

August 28, 2017

**AUTHORIZE A NEW AGREEMENT WITH HITACHI CONSULTING CORPORATION FOR
ORACLE WEBCENTER CONTENT IMPLEMENTATION SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with Hitachi Consulting Corporation to provide Oracle Webcenter Content Implementation services to the Departments of Finance and Information Technology Services at an estimated annual cost set forth in the Compensation Section of this report. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. 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 the execution of their 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.

Specification Number : 17-350026

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-5180

VENDOR:

- 1) Vendor # 16092
Hitachi Consulting Corporation
14643 Dallas Parkway Ste 800
Dallas, TX 75254
Sridhar Jambula
408 772-5279
Ownership: Hitachi Information And
Telecommunication Systems Globalholdings
Corp. - 100%

USER INFORMATION :

Project
Manager: 12430 - Accounts Payable
42 West Madison Street
Chicago, IL 60602
Harmon, Mr. Cameron
773-553-2735

TERM:

The term of this agreement shall commence on September 1, 2017 and shall end on August 31, 2019. This agreement shall have three (3) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

Vendor will lead the implementation of Oracle WebCenter Content to the latest release, migration of up to eight (8) million documents, and conversion of existing TIF files to full text. The Oracle E-Business Suite R12.1.3 platform includes applications delivered as part of Oracle's native function, including Oracle General Ledger, Payables, Payments, Receivables, Cash Management, Fixed Assets, Enterprise Asset Management, Purchasing, iProcurement, iSupplier Portal, and Project and Grants Accounting.

Enterprise Financial Systems (EFS) customers include staff at over 650 schools and back offices, such as Payables, Receivables, Purchasing, Budgeting, HR, Finance, Grants, Facilities, Operations and other business departments which support schools. The EFS platform has over 6,000 users and 10,000 active vendors. The current system utilization shows over 170,000 purchase orders and over 300,000 invoices annually.

DELIVERABLES:

Vendor will deliver the following:

1. Capture and extract key data elements from invoices received in any format centrally (paper, digital documents, e-invoices, EDI).
2. Automatic processing of invoices utilizing OCR forms recognition technology; extraction of specific header and line item / multiple line item data from the image.
3. Accurate assessment of cash flow needs.
4. Single point of entry for accessing payables information and invoice status.
5. Seamless and automated integration with Oracle E-Business Suite.
6. Audit trail of all invoice processes to ensure statutory and regulatory compliance.
7. Supports matching of customer PO, vendor invoice, and receipt; to include invoice modeling.
8. Routing invoices / images by automated workflow to business owners for review, approval and, if required, notification that specific actions are required (i.e. escalation procedures, etc.).
9. Messaging center with notification that specific actions are required (i.e. escalation procedures, etc.).
10. Document archiving with search capabilities; capabilities need to be applied across all modules.
11. Reporting and analysis of processing performance.
12. Conversion of existing documents from current IPM system and images that are up to seven (7) years old with accessible on-demand storage of documents.
13. Ability to generate a PDF file with invoice images for a given criteria on demand to fulfill Freedom Of Information Act ("FOIA") requests.

OUTCOMES:

1. The above mentioned services will support the Board in its mission to remain compliant with the Local Government Prompt Payment Act (50 ILCS 505).
2. The Vendor will provide technology which increases the speed at which invoices are processed, allowing greater visibility for accurate and timely cash flow analysis and reporting.
3. The Vendor's price includes the cost to implement, support, and maintain software which enhances the Board's current financial software.
4. The Vendor will be able to accommodate the CPS FY2017 annual invoice processing and PO closure process.

COMPENSATION:

Vendor shall be paid according to the terms of the agreement. Estimated annual costs for the two (2) year term are set forth below:

\$877,322.00, FY18

\$80,053.00, FY19

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

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

AFFIRMATIVE ACTION:

Pursuant to the remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services contracts, the goals for this contract include 30% MBE and 7% WBE participation. This contract is in full compliance with the goals and has scheduled the following vendors:

Total MBE: 30%
Clarity Partners, LLC
20 N. Clark St., Suite 3600
Chicago, IL 60602

Total WBE: 7%
Viva USA
3601 Algonquin Rd., Suite 425
Rolling Meadows, IL 60008

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Capital Funds, Information Technology Services, Unit 12510

\$877,322.00, FY18
\$80,053.00, FY19

Not to exceed \$957,375.00 for the two (2) year term. 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.

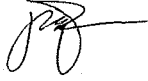
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



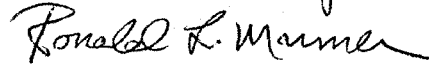
JONATHAN MAPLES
Chief Procurement Officer

Approved:



FORREST CLAYPOOL
Chief Executive Officer

Approved as to Legal Form: *gmm*



RONALD L. MARMER
General Counsel