

**APPROVE EXERCISING THE SECOND OPTION TO RENEW THE AGREEMENTS
WITH ACTIVE COPIERS, MINOLTA BUSINESS SOLUTIONS, AND UNITED BUSINESS MACHINES
FOR THE PURCHASE AND/OR LEASE OF COPIERS AND FAX MACHINES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second option to renew the agreements with Active Copiers, Minolta Business Solutions, Inc., and United Business Machines for the purchase and/or lease of copiers, fax machines and associated supplies, maintenance, repair services and training for use by all Area Instruction offices, central office departments and schools at a cost not to exceed \$5,000,000.00 for the second option period. These contracts are subject to the Board's Strategic Sourcing Policy. Written renewal documents exercising these second options are currently being negotiated. No payment shall be made to any of these Vendors during the second option period prior to the execution of such vendor's written renewal document. The authority granted herein shall automatically rescind as to each vendor in the event a written renewal document is not executed by such vendor within 90 days of the date of this Board Report. Information pertinent to this second option is stated below.

SPECIFICATION NO.: 00-250499

- VENDOR:**
- | | | | |
|----|---|----|--|
| 1. | Active Copier
3839 West Devon Avenue
Chicago, Illinois 60659
Mr. Charlie Jung
773 539-3333
Vendor No.: 13563 | 2. | Minolta Business Solutions, Inc.
150 S. Wacker Dr., Suite 2300
Chicago, IL. 60606
Ms. Karrie J. Berg
312 726-9100
Vendor No. 22594 |
| | 3. | | United Business Solutions LLC
d/b/a/ United Business Machines (UBM)
2171 Executive Drive – Suite 250
Addison, IL. 60101
Mr. Fred Martin
630 620-4000
Vendor No.: 41542 |

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

Contact Person: Jacqueline Daly, Commodity Manager 553-2274

ORIGINAL AGREEMENTS: The original agreements (authorized by Board Report 01-1219-PR4) are for terms as follows: Active Copier commenced January 24, 2001 and ends January 23, 2003; Minolta Business Solutions commences February 2, 2001 and ends February 1, 2003; and United Business Solutions commences January 12, 2001 and ends January 11, 2003. Each agreement provides the Board with two options to renew for 1-year periods. The agreements were renewed (authorized by Board Report 02-1218-PR05) for a one-year term with each agreement ending January 31, 2004. The original agreements were awarded pursuant to a duly advertised Request for Proposals (Specification #00-250499).

OPTION PERIOD: The term of each agreement is being extended for one (1) year through January 31, 2005.

OPTION PERIODS REMAINING: None

DELIVERABLES: Active Copier, Minolta Business Solution and United Business Solutions will continue to provide copier equipment, fax machines, and associated supplies, maintenance, repair services and training to CPS staff. Schools, Area Instruction offices and central office departments may purchase or lease equipment at their option via requisition to Procurement and Contracts who will mail a purchase order to the vendor. Principals and Chiefs shall have the authority to enter into lease/purchase agreements up to a three (3) year term. Any lease/purchase agreement which extends beyond a principal's contract, must be signed by the Area Instruction Officer (AIO). Purchases that exceed the \$25,000 principal authority must be approved by the AIO. In the central office, purchases over \$25,000.00 must be approved by the Chief.

PRICES: The prices for the purchase and/or lease of the equipment shall be as specified in the original agreements.

COMPENSATION: Vendors shall be paid as periodic invoices are submitted and verified in amounts not to exceed \$5,000,000.00 during the option period.

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.

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 monthly basis.

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

FINANCIAL: Charge to Various Departments
Fiscal Year: 2004,2005
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.

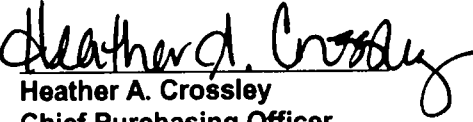
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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).

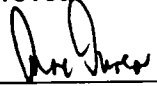
Approved for Consideration:


Heather A. Crossley
Chief Purchasing Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved:


Arne Duncan
Chief Executive Officer

Approved as to legal form: 


Ruth M. Moscovitch
General Counsel