

**APPROVE ENTERING INTO AN AGREEMENT WITH
KRONOS INCORPORATED FOR THE PURCHASE OF HARDWARE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering in an agreement with Kronos Incorporated to provide 4500 series payroll clocks, which will replace all of the Board's current Kronos payroll clocks, for the Office of Technology Services ("OTS"), at a cost not to exceed \$1,662,000.00. Kronos was selected on a non-competitive basis because of its proprietary hardware system and previous work for the Office of Technology Services. A written agreement is currently being negotiated. No payment shall be made to Kronos prior to the execution of the written 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.: 04-250174

VENDOR: Kronos Incorporated
1515 Woodfield Road, Suite 400
Schaumburg, Illinois 60173
Contact: John Hogan
Telephone: (847) 969-6578
Vendor No.: 31925

USER: Office of Technology Services
125 South Clark, 3rd Floor
Chicago, Illinois 60603
Contact: Robert Runcie, Chief Information Officer
Anthony McPhearson, Director of LAN Services
Telephone No.: (773) 553-1300

Office of School Financial Services
125 South Clark, 14th Floor
Chicago, Illinois 60603
Contact: John Maiorca, Chief Financial Officer
Ray Sanders, Director of Payroll
Telephone No.: (773) 553-2700

TERM: The term of this agreement shall commence November 1, 2004 and shall end December 31, 2006.

SERVICES: Over the term of the agreement, Kronos will provide 795 of the 4500 Numeric Bar Code 10/100 MB Ethernet or Modem series payroll clocks for use on the smart converter and keypad system. Kronos will additionally supply 105 of the 4500 Touch ID Numeric Bar Code 10/100 MB Ethernet clocks. Battery backup kits will be equipped for all of the clocks and an internal AC outlet kit will be included for the 105 Touch ID clocks.

DELIVERABLES: Kronos will provide payroll clocks, on an as needed basis, throughout the term of the agreement.

OUTCOMES: Kronos, services will result in the replacement of all of the 900 existing payroll clocks operated by the Board and OTS will have the necessary hardware to insure the proper functioning of the operating system.

COMPENSATION: Consultant shall be paid on a monthly basis upon invoicing; total amount not to exceed \$1,662,000.00.

REIMBURSEMENT EXPENSES: None.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Information Officer to execute all ancillary documents required to administer or effectuate this maintenance agreement.

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 *full* waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the contract scope is not further divisible.

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

FINANCIAL: Charge to Office of Technology Services: \$1,662,000.00
Budget Classification: 0220-464-000-1110-5730 \$560,000 FY05
0220-464-000-1110-5730 \$562,000 FY06
0220-464-000-1110-5730 \$540,000 FY07

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.

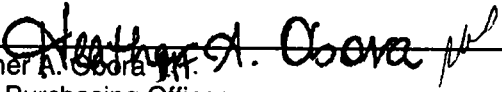
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Approved:



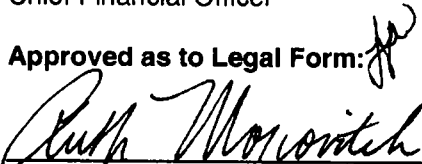
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form:



Ruth Moscovitch
General Counsel