

**APPROVE ENTERING INTO TWO AGREEMENTS WITH QUANTUM CROSSINGS, LLC
FOR TELECOMMUNICATIONS MAINTENANCE, CABLING, AND MOVES, ADDS AND CHANGES SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into two agreements with Quantum Crossings, LLC ("Quantum") to provide Telecommunications maintenance, cabling, and moves, adds and changes (MAC) services for the Office of Technology Services ("OTS"). The first agreement will cover basic maintenance services eligible for the E-Rate discount and shall not exceed \$6,848,622.00 of which approximately \$5,958,301.14 is eligible for discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate") ("Eligible Contract" or "Contract #1"). It is anticipated that the school and Library Division/Universal Services Administrative Company ("SLD/USAC") will fund eligible E-Rate services and products, and the total cost to the Board shall not exceed \$890,320.86. The second agreement shall cover both eligible and ineligible services (other than basic maintenance) at a cost not to exceed \$6,816,832.20 of which approximately \$1,962,526.86 is eligible for E-Rate discounts, at a total cost to the Board not to exceed \$4,854,305.34 ("Contract #2"). Quantum was selected pursuant to a duly advertised Request for Proposals (Specification No. 05-250046). Written agreements for Quantum's services are currently being negotiated. No services shall be provided by Quantum and no payment shall be made to Quantum prior to the execution of the respective written agreement. The authority granted herein shall automatically rescind as to each agreement in the event such agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to these agreements is stated below.

SPECIFICATION NO.: 05-250046

VENDOR: Quantum Crossings LLC
455 North Cityfront Plaza
Chicago, Illinois 60611
Contact: Mr. Roger Martinez, President
Telephone No.: (312) 467-0065
Vendor No.: 32334

USER: Office of Technology Services
125 South Clark Street
Chicago, Illinois 60603
Contact: Robert W. Runcie, Chief Information Officer
Kathryn Zalewski, Director of Telecommunications
Telephone No.: (773) 553-1300

TERM: The term of both agreements shall commence on July 1, 2006 and shall end on June 30, 2009. This term is necessary to coincide with, and allow for the Board's participation in, Years 9, 10, and 11 of the Federal E-Rate program. These agreements shall have two (2) options to renew for periods of one (1) year each at a cost to be negotiated at the time of renewal.

SCOPE OF SERVICES: The first agreement covering basic maintenance services eligible for the E-Rate discount shall be as follows: Quantum will provide onsite basic maintenance services in conjunction with the E-Rate Program to the Board. This will include qualified telecommunications technicians for maintenance, cabling and MAC services for the Board's voice communications system infrastructure and voice/data cabling infrastructure for approximately seven hundred (700) Board locations throughout the City of Chicago. Quantum shall also provide maintenance of the Board's communications systems, data drops, MAC orders and voice/data cabling infrastructure, including fiber, to support the Board's premise-based communications systems. The second agreement shall cover eligible and ineligible services (other than basic maintenance) including technical support for intercom programming, telephone line appearances, handset placement and programming, high voltage cabling and electrical work.

DELIVERABLES: Under Contract #1, during the term, Quantum will provide basic maintenance of Eligible E-Rate Services and/or Products including:

- An "as-needed" pool of certified and qualified telecommunications technicians, as well as one (1) working supervisor and one (1) driver for OTS Telecommunications.
- Cabling, systems programming, voicemail programming and basic maintenance
- Extending and testing local exchange carrier (LEC) services

- Repair/replacement of system equipment cards and components
- Cross-connections to trunks/lines
- 12-24 hours notification to dispatch technicians to site.
- Daily status tickets and other supplemental reports upon request.

Under Contract #2, during the term, Quantum will provide non-basic maintenance of Eligible and InEligible E-Rate Services and/or Products including:

- Cabling, systems programming, and voicemail programming for new circuits
- Maintain and/or collect and replace damaged telephone components with new and/or refurbished equipment.
- Cabling and technical support for new cabling and new systems.
- Technical support for intercom systems, ineligible voice systems, handset placement
- Electrical and power services

OUTCOMES: Quantum’s services shall result in the Board having infrastructure and telecommunications systems maintenance, cabling and MAC support services through fiscal year 2009.

