

**APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT
WITH HALLAGHAN BUSINESS MACHINES FOR THE PURCHASE AND/OR LEASE
OF DIGITAL DUPLICATORS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to renew the agreement with Hallaghan Business Machines for the purchase and/or lease of digital duplicators and associated supplies, maintenance and repair services for use by all region and central office departments and schools at a cost not to exceed \$1,000,000.00 for the first option period. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to the 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 and amendment is stated below.

SPECIFICATION NO.: 00-250499

VENDOR: Hallaghan Business Machines
6854 W. North Ave.
Chicago, Illinois 60603
Contact Person: Ms. Joan Hallaghan
(773) 637-0368

USER: All Departments and Schools of the Board of Education of the City of Chicago

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report No. 00-0823-PR1, as amended by Board Report (02-0123-PR1) is for term commencing December 20, 2000 and ending December 19, 2002, with the Board having the option to renew for two additional one year periods. The negotiated prices for this agreement shall remain fixed throughout the term of the agreement and any option to renew. The original agreement was awarded pursuant to a duly advertised RFP (specification 00-250499).

OPTION PERIOD: The term of this agreement is being extended for one (1) year commencing December 20, 2002 and ending December 19, 2003.

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

DELIVERABLES: Vendor will continue to provide digital duplicators and associated supplies, maintenance, and repair services. Schools region and central office departments may purchase or lease equipment at their option via purchase order to Procurement and Contracts who will mail to the Vendor. Principals have the authority to enter into a lease agreement for up to three (3) years. Any lease agreement, which extends beyond the principals contract must be signed by the Area Instructional Officer (AIO). Purchases that exceed the \$10,000.00 principal authority must be approved by the AIO. In the Central Office, it must be approved by the Chief.

PRICES: The prices for the purchase and or lease of the equipment shall be those prices specified in the original agreement.

COMPENSATION: Vendor shall be paid as periodic invoices are submitted and verified in an amount not to exceed \$1,000,000.00 for the option period.

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.

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 *partial* waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the vendor has demonstrated reasonable good faith efforts.

The vendor has, however, identified and scheduled the following firms and percentages

Total MBE 16%

Total 8% African American:

<i>Professional Systems</i>	<i>7902 S. Artesian Avenue, Chgo., IL 60652</i>
<i>\$80,000.00/8%</i>	<i>Certified through 5/1/03</i>

Total 8% Asian:

<i>Active Copier</i>	<i>3839 W. Devon Ave., Chgo., IL 60659</i>
<i>\$80,000.00/8%</i>	<i>Certified through 6/1/03</i>

Total WBE 84%

<i>Hallagan Office</i>	<i>6854 W. North Avenue, Chgo., IL 60707</i>
<i>\$840,000.00/84%</i>	<i>Certified through 9/1/03</i>

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 further Board approval.

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

FINANCIAL: Charge to Various Departments
Fiscal Year: 2003
Source of Funds: Various

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:



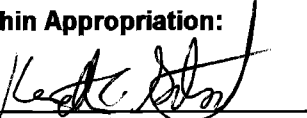
**Anita Rocha
Acting Chief Purchasing Officer**

Approved:



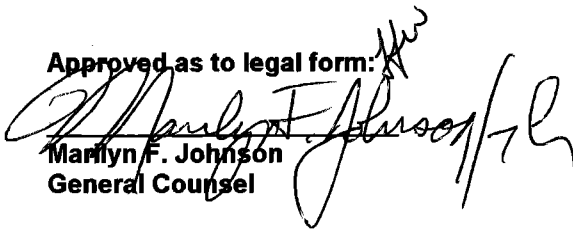
**Arne Duncan
Chief Executive Officer**

Within Appropriation:



**Kenneth C. Gotsch
Chief Fiscal Officer**

Approved as to legal form:



**Marilyn F. Johnson
General Counsel**