

**APPROVE EXERCISING THE OPTION TO EXTEND THE AGREEMENTS  
WITH ACER AMERICA CORPORATION, IBM CORPORATION AND DELL COMPUTER  
FOR THE PURCHASE OF COMPUTERS AND WARRANTY SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve exercising the option to extend the agreements with Acer America Corporation, IBM Corporation and Dell Computer for the purchase of computers and warranty services for all schools, regions and departments at a cost for the option period not to exceed \$25,000,000.00. These agreements are subject to the Board's Strategic Sourcing Policy. New agreements for the purchase of computers and warranty services will be obtained by competitive solicitation prior to June 30, 2003. These new agreements will be phased in during a 90 day transition period extending through September 30, 2003. Written documents exercising the option for Acer, IBM and Dell are currently being negotiated. No payment shall be made to either Acer, IBM or Dell prior to the execution of such vendor's written extension agreement. The authority granted herein shall automatically rescind as to each vendor in the event a written extension document is not executed by such vendor within 90 days of the date of this Board Report. Information pertinent to these options and agreements is stated below.

Specification No.: 00-250499

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| <p><b>Vendor: 1.</b> Acer America Corporation<br/>2641 Orchard Parkway<br/>San Jose, CA 95134<br/>(847) 839-8473<br/>Contact Person: Jeff Mahaffa<br/>Vendor No.: 22242</p> | <p><b>3.</b> Dell Computer<br/>One Dell Way<br/>MS Box 8707<br/>Round Rock, TX 78682<br/>(512) 728-2353<br/>Contact Person: J.C. Madrigal, Marketing<br/>Regional Contract Manager/Vendor No.: 44646</p> |
| <p><b>2.</b> IBM Corporation<br/>330 North Wabash<br/>Chicago, IL 60611/ (312) 245-5692<br/>Contact Person: Kai J. Bunch/Vendor No.: 13388</p>                              |  |

**ORIGINAL AGREEMENTS:** The original agreement with IBM has a commencement date of January 9, 2001, the original agreement with Acer has a commencement date of January 12, 2001, and were authorized by Board Report 00-1120-PR2. The original agreement with Dell has a commencement date of July 1, 2002 and was authorized by Board Report 02-0724-PR2. All agreements expire on December 31, 2002. The Acer and IBM agreements grant the Board three (3) options to renew for periods of one year each upon the same terms and prices stated in the original agreements. The Acer and IBM agreements were renewed for a six-month term commencing July 1, 2002 and ending December 31, 2002 authorized under Board Report 02-0724-PR2. The Dell agreement grants the Board two options to renew for periods of one year each upon the same prices and terms stated in the original agreement. The Acer and IBM original agreements were awarded pursuant to a duly advertised Request for Proposals. Dell was selected because it offered competitive pricing on non-biddable equipment.

**OPTION PERIOD:** The term of each agreement with Acer, IBM and Dell is being extended for nine months commencing January 1, 2003 and ending September 30, 2003.

**OPTION PERIODS REMAINING:** There is 1 option period for 1 year each remaining on the Acer, IBM and Dell agreements.

**SCOPE OF SERVICES:** Vendors will continue to provide PC desktops and associated installation, configuration extended warranty and maintenance services. Schools, regional, and central office Departments may purchase equipment and services at their option via requisition to Procurement and Contracts who will mail a purchase order to the vendor. School purchases that exceed \$10,000 must be approved by the REO. In the Central Offices, the respective Chief must approve purchases over \$10,000.

**DELIVERABLES:** Vendors will continue to provide PC desktops and associated installation, configuration extended warranty and maintenance services.

**PRICES:** The prices for the purchase of the equipment shall be in accordance with the price lists included in each vendor's original agreement.

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

**AFFIRMATIVE ACTION:** Pursuant to Section 6.2 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the Per Contract and Category Goals method for M/WBE participation will be utilized. Thus, contracts for subsequent vendors from the pool created by this contract will be subject to compliance reviews on a contract-by-contract basis. Aggregated compliance of the vendors in the pool will be reported on a quarterly basis.

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

**FINANCIAL:** Charge to various schools and departments  
Fiscal Years: 2002-2003  
Budget Classification: 5320-Supplies, 5730-Equipment, 5470-Services/Repair Contracts

**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.

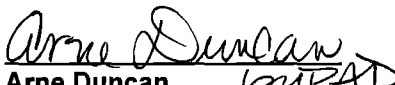
Ethics – The Board’s Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

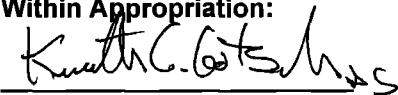
**Approved for Consideration:**

  
Anita Rocha  
Acting Chief Purchasing Officer

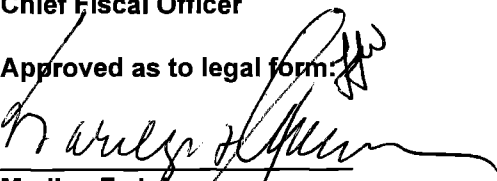
**Approved:**

  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
Kenneth C. Gotsch  
Chief Fiscal Officer

**Approved as to legal form:**

  
Marilyn F. Johnson  
General Counsel