

September 26, 2018

AUTHORIZE NEW AGREEMENTS WITH APPLE INC. AND TEQLEASE, INC. FOR THE PURCHASE AND/OR LEASE OF HARDWARE, SOFTWARE, AND SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize new agreements with Apple Inc. and TEQlease, Inc. d/b/a Apple Financial Services for the purchase and/or lease of hardware, software, and services for the district at an estimated annual cost set forth in the Compensation Section of this report. Vendors were selected on a non-competitive basis. This item was presented to the Single/Sole Source Committee on August 7, 2018 and approved by the Chief Procurement Officer as a sole source based on the vendor's proprietary bundled package including hardware, software, and services. Upon approval as a Sole Source, the item was published on the Procurement website on August 6, 2018, found here: cps.edu/procurement. The item will remain on the Procurement website until the September 26, 2018 Board Meeting. This process complies with the independent consultant's recommendations for single source procurements and the Board's "Single/Sole Source Committee Charter." Written agreements for the purchase and lease are currently being negotiated. No goods may be ordered or received and no payment shall be made to Vendors prior to the execution of their written agreement. The agreements will also provide CPS with a lease option for the hardware and associated software and services through leasing agent TEQlease, Inc. The authority granted herein shall automatically rescind as to each vendor in the event their written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to the agreements is stated below.

Contract Administrator : Matthayasack, Ms. Souly / 773-553-2906

VENDOR:

- 1) Vendor # 23266
APPLE INC
1 INFINITE LOOP
CUPERTINO, CA 95014
Liza Pono
630 248-3708
Ownership: Publicly Held Company

- 2) Vendor # 25323
TEQLEASE INC DBA APPLE FINANCIAL SERVICES
23801 CALABASAS ROAD, STE 101
CALABASAS, CA 91302
Michael Lockwood
888 985-1006 X:216
Ownership: Michael P. Lockwood - 100%

USER INFORMATION :

Project
Manager: 12510 - Information & Technology Services
42 West Madison Street
Chicago, IL 60602
Pelton, Mr. James R.
773-553-3512

TERM:

The term of each agreements shall commence on November 1, 2018 and shall end October 31, 2021. The agreements shall have two (2) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT:

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

DESCRIPTION OF PURCHASE:

The purchase agreement will allow all schools, charter schools, network offices, and departments to purchase hardware, software and associated services. The lease agreement will allow all schools, charter schools, network offices, and departments to lease hardware and associated software and services. Vendor will provide hardware, software and associated installation, configuration, extended warranty and maintenance services.

OUTCOMES:

This purchase and/or lease will result in the supply of hardware, software, and associated installation, configuration, extended warranty, and maintenance services for all departments and schools.

COMPENSATION:

Vendors shall be paid in accordance with the unit prices and/or lease terms contained in their respective agreement; estimated annual costs for the three (3) year term are set forth below:

\$25,000,000 FY19

\$25,000,000 FY20

\$25,000,000 FY21

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreements, including any indemnities by the Board. Authorize the President and Secretary to execute the agreements. Authorize the Chief Information Officer to execute all ancillary documents required to administer or effectuate the agreements.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women-Owned Business Enterprise Participation in Goods and Services Contracts (M/WBE Program), the goals for this contract are 30% MBE and 7% WBE. The Office of Business Diversity has granted a partial waiver and the Prime vendor has committed to the participation goals of 30% MBE and 7% WBE of applicable spend.

The vendor has identified and scheduled the following firms and percentages:

Total MBE: 81%

KBS Computer Services

8056 186th St.

Tinley Park, IL 60487

Ownership: Anthony R. Kitchens

Total WBE 19%

RL Canning, Inc.

8700 W. Bryn Mawr Ave., Ste. 120N

Chicago, IL 60631

Ownership: Rachel Lebron Canning

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Various Funds, Various Departments, Various Units

\$25,000,000 FY19

\$25,000,000 FY20

\$25,000,000 FY21

Not to exceed \$75,000,000 for the three (3) 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.

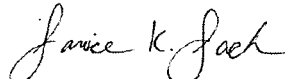
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



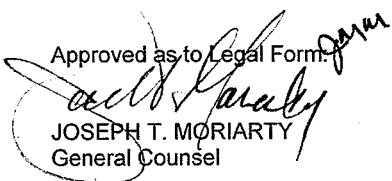
JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Chief Executive Officer

Approved as to Legal Form.



JOSEPH T. MORIARTY
General Counsel