

**APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH
SBC DATACOMM TO PROVIDE EQUIPMENT, INSTALLATION AND PROJECT MANAGEMENT
FOR THE WIDE AREA NETWORK**

Approve exercising the first option to renew the agreement with SBC Datacomm to provide equipment, installation and project management for the Wide Area Network ("WAN") program for the Office of Technology Services at a cost not to exceed \$5,564,000.00. This contract is eligible for E-Rate discounts. A written renewal agreement is currently being negotiated. No payment shall be made to the vendor prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this renewal agreement is stated below.

SPECIFICATION NO: 00-250245

CONSULTANT: SBC Datacomm
225 West Randolph, Floor 23C
Chicago, Illinois 60606
Contact: Kaneese McNamer
Telephone No. (312) 364-2982
Vendor No. 73289

USER: Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contacts: Elaine L. Williams, Chief Technology Officer
Arlene Love, Deputy Chief Technology Officer -- Operations
Telephone: (773) 553-1300

ORIGINAL AGREEMENT: The original agreement in the amount of \$3,000,000.00 (authorized by Board Report 00-1220-PR10) is for a term commencing July 1, 2001 and ending June 30, 2002, with the Board having the option to renew the agreement for two (2) additional one-year terms. The original agreement was awarded on a non-competitive basis because SBC is the provider of these services that qualifies the Chicago Public Schools for the negotiated discount on all Cisco purchases pursuant to a contract between ISBE and SBC Datacomm, which discount is currently 35%.

OPTION PERIOD: This agreement is being renewed for a term commencing July 1, 2002 and ending June 30, 2003. This term is necessary to coincide with, and allow the Board's participation in, Year 5 of the E-Rate Program.

OPTION PERIODS REMAINING: There is one (1) option period remaining.

SCOPE OF SERVICES: SBC Datacomm will continue to provide equipment, installation and project management services for WAN hardware upgrades, enhancements and expansion. The Chief Technology Officer and SBC Datacomm will define the scope of work for the installation and project management for each specific project, site and equipment list. If installation is unavailable for a particular location, SBC will provide hardware only. Equipment may include (but is not limited to): Cisco Systems hardware/software/services (including additional 2900 series switches, 6500s, and probes), IBM equipment and Sun servers.

DELIVERABLES: Vendor will continue to provide a Statement of Work with a detailed scope for each project, and technical specifications related to the installation and completion criteria. Prior to the start of all projects, the statement of work will be approved by the Deputy Chief Technology Officer. Project management documentation will include but is not limited to: (1) the summary of project timeline, and (2) change order requests. The vendor will install, configure and integrate new equipment into the Wide Area Network.

OUTCOME: The Board will have improved LAN/WAN services and features to the schools and additional sites will be added to the WAN.

COMPENSATION: Vendor shall be paid during this period as follows: upon invoicing, not to exceed the sum of \$5,564,000.00. The service provided by SBC Datacomm is eligible for, but not contingent upon, E-Rate discounts under the Federal Government's Universal Services program.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize the Chief Technology Officer to execute all ancillary documents required to administer or effectuate the renewal agreement.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 35% total MBE with 22% African American, 10% Hispanic and 2% Asian. The total WBE goal is 5%.

However, the Waiver Review Committee recommends that a partial waiver of the participation goals for this contract as required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) be waived because the Vendor exhibited good faith efforts.

The Vendor has, however, identified and scheduled the following percentages:

- Total MBE: 30%
 - Total African American participation is 21.5%
 - Star Detective and Security, 813 East 87th Street, Chicago, IL 60619 \$1,200,000.00
 - M/WBE certification expires 2/28/07
- Total Hispanic participation is 4.56%
 - Monarch Marketing Group, 1100 West Cermak Road, Chicago, IL 60606 \$254,000.00
 - M/WBE certification expires 2/28/07
- Total Asian participation is 4.58%
 - Task Performance Group, Inc., 3158 S River Rd, Des Plaines, IL 60018 \$255,000.00
 - M/WBE certification expires 1/31/02

The City of Chicago, Department of Procurement Services, certifies each identified firm. The identified firms are subject to change upon approval from the Procurement and Contract's Division of Compliance and Vendor Services without prior Board approval.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Charge to the Office of Technology Services: \$5,564,000.00
Budget Classification: 0960-210-000-1618-5410 \$5,564,000.00 FY 2003

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 member during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.


Ethics – The Board’s Ethics Code adopted September 27, 1995 (95-0927-RU3), 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:


Anita Rocha
Acting Chief Purchasing Officer

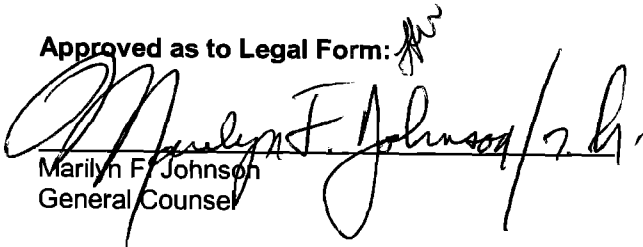
Approved:


Arne Duncan
Chief Executive Officer *by PAD*

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to Legal Form:


Marilyn F. Johnson
General Counsel