

**APPROVE ENTERING INTO AN AGREEMENT WITH ORACLE CORPORATION TO PURCHASE
TREASURY SOFTWARE LICENSES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement to purchase five (5) Treasury Management software licenses from Oracle Corporation ("Oracle") at a cost not to exceed \$106,728.65. Software licensor was selected on a non-competitive basis because the software provides the functionality required by the Bureau of Treasury, is part of the Oracle 11i Financial package, and interfaces with other Oracle modules that the Board has purchased. A written license agreement for such software license is currently being negotiated. Future software upgrades and fixes will be provided for by an annual maintenance fee that is not included in the license price. 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.

SPECIFICATION No.: 03-250225

SOFTWARE LICENSOR: Oracle Corporation
233 South Wacker Drive
Chicago, Illinois 60606
Contact: Mr. Michael Dean
Telephone No.: (614) 280-6550
Vendor Number: 26099

USER: Bureau of Treasury
125 South Clark, 13th Floor
Chicago, Illinois 60603
Contact: David Bryant, Treasurer
Telephone No.: (773) 553-2806

Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: Robert Runcie, Chief Information Officer
Stephanie Hunter, Director, Applications
Telephone No.: (773) 553-1300

TERM: This is a one-time purchase and the term of the agreement shall commence upon execution and end upon satisfactory delivery of the software licenses.

USE OF SOFTWARE: Oracle will provide five (5) licenses to the Board to use the Oracle Treasury Management software module. Oracle will also provide maintenance for one (1) year on this licensed software, which consists of program corrections and enhancements that Oracle may develop during the term of this agreement as long as the Board's annual maintenance fee is current.

PURCHASE FEE: Oracle shall be paid a lump sum in the amount of not to exceed \$87,482.50 for five Treasury management software licenses.

MAINTENANCE FEE: Oracle shall be paid a lump sum of \$19,246.15 for a one (1) year period of maintenance. Subsequent annual maintenance fees will be set at a cost which equals 22% of the prevailing license fee for this software product, not to exceed a 5% increase per year.

DELIVERABLES: Oracle will license the software to the Board, and will also provide program corrections and enhancements that Oracle may develop during the term of the agreement, on magnetic tape, CD, email attachment, via downloadable FTP, or the then current method of software delivery.

OUTCOMES: The software program product, Oracle Treasury Management will further automate the Bureau of Treasury's recording of transactions and reporting for its debts and investments, thus making the Bureau more efficient. It will also reduce investment advisory fees because the Bureau will be tracking its own investment portfolio.

COMPENSATION: Under the agreement, Oracle shall be paid as follows: upon invoicing, a one time charge of \$87,482.50 for the License; a one time payment of \$19,246.15 for the first annual maintenance fee. Total compensation not to exceed \$106,728.65.

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 Treasurer to execute all ancillary documents required to administer or effectuate this license agreement.

AFFIRMATIVE ACTION: Pursuant to Section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) this contract is exempt from review because the contract is a unique transaction.

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

FINANCIAL: Charge to Bureau of Treasury for License fee: \$87,482.50
Budget Classification: 0230-060-000-1135-5410 FY04

Charge to Office Technology Services for Annual Maintenance fee: \$19,246.15
Budget Classification: 0960-210-000-1111-5470 FY04

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.

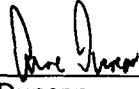
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:




Heather Crossley
Chief Purchasing Officer

Approved:



Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form: 



Ruth Moscovitch
General Counsel