

**APPROVE ENTERING INTO AN AGREEMENT WITH MICROSOFT CORPORATION
FOR CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Microsoft Corporation to provide consulting services to Office of Technology Services at a cost not to exceed \$379,500.00. Consultant was selected on a non-competitive basis due to its qualifications, expertise and abilities to provide appropriate services supporting the most effective and efficient use of tools and technologies in the CPS environment. A written agreement for Consultant's services is currently being negotiated. No services shall be provided by Consultant and no payment shall be made to Consultant 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 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

CONSULTANT: Microsoft Corporation
77 W. Wacker Dr. Suite 2300
Chicago, Illinois 60601
Contact Person: Kevin Rogers
Telephone No.: (847) 477-5933
Vendor No.: 39608

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

TERM: The term of this agreement shall commence on May 1, 2006 and shall end April 30, 2007. This agreement shall have two (2) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES: Microsoft will provide Enterprise Strategy Consultant Services that will include but not be limited to the following:

- Provide a High Level Architecture/ Technology Roadmap
- Enterprise Architecture defined in IT Strategy Plan – based on top initiatives, i.e. Project IMPACT, curriculum and instructional management, etc.
- Technical “master” plan with guiding principles
- Framework for maintaining and analyzing IT architecture components (ex. i.e. LDAP, active directory intergration)
- Constraints and risks – business, IT governance, technology, and operations
- Provide strategy roadmap for delivering architecture and capabilities
- Current architecture and practices evaluation
- Lead Individual strategy services or manage in Partners/MCS
- Provide Risk Management Plan – Mitigation / Remediation Strategies

DELIVERABLES: Microsoft will provide Enterprise Strategy Consultant Services that will serve as an on-site resource and will submit status reports to the Board's CIO that will include the following:

- Benefits Management – Tracking of value received
- IT Strategy Plan Re-alignment
- IT Strategy Plan Re-issue or additional plans
- Select additional areas of execution
- IT customer readiness
- Conduct further discovery

OUTCOMES: Consultant's services will result a single point of delivery and support through the entire IT cycle from identifying an IT strategy to supporting the day-to-day business operations.

COMPENSATION: Consultant shall be paid as follows: upon invoicing, a total amount not to exceed the sum of \$379,500.00.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement including any indemnities to be provided to the Consultant by the Board. Authorize the President and Secretary to execute the agreement. Authorize Chief Information Officer to execute all ancillary documents required to administer or effectuate this 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% 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.

Microsoft has agreed to work with and mentor a student in our Education to Careers Internship Program. Microsoft commits to working in good faith with CPS to develop a set of responsibilities and mentoring agenda for the identified student.

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

FINANCIAL:	Charge to the Office of Technology Services: \$379,500.00		
	Budget Classification: 0220-467-000-9572-5410	\$ 94,875.00	FY 06
		0220-467-000-9572-5410	\$284,625.00 FY 07

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.

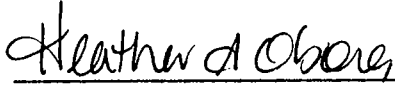
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-P04), as amended from time to time, shall be incorporated into and made a part of the agreement.

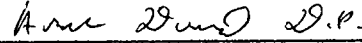
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:



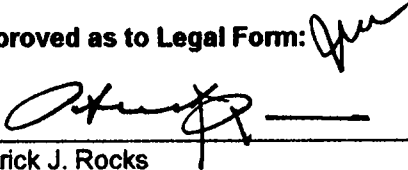
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form:



Patrick J. Rocks
General Counsel