

**APPROVE PAYMENT TO UNIVERSAL SERVICES ADMINISTRATIVE COMPANY
FOR REIMBURSEMENT OF NON-ELIGIBLE E-RATE SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve payment to the Universal Services Administrative Company ("USAC") for reimbursement of non-eligible E-Rate services that were provided by Blackwell Consulting Services to the Office of Technology Services from February 1, 2001 through July 31, 2001 in the amount of \$96,328.32. Pursuant to a Federal audit conducted, the services stated below were deemed ineligible for E-Rate reimbursement. Therefore, since Blackwell received payment from USAC for these services, the Board must now reimburse USAC for these non-eligible services costs.

Specification No.: 03-250099

PAYEE: Universal Services Administrative Company ("USAC")
2120 L. Street, NW #600
Washington, DC 20037
Contact: Ed Falkowitz
Telephone No. (202) 263-1620
Vendor No.

USER: Office of Technology Services
125 South Clark, 3rd Floor
Chicago, Illinois 60603
Contact: David Vitale, Acting Chief Technology Officer
Jane Kratochvil, E-Rate Manager
Telephone No. 773-553-1300

SCOPE OF SERVICES: Blackwell provided, and billed USAC for, the following services which have been deemed non-eligible E-Rate services;

- Tivoli/systems management
- firewall maintenance
- personnel database development
- website development and maintenance

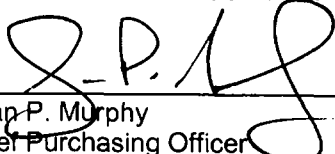
PAYMENT: USAC shall be paid upon invoicing, one lump sum payment in the amount of \$96,328.32.

AFFIRMATIVE ACTION: A review of Minority and Women Business Enterprise participation was precluded due to completed contract performance.

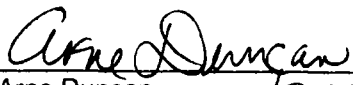
LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Charge to the Office of Technology Services: \$96,328.32
Budget Classification: 0220-210-000-1149-5410 \$96,328.32 FY 03

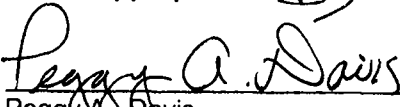
Approved for Consideration:


Sean P. Murphy
Chief Purchasing Officer

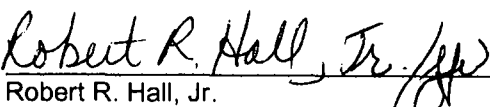
Approved:


Arne Duncan
Chief Executive Officer *BY P.M.D.*

Within Appropriation: *DS*


Peggy A. Davis
Chief of Staff

Approved as to Legal Form:


Robert R. Hall, Jr.
Acting General Counsel