

May 28, 2014

AMEND BOARD REPORT 13-0227-PR12
**APPROVE EXERCISING ALL OPTIONS TO RENEW AGREEMENTS WITH SENTINEL
TECHNOLOGIES FOR NETWORK MONITORING AND MAINTENANCE SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising all options to renew the agreements with Sentinel Technologies (Vendor) to provide network monitoring and maintenance services for the Chicago Public Schools (CPS) wide area network (WAN), local area network (LAN), and network security infrastructure. The cost for the option period for the Basic Maintenance Contract (Contract #1), shall not exceed \$34,179,144.81. ~~of which approximately \$27,150,634.00 will be the discounted portion of eligible E-Rate services and/or products to be funded by the School and Libraries Division of the Universal Service Administrative Company (SLD/USAC). Under renewal of Contract #1, 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 the amount of \$7,028,511.00.~~ The Board is authorized to pay approved invoices up to the not-to-exceed amount and will utilize the Billed Entity Applicant Reimbursement (BEAR) process, as defined below, if E-Rate funding becomes available to recover any costs that may be eligible for Federal subsidies under the E-Rate Program. The cost for the option period for the Non-Basic Maintenance Contract (Contract #2), shall not exceed \$2,130,000.00. Written documents exercising these options are currently being negotiated. No payment shall be made to Vendor during the option period prior to execution of the written documents. The authority granted herein shall automatically rescind in the event written documents are not executed within 90 days of the date of this Board Report. Information pertinent to these options is stated below.

This May 2014 amendment is necessary to approve increases in the Board-responsible payment amount due to the uncertainty in E-Rate Funding. The Billed Entity Applicant Reimbursement (BEAR) process is the mechanism used by E-Rate applicants to request reimbursement for approved services for which the applicant has already paid the full pre-discounted amount. Written amendments to the renewal agreements are required.

Specification Number : 09-250030

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-3295

VENDOR:

- 1) Vendor # 21472
SENTINEL TECHNOLOGIES, INC.
2550 WARRENVILLE ROAD
DOWNERS GROVE, IL 60515
Jack Reidy
630 769-4325

USER INFORMATION :

Contact: 12510 - Information & Technology Services
125 South Clark Street - 3rd Floor
Chicago, IL 60603
Tidmarsh, Mr. Lachlan W.
773-553-1300

Project 12510 - Information & Technology Services
Manager: 125 South Clark Street - 3rd Floor
Chicago, IL 60603
Burnson, Mr. Richard A
773-553-1330

ORIGINAL AGREEMENT:

The original Agreements (authorized by Board Report #09-1216-PR19) in the aggregate amount of \$46,810,382.88 were for a term commencing July 1, 2010 and ending June 30, 2013, with the Board having three options to renew for one year terms. The original agreements were awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of each agreement is being renewed for three years commencing July 1, 2013 and ending June 30, 2016. This extension exercises all three renewal options with Sentinel Technologies to achieve greater savings.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Sentinel Technologies will continue to provide the Board with services described below during the renewal term:

Under Contract #1 covering services eligible for the E-Rate discount shall be as follows: Sentinel Technologies will continue to provide onsite basic maintenance services in conjunction with the E-Rate Program to the Board. This will include management services to monitor and maintain the WAN, LAN, and network security infrastructure, including routers, switches, firewall/VPN appliances, firewall/VPN management stations, load balancers, WAN/LAN interfaces, DNS/DHCP servers, and other ancillary equipment (Services), including: Remote management of Board owned or leased equipment, maintenance administration of systems, fault/error detection, reporting, analysis, and correction of issues; Support for designated infrastructure 24 hours a day, seven days a week, 365 days a year; Notice of outages, reporting, and on-site repair services; Break/fix switch maintenance services for school LAN equipment; 24/7 support for the Board's network monitoring systems and related integration into the Board's support ticketing and change management systems. Sentinel Technologies will also continue to provide installation, configuration, and project management for the following equipment and initiatives: Replacement of network equipment at approximately seventy schools to include replacement of switches, wireless access points, and wireless network interface cards. This also will include incidental low voltage cabling and minor construction; Upgrades to school MDF room network equipment; Upgrades and installation of core networking equipment.

