-PR11). The original Agreement was awarded on a non-competitive basis because the Oracle software is the only software that provides the functionality required by the Board's integrated financial systems.

**OPTION PERIOD**

The term of this agreement is being renewed for one year, commencing July 1, 2011 and ending June 30, 2012.

**OPTION PERIODS REMAINING**

There are unlimited options to renew technical support on an annual basis.

**SCOPE OF SERVICES USE OF SOFTWARE:** The software will continue to allow the Board to operate integrated financial and HR systems connecting the accounts receivable, cash management, treasury, general ledger, budget, payroll, position control and procurement processes.

**DELIVERABLES**

Oracle America provides software to allow the Board to operate an integrated financial and HR system connecting the accounts receivable, cash management, treasury, general ledger, budget, payroll, position control and procurement processes. The financial system allows CPS to access and update budgetary information with respect to both school and administrative units. The financial system also allows school administrators up-to-date detailed information about dollars associated with programs including funds disbursed, encumbrances, positions, and allocations.

**OUTCOMES**

The software program products will further secure the Board's critical data.

**COMPENSATION**

The total compensation to be paid to the Software Licensor shall not exceed \$3,137,250.00.

**AUTHORIZATION**

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

**AFFIRMATIVE ACTION**

The M/WBE goals for this agreement is 10% total M/WBE participation. The previous Board Report stated that the Office of Business Diversity recommended approving a waiver for this agreement due to the good faith efforts Oracle has demonstrated in its negotiations of a Memorandum of Understanding with local governmental agencies to dramatically increase M/WBE utilization in the State of Illinois. Unfortunately, to date, Oracle has not kept nor fulfilled their commitments with the Chicago Public Schools and the other City agencies. The Office of Business Diversity also recommends that in FY 2012, this contract be subject to a competitive RFP process.

**LSC REVIEW**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Charge to the information & Technology Services \$3,137,250.00.

12540-230-53306-266407-000000-2011	\$614,777.00
12540-230-53306-266407-000000-2012	\$2,522,473.00

**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.

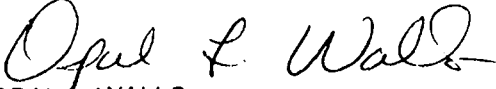
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

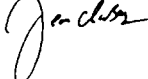
Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:

  
JEAN-CLAUDE BRIZARD  
Chief Executive Officer

Within Appropriation:

  
MELANIE A. SHAKER  
Interim Chief Financial Officer

Approved as to Legal Form:

  
PATRICK J. ROCKS  
General Counsel