

June 25, 2014

AMEND BOARD REPORT 13-0626-PR38**APPROVE ENTERING INTO AN AGREEMENT WITH TRANSCEND UNITED TECHNOLOGIES, A DIVISION OF AGC NETWORKS (TRANSCEND) AND SUBSEQUENTLY AGC NETWORKS, INC ("AGC") AS SUCCESSOR IN INTEREST, FOR PRIVATE BRANCH EXCHANGE ("PBX") SYSTEMS, INTUITY VOICEMAIL SYSTEMS, SOFTWARE AND RELATED CALL CENTER COMPONENTS HARDWARE, SOFTWARE AND TECHNICAL SUPPORT MAINTENANCE SERVICES****THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into an agreement with Transcend United Technologies, LLC, A Division of AGC Networks ("Transcend") and subsequently AGC Networks, Inc. ("Vendor"), as successor in interest to Transcend, to provide hardware, software and equipment installations, hardware maintenance, software maintenance and technical support services for all Avaya Private Branch Exchange ("PBX") Systems, Intuity Voicemail Systems, Call Management System (CMS) and associated Call Center components at 125 South Clark and the Board's three (3) current School Support Center the Board's central office and various administrative locations for Information & Technology Services ("ITS"), at a cost not to exceed ~~\$351,000.00~~ \$551,000.00 for a two year term. Vendor was selected on a non-competitive basis: the sole-source request was presented to the Non-Competitive Procurement Review Committee and approved by the Chief Procurement Officer. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to 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.

This June 2014 amendment is necessary to reflect that AGC Networks, Inc. has acquired total services of Transcend United Technologies and to approve increases in the FY15 payment amount due to the installation of equipment, software and support services at additional administrative sites that require Call Center systems, applications, maintenance and support services. The additional equipment, software and technical services required for administrative sites is a one-time cost not to exceed \$150,000.00 and the annual maintenance for all the sites with Call Center capabilities will increase by \$50,000.00 for FY15. A written amendment to the agreement is required. The authority granted herein shall automatically rescind in the event a written amendment is not executed within 90 days of the date of this Board Report.

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

VENDOR:

- 1) Vendor # 64880
AGC NETWORKS, INC
945 BROADWAY STREET NE, STE 100
MINNEAPOLIS, MN 55413
Jim Moon
763 463-1027

USER INFORMATION :

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

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

TERM:

The term of this agreement shall commence on the date the agreement is signed and shall end 24 months thereafter. 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: Vendor Transcend will provide hardware, software and phone installations, hardware and software maintenance including on-site coverage and hardware/software component replacement/installation as needed for all Avaya Private Branch Exchange ("PBX") Systems, Intuity Voicemail Systems, Call Management Systems (CMS) and associated Call Center components at the Board's administrative sites. 125 South Clark and the three School Support Centers currently located 1900 North Austin, 4655 South Dearborn and 11424 South Western.

DELIVERABLES: Vendor Transcend will provide equipment and software installations, maintenance, break/fix, technical response, and specific on-site coverage for the hardware and software to ensure the proper operation of the Avaya software, servers and associated parts.

OUTCOMES: Vendor Transcend will provide the Board with the necessary hardware and software installations, maintenance and support services to ensure the proper functioning of the Avaya operating systems, applications, and any related equipment.

COMPENSATION:

Vendor shall be paid, upon ~~annual~~ invoicing, as follows: (i) one lump sum payment of no more than \$175,500.00 for maintenance and support services during year one, (ii) individual payments not to exceed a combined total of \$150,000.00 upon system and equipment installations at the Board's specific administrative sites and ~~(ii)~~ (iii) one lump sum payment of no more than ~~\$175,500.00~~ \$225,500.00 for maintenance and support services during year two for a total compensation not to exceed ~~\$351,000.00~~ \$551,000.00. Actual invoice amounts are determined upon verification and approval by CPS of accepted hardware, software and equipment installations, standard Call Center components including agents, licenses, sites, etc.

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

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

AFFIRMATIVE ACTION:

Pursuant to section 9.5 of the Remedial Program for Minority and Women Owned Business Enterprise Contract Participation in Goods and Services (M/WBE Program), the M/WBE participation for the contract includes 35% total MBE and 5% total WBE. However, the Office of Business Diversity recommends that a partial waiver of the participation goals required by the Remedial Program be granted because the contract scope is not further divisible.

The Vendor has identified and scheduled the following:

Total MBE - 20%
Quantum Crossing, LLC
111 East Wacker Drive, Suite 990
Chicago, Illinois 60601
Attn: Roger Martinez

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115
Charge to: Information & Technology Services Department
Parent Unit: 12500
FY14: \$175,500.00
FY15: ~~\$175,500.00~~ \$375,500.00

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:



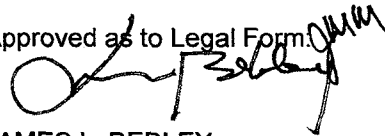
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form.



JAMES L. BEBLEY
General Counsel