

**APPROVE ENTERING INTO A SOFTWARE LICENSE AND SUBSCRIPTION UPGRADE
AGREEMENT WITH UNISYS CORPORATION**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a software license and subscription upgrade agreement with Unisys Corporation for software upgrades and software subscription upgrades (SSU) to be used by the Office of Technology Services ("OTS") at a cost not to exceed \$1,620,561.00 for five (5) years. Vendor was selected on a non-competitive basis because the MAPPER and ClearPath software are proprietary to Unisys and required to maintain the Student Information System. A written license agreement for such software products is currently being negotiated. Software upgrades to MAPPER and ClearPath will be provided on an as required basis on the annual renewal date. The Board must pay an annual fee for such upgrades and subscriptions. No use of the software shall begin and no payment shall be made to software Licensor prior to the execution of the written license agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this agreement is stated below.

SOFTWARE LICENSOR: UNISYS Corporation
One East Wacker Drive
Chicago, Illinois 60601
Contact: Christopher J. Gonzalez
Telephone No. (312) 832-7284
Vendor No. 28507

USER: Office of Technology Services
125 South Clark, 3rd Floor
Chicago, Illinois 60603
Contacts: Elaine L. Williams, Chief Technology Officer
Arlene Love, Deputy Chief Technology Officer, Operations
Telephone No. (773) 553-1300

TERM: The term of this software license agreement shall commence on February 1, 2002 and shall end January 31, 2006. This agreement shall have no options to renew.

EARLY TERMINATION RIGHT: After CPS fulfills the Year 1 and Year 2 SSU, CPS will then have the ability to cancel the Year 3, Year 4 and/or Year 5 SSU purchase upon a thirty (30) day written cancellation notice to Unisys.

USE OF SOFTWARE: The license upgrade and subscriptions will allow the Board to use Unisys' proprietary software for the term of the license agreements.

DELIVERABLES: Software license upgrades and subscription services for the Unisys ClearPath IX4802-3 system, software license services for Mapper user licenses, and on-site technician to install software.

OUTCOMES: The purchase of the software upgrade and the software subscriptions will result in the Board obtaining: (1) the software major release levels will be made available at pre-determined prices for budgeting future purchases; (2) will ensure availability of latest release levels and versions of software. In order to be eligible for support, Unisys requires that the Board have installed current releases of their software.

LICENSE AND SUBSCRIPTION UPGRADE FEE: Software Licensor shall be paid a lump sum on July 15, 2002, in the amount of \$345,545.00 (\$63,813.00 for MAPPER 43R1 Upgrade and \$281,732.00 for ClearPath Software Upgrade Subscription) for the first year. Subsequent years will be invoiced annually on February 1 at the not to exceed amounts of \$295,819.00 for 2003, \$310,610.00 for 2004, \$326,140.00 for 2005, and \$342,447.00 for 2006.

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

AFFIRMATIVE ACTION: The M/WBE goals for this contract include:

35% Total MBE, 22% Total African American, 10% Total Hispanic, 2% Total Asian and 5% Total WBE.

However, the Waiver Review Committee recommends that a full 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 contract scope is not further divisible".

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

FINANCIAL: Charge to the Office of Technology Services: \$1,620,561.00

| | | |
|--|--------------|-------------------|
| Budget Classifications: 0960-210-000-1116-5470 | \$641,364.00 | Fiscal Year: 2003 |
| 0960-210-000-1116-5470 | \$310,610.00 | Fiscal Year: 2004 |
| 0960-210-000-1116-5470 | \$326,140.00 | Fiscal Year: 2005 |
| 0960-210-000-1116-5470 | \$342,447.00 | Fiscal Year: 2006 |

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 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.

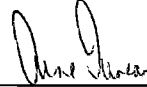
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



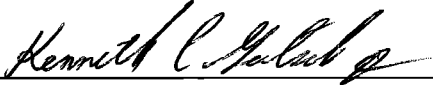
Anita Rocha
Acting Chief Purchasing Officer

Approved:



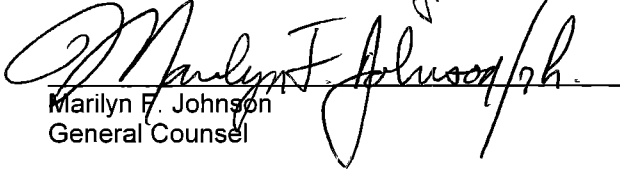
Arne Duncan
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to Legal Form:



Marilyn F. Johnson
General Counsel