

**RATIFY THE RENEWAL OF THE MASTER AGREEMENT WITH ORACLE USA, INC.  
FOR SOFTWARE MAINTENANCE AND SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Ratify the renewal of the master agreement with Oracle USA, Inc., f/k/a Oracle Corporation, Inc., and the form of the master agreement as executed, at a cost for the option period not to exceed \$308,000. This renewal of the master agreement with Oracle is necessary for the Board to continue to receive cost savings on maintenance support for software licenses purchased during the term of the master agreement. The Board's estimated total cost savings on maintenance for this renewal term is estimated at \$2,292,000.00. An extension agreement is currently being negotiated. No payment shall be made to Oracle prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written extension agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this extension is stated below.

**CONSULTANT:** Oracle USA, Inc. (f/k/a Oracle Corporation, Inc.)  
500 Oracle Parkway  
Redwood, California 94065  
Contact Person: Michael Dean  
Telephone No.: (614) 280-6550  
Vendor No.: 91760

- USER:**
- 1.) Office of Technology Services  
125 South Clark Street, 3rd Floor  
Chicago, Illinois 60603  
Contact: Robert Runcie, Chief Information Officer  
Jerome Goude-lock, Director, HR & Finance Information Systems  
Telephone No.: (773) 553-1300
  - 2.) Department of Finance  
125 South Clark, 14<sup>th</sup> Floor  
Chicago, Illinois 60603  
Contact: John Maiorca, Chief Financial Officer  
Telephone No.: (773) 553-2700
  - 3.) Department of Human Resources  
125 South Clark, 2<sup>nd</sup> Floor  
Chicago, Illinois 60603  
Contact: Ascencion V. Juarez, Chief Human Resources Officer  
Telephone No.: (773) 553-1070
  - 4.) Department of Procurement & Contracts  
125 South Clark, 10<sup>th</sup> Floor  
Chicago, Illinois 60603  
Contact: Heather A. Obora, Chief Purchasing Officer  
Telephone No.: (773) 553-2280

**ORIGINAL AGREEMENT:** The original master agreement (executed under Board Report 03-1022-PR17) is for a term commencing November 26, 2003 and ending November 25, 2005 ("Initial Term") and provided for three (3) one (1) year options to renew. Thereafter, in lieu of new agreements, the Board executed ordering documents to purchase products and services, including but not limited to, additional software program products, maintenance, and consulting services, pursuant to Board Reports 04-0225-PR14, 04-0225-PR15, 03-1119-PR11 and 05-0525-PR7 ("Related Board Reports."). These ordering documents referenced the master agreement. The master agreement and ordering document executed pursuant to Board Report 05-0525-PR7 provided that the Board at its option may purchase maintenance support annually for one year periods for software purchased pursuant to the master agreement.

**RENEWAL PERIOD:** The term of the original master agreement shall be renewed for a period commencing November 26, 2005 and ending November 26, 2006 with unlimited options to renew technical support for licenses purchased under the Master Agreement and associated ordering documents annually for one-year periods.

**OPTION PERIODS REMAINING:** There are two (2) options to renew the Master Agreement for one year periods remaining and unlimited options to renew technical support for licenses purchased under the Master Agreement and associated ordering documents annually for one-year periods.

**USE OF SOFTWARE:** Oracle will continue to provide maintenance on software program products purchased under the original agreement and ordering documents executed pursuant to the Related Board Reports. The maintenance support will consist of program corrections and enhancements that Oracle may develop during the term of the extension of the original agreement as long as the Board's maintenance fee is current. In addition, during this renewal period, Oracle shall provide software licenses including, but not limited to, Oracle E-Business Suite and Oracle Peoplesoft Enterprise.

**COMPENSATION:** Consultant shall be paid during the renewal period in accordance with the pricing set forth in the agreement; total compensation during the renewal term for all maintenance, support, and licenses not to exceed \$308,000.00.

**OUTCOMES:** The maintenance support for the software program products will further secure the Board's critical data.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize the Chief Information Officer to execute ordering documents and any ancillary documents required to administer or effectuate this renewal 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 nature of the service is a unique transaction.

**LSC REVIEW:** Local School Council approval is not applicable to this Board Report.

**FINANCIAL:** Charge to the Office of Technology Services: \$308,000.00  
Budget Classification: 0220-474-000-9588-5311 \$308,000.00 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.

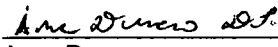
**Ethics** – The Board's Ethics Code adopted June 23, 2004 (04-0623-P04), as amended from time to time, shall be incorporated into and made a part of the agreement.

**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:**


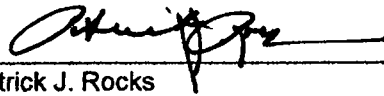
  
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Heather A. Obora  
Chief Purchasing Officer

**Approved:**

  
\_\_\_\_\_  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
\_\_\_\_\_  
John Maiorca  
Chief Financial Officer

**Approved as to Legal Form**   
  
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Patrick J. Rocks  
General Counsel