

May 28, 2014

AMEND BOARD REPORT 13-1120-PR13
AUTHORIZE SECOND RENEWAL AGREEMENT WITH MITEL NETWORKS, INC. FOR VOICE NETWORK MAINTENANCE, MONITORING, AND ADVANCED SUPPORT SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize second renewal agreements with Mitel Networks, Inc. (Mitel) to provide voice network and voice mail maintenance, monitoring and advanced support services for Information and Technology Services (ITS). The first agreement being renewed (Contract 1) is for basic maintenance services eligible for discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program (E-Rate). The total amount for the renewal term of Contract 1 shall not exceed \$2,752,000.00. 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, of which approximately \$2,476,800.00 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 amount shall not exceed \$275,200.00.~~

The second agreement being renewed (Contract 2) is for eligible and ineligible services that are not considered basic maintenance. The total amount for the renewal term of Contract 2 shall not exceed \$1,700,000.00. 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, of which approximately \$180,000 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 amount shall not exceed \$1,520,000.00. No Board funds will be disbursed if E-Rate funding is denied, except for Priority 2-Basic Maintenance Services as defined by SLD/USAC.~~

Written renewal agreements for Mitel's services are currently being negotiated. No services shall be provided by Mitel and no payment shall be made to Mitel prior to the execution of the respective written renewal agreement. The authority granted herein shall automatically rescind as to each agreement in the event such renewal agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to these agreements is stated below.

This May 2014 amendment is necessary to approve increases in the Board-responsible payment amount for both Contract 1 and Contract 2 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 : 09-250067
 Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-3295

VENDOR:

- 1) Vendor # 37538
 MITEL NETWORKS INCORPORATED
 70 WEST MADISON, STE 2000
 CHICAGO, IL 60602
 Peter Cosme
 312 479-9032

USER INFORMATION :

Contact: 12510 - Information & Technology Services
125 South Clark Street - 3rd Floor
Chicago, IL 60603
Zalewski, Miss Kathryn Lucille
773-553-3060

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

ORIGINAL AGREEMENT:

The original Agreements (authorized by Board Report #09-1216-PR14) in the total aggregate amount of \$17,784,384.00 were for a term commencing October 1, 2010 and ending June 30, 2013, with the Board having three options to renew for periods of one year each. The agreements were renewed (authorized by Board Report #13-0123-PR6) for a term commencing July 1, 2013 and ending June 30, 2014. 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 one year commencing July 1, 2014 and ending June 30, 2015.

OPTION PERIODS REMAINING:

There is one option period for one year remaining.

SCOPE OF SERVICES:

Under the renewal of Contract 1 covering basic maintenance services ~~eligible for the E-Rate discount~~, Mitel will continue to provide network, voice mail and onsite repair and basic maintenance/MAC services. This will include Mitel and NuPoint certified engineers as well as certified telecommunications technicians for maintenance of the Board's Mitel voice communications network, NuPoint voice mail system and Mitel voice communications systems and components for over six hundred (600) Board locations throughout the City of Chicago.

Under the renewal of Contract 2 covering ~~eligible and ineligible~~ services that are not considered basic maintenance, Mitel will continue to provide Mitel voice network and NuPoint voice mail monitoring, non-basic MAC requests, new installations, advanced design and programming, telephone line appearances, handset placement and programming and advanced technical support services.

DELIVERABLES:

During the renewal term under Contract 1, Mitel will provide ~~E-Rate-eligible~~ telecommunications basic maintenance of the Mitel voice network, systems, hardware, software, applications, NuPoint voice mail systems and all associated components including:

- Repair/replacement of system equipment, cards and components, on-site break/fix services,
- Mitel and NuPoint certified engineers and field service technicians, systems programming, voice mail programming and basic maintenance, extending and testing local exchange carrier (LEC) services as needed,
- 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,
- Service Level Agreement (SLA) compliance, and
- Reporting as requested by the Board.

Under the renewal of Contract 2, Mitel will continue to provide ~~E-Rate eligible and ineligible~~ telecommunications support services including:

- 24x7x365 Mitel network, systems and voice mail monitoring, advanced technical support 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, and
- Technical support for ineligible voice systems, handset placement.

OUTCOMES:

Mitel's services shall result in the Board having Mitel network, systems and components maintenance, MAC, monitoring and advanced support services through fiscal year 2015.

COMPENSATION:

During the renewal term of Contract 1 Mitel shall be paid a total not to exceed \$2,752,000.00 for the one year renewal term. ~~but the Board shall only be responsible for the non-discounted portion of E-Rate eligible services and/or products, which amount shall not exceed \$275,200.00. 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.~~

During the renewal term of Contract 2 Mitel shall be paid a total not to exceed \$1,700,000.00. 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. ~~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 amount shall not exceed \$1,520,000.00. No Board funds will be disbursed if E-Rate funding is denied except for Priority 2 Basic Maintenance Services as defined by SLD/USAC.~~

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 the Chief Information Officer to execute all ancillary documents required to administer or effectuate the option agreements.

AFFIRMATIVE ACTION:

This contract 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 M/WBE participation goals for this contract are 35% total MBE and 5% total WBE participation.

The Vendor has identified the following participation:

Total MBE 35%:

Quantum Crossing, LLC
111 East Wacker Drive, Suite 990
Chicago, Illinois 60601

Total WBE 5%

RL Canning, Inc.
5440 N. Cumberland Ave., Suite 138
Chicago, Illinois 60656

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Contract 1

Fund: 115

Information and Technology Services, 12500

~~CPS Portion: \$275,200.00, FY15 \$2,752,000.00~~

~~E-Rate Portion: \$2,476,800.00, FY15~~

Contract 2

Fund: 115

Information and Technology Services, 12500

~~CPS Portion: \$1,520,000.00, FY15 \$1,700,000.00~~

~~E-Rate Portion: \$180,000.00, FY15~~

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:



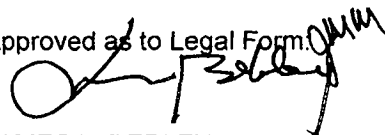
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form.



JAMES L. BEBLEY
General Counsel