

February 27, 2019

AUTHORIZE THE SECOND RENEWAL AGREEMENT WITH SENTINEL TECHNOLOGIES FOR SCHOOL DATA NETWORK UPGRADE SERVICES**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Authorize the second renewal agreement with Sentinel Technologies to provide data network upgrade services to schools district-wide. This agreement is eligible for discounts to be funded by the School and Library Division of the Universal Service Administrative Company (SLD/USAC) as part of the E-Rate program. The total amount of the agreement shall not exceed \$30,350,000, but the Board shall only be responsible for the non-discounted portion of the E-Rate eligible services and/or products and the costs of ineligible services and/or products, which shall not exceed \$23,850,000. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 14-350033

Contract Administrator : Washington, Ms. Nealean T / 773-553-2273

VENDOR:

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

Ownership Information: Sentinel Technologies Employee Stock 38.0%, Dennis Hoelzer, President And Ceo 14.9%, Mary Hoelzer, Business Systems Manager 11.5%, Jim Emmel, Chief Operating Officer 8.5%, Other- Mgmt Shareholders 24.5%, Non-Mgmt Shareholders 2.6%

USER INFORMATION :

Project
Manager: 12510 - Information & Technology Services
42 West Madison Street
Chicago, IL 60602
Burnson, Mr. Richard A
773-553-1330

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 15-0225-PR12) in the amount of \$101,000,000.00 is for a term commencing July 1, 2015 and ending June 30, 2018 with the Board having two (2) options to renew for one (1) year terms. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2. The renewal Agreement (authorized by Board Report 18-0124-PR14) in the amount of

\$32,100,000.00 is for a term commencing July 1, 2018 and ending June 30, 2019 with the Board having one (1) option to renew for one (1) year term. The renewal agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing July 1, 2019 and ending June 30, 2020.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendor will continue to provide project management, design, equipment procurement and installation services for school and administrative office wired and wireless data network installations. These upgrades will enable the District to continue to support an increasingly technology infused curriculum and online tests in our schools.

DELIVERABLES:

Vendor will continue with:

1. Upgrading the data network in CPS schools district-wide.
2. The services will ensure the systems are designed in a cost effective measure and cabling work is bid out to a pool of trades vendors to keep construction costs down.

OUTCOMES:

Vendor's services will result in:

1. Upgraded wired and wireless data networks in schools district-wide to support the increasing need for devices, technology infused curriculum and online testing.
2. Deployed security cameras at the discretion of the safety and Security Team to the schools deemed most at risk.

COMPENSATION:

Vendor shall be paid as follows: Invoicing based on a per school completion. The Board is authorized to pay approved invoices up to the not-to-exceed amount. Reimbursement under the federal E-Rate program is anticipated to be up to approximately \$6.5 million in FY19. Vendor will be provided reimbursement from E-Rate utilizing the SPI (Service Provider Invoice) process and will be compensated by the Board for non-subsidized costs.

AUTHORIZATION:

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

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women-Owned Business Enterprise Participation in Goods and Services contracts, (M/WBE Program). 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.

Total MBE: 30%
MZI Group, Inc
1937 W Fulton St.
Chicago IL 60612
Ownership: Arthur Miller

Quantum Crossing, LLC
111 E Wacker Drive, Suite 990
Chicago, IL 60601
Ownership: Roger Martinez

Total WBE: 15%
Solai & Cameron
3410 W Van Buren
Chicago, IL 60624
Ownership: Mallar R Solai

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, General Funds, Fund 484, Capital Funds
FY19 Capital Funds - \$12,500,000
FY20 Capital Funds - \$10,000,000
SLD/E-Rate Funds - \$6,500,000
FY19 Operating Funds - \$350,000
Facilities/School FY19/20 Capital Funds - \$1,000,000 (To cover any new school or other capital improvement work)

Not to exceed 30,350,000 for the one (1) 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.

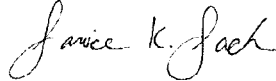
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



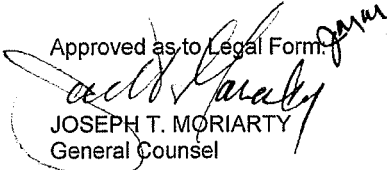
JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Chief Executive Officer

Approved as to Legal Form *Janice*



JOSEPH T. MORIARTY
General Counsel