Under Contract #2 covering non-basic maintenance and ineligible services as follows: Sentinel Technologies will continue to provide management services to monitor and maintain the WAN, LAN, and network security infrastructure, including routers, switches, firewall/VPN appliances, firewall/VPN management stations, content filtering system, load balancers, WAN/LAN interfaces, and other ancillary equipment (Services), including: Proactive remote monitoring and management of Board owned or leased equipment, pro-active and maintenance administration of systems, fault/error detection, reporting, analysis, and correction of issues; Network monitoring for designated infrastructure hours a day, seven days a week, 365 days a year; Equipment audits at regular intervals with the Board, including covering any device changes as required.

DELIVERABLES:

Sentinel Technologies will continue to provide the Board with the following deliverables meeting the Board's specified requirement under both agreements: Reporting (all reports accessible online, in a downloaded form and hard copy); Network analysis; Network management and network monitoring; Firewall, DNS/DHCP, VPN, and content filter change request management; General management; Third-party security audit; Service level agreements (SLAs) and implementation of SLAs; Installation and configuration of Cisco series switches and other related equipment at schools and in the core network; Redeployment of existing school switches, replaced by the new switches; Removal of old equipment at the schools and in the core; Incident management and onsite maintenance services for all school LAN equipment, including switches, hubs, wireless access points, transceivers, and uninterruptible power supplies. Also, Sentinel Technologies will continue to have appropriate field personnel for the proper dispatches in order to meet or exceed SLAs.

OUTCOMES:

Sentinel Technologies services will continue to result in the Board having comprehensive managed services for its WAN, LAN, and network security infrastructure, which will result in improved service and bandwidth to CPS. These services will also continue to result in the Board having managed services and appropriate reporting and maintenance for all CPS locations, including network monitoring, fault management (detection and notification), fault isolation and resolution, configuration and software support, hardware/software dispatch with on-site repair and technical assistance. These services will result in the Board (i) being notified of outages and having the ability to view trouble tickets via a web-based ticketing system and reports; (ii) receiving appropriate on-site repair services dispatched to schools and Central Office that experience outages related to WAN, LAN, and network security data equipment; and (iii) improved ability to maximize network uptime. Sentinel Technologies will also continue to provide installation and project management services for new equipment within the core network and at the schools. School LAN equipment will be repaired in a timely fashion, reducing network downtime. The switches will have a common configuration and operating system that will improve uptime and reduce intermittent issues.

COMPENSATION:

Vendor shall be paid during the renewal period of Contract #1 as follows: a total cost not to exceed the sum of \$34,179,144.81. ~~of which approximately \$25,169,038.95 is the discounted portion of eligible E-Rate services and/or products to be funded by the SLD/USAC. The CPS portion of the cost for the non-discounted portion of E-rate eligible services and/or products and the cost of ineligible services and/or products shall not exceed the sum of \$9,010,105.86.~~ Vendor shall be paid during the renewal period of Contract #2 as follows: a total cost not to exceed the sum of \$2,130,000.00. The Board is authorized to pay approved invoices up to the not-to-exceed amount and will utilize the BEAR process if E-Rate funding becomes available to recover any costs that may be eligible for Federal subsidies under the E-Rate Program.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option documents and amendments. Authorize the President and Secretary to execute the option documents and amendments. Authorize Chief Information Officer to execute all ancillary documents required to administer or effectuate the option 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 MBE/WBE goals for this agreement are: 35% total MBE and 5% total WBE participation.

The Vendors have identified the following participation:

Total MBE - 35%

IMC Connect, Inc.
207 East Ohio Avenue, Suite # 293
Chicago, Illinois 60631

CS&C - Julex, Inc.
1613 South Michigan Avenue
Chicago, Illinois 60613

Smart Technology, Inc.
150 North Jefferson Avenue
Chicago, Illinois 60661

Total WBE - 5%

KMC Enterprises, Inc.
13235 Hiawatha Drive
Homer Glen, Illinois 60491

Solai & Cameron
2335 North Southport
Chicago, Illinois 60614

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Funds: 115 and 230

Charge to: Information & Technology Services, 12500

FY2014: ~~\$3,052,837.00~~ \$12,103,048.00

~~FY2014: \$0,050,211.00 E-Rate~~

FY2015: ~~\$3,052,837.00~~ \$12,103,048.00

~~FY2015: \$0,050,211.00 E-Rate~~

FY2016: ~~\$3,052,837.00~~ \$12,103,048.00

~~FY2016: \$0,050,211.00 E-Rate~~

Future year funding is contingent upon budget appropriation and approval.

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:



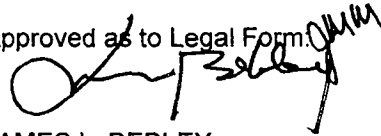
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form.



JAMES L. BEBLEY
General Counsel