COMPENSATION: Upon monthly invoicing, Quantum shall be paid as specified in each agreement. The first agreement covering basic maintenance services eligible for the E-Rate discount shall not exceed \$6,848,622.00, of which approximately \$5,958,301.14 is eligible for, but not contingent upon E-Rate discounts, at a total cost to the Board not to exceed \$890,320.86.

Compensation payable under Contract #2 shall not exceed \$6,816,832.20, of which approximately \$1,962,526.86 is eligible for E-Rate discounts; the total cost to the Board shall not exceed \$4,854,305.34.

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

AFFIRMATIVE ACTION: This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The M/WBE participation goals for the contract include: 35% total MBE and 5% total WBE.

The vendor has identified and scheduled the following firms and percentages:

Total 90% Hispanic:

Quantum Crossing, LLC
 455 N. Cityfront Plaza, Suite# 3100
 Chicago, Illinois 60611

Certified until April 1, 2006

Total 10% WBE:

Phoenix Business Solution
 5330 W. 124th Street
 Alsip, Illinois 60803

Certified until March 15, 2007

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

FINANCIAL:

		FY07	FY08	FY09	TOTAL
Annual Eligible-Basic Mtnce		\$2,282,874.00	\$2,282,874.00	\$2,282,874.00	\$6,848,622.00
	CPS-13%	\$296,773.62	\$296,773.62	\$296,773.62	\$890,320.86
	SLD-87%	\$1,986,100.38	\$1,986,100.38	\$1,986,100.38	\$5,958,301.14
Annual Eligible-Other		\$751,926.00	\$751,926.00	\$751,926.00	\$2,255,778.00
	CPS-13%	\$97,750.38	\$97,750.38	\$97,750.38	\$293,251.14
	SLD-87%	\$654,175.62	\$654,175.62	\$654,175.62	\$1,962,526.86
TOTAL ANNUAL ELIGIBLE		\$3,034,800.00	\$3,034,800.00	\$3,034,800.00	\$9,104,400.00
	CPS-13%	\$394,524.00	\$394,524.00	\$394,524.00	\$1,183,572.00
	SLD-87%	\$2,640,276.00	\$2,640,276.00	\$2,640,276.00	\$7,920,828.00

ANNUAL INELIGIBLE	<u>\$1,520,351.40</u>	<u>\$1,520,351.40</u>	<u>\$1,520,351.40</u>	<u>\$4,561,054.20</u>
	\$4,555,151.40	\$4,555,151.40	\$4,555,151.40	\$13,665,454.20
CPS PAYS 12510-230-54405-254906-000000	\$1,914,875.40	\$1,914,875.40	\$1,914,875.40	\$5,744,626.20
SLD PAYS	<u>\$2,640,276.00</u>	<u>\$2,640,276.00</u>	<u>\$2,640,276.00</u>	<u>\$7,920,828.00</u>
	\$4,555,151.40	\$4,555,151.40	\$4,555,151.40	\$13,665,454.20

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.

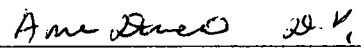
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time shall be incorporated into and made a part of the agreement.

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).

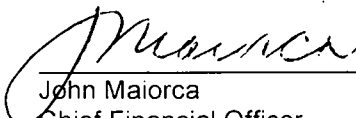
Approved for Consideration:


 Heather A. Obora
 Chief Purchasing Officer

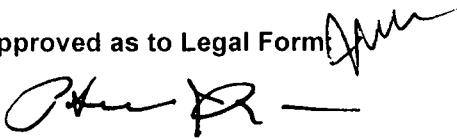
Approved:


 Arne Duncan
 Chief Executive Officer

Within Appropriation:


 John Maiorca
 Chief Financial Officer

Approved as to Legal Form:


 Patrick J. Rocks
 General Counsel