

AMEND BOARD REPORT 06-0426-PR15
AMEND BOARD REPORT 04-1215-PR15
**APPROVE EXERCISING THE SECOND OPTION TO RENEW THE AGREEMENT WITH SUN
MICROSYSTEMS, INC. FOR WIDE AREA NETWORK MANAGEMENT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second option to renew the agreement with Sun Microsystems, Inc. ("Sun" or "Consultant"), formerly known as Sevenspace/Nuclio and Nuclio Corporation, to provide wide area network management services to the Office of Technology Services ("OTS") at a cost not to exceed \$12,247,572.00 for a one (1) year option period, of which \$10,482,872.00 is eligible for, but not contingent upon, discounts in accordance with the guidelines and requirements of the Federal Government's Universal Services Program ("E-Rate"); for a total cost to the Board not to exceed \$1,764,699.00. A written document exercising this option is currently being negotiated. No payment shall be made to the Consultant during the option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this option is stated below:

This amendment is necessary to 1) reflect the Consultant's name change to Sun Microsystems, 2) to revise the M/WBE participation and 3) to extend the term of the contract for a three (3) month period in order to coincide with and allow for the Board's participation in Year 7 and 8 of the E-Rate WAN Upgrades Program at no additional cost to the Board. A written amendment to the contract is currently being negotiated. The authority granted in this amended Board Report shall automatically rescind in the event a written amendment is not executed within ninety (90) days of the date of this amended Board Report.

This second amendment is necessary to extend the term of the contract for a one (1) year period in order to coincide with and allow for the Board's participation in Year 8 of the E-Rate WAN Upgrades Program at no additional cost to the Board. Year 8 of the WAN Upgrades Program was extended by the Universal Services Administrative Company (USAC) through September 30, 2007. A written amendment to the Contract is required. The authority granted in this amended Board Report shall automatically rescind in the event a written amendment is not executed within ninety (90) days of the date of this amended Board Report

SPECIFICATION NO.: 01-250291

CONSULTANT: Sun Microsystems, Inc (formerly known as Sevenspace/Nuclio and Nuclio Corporation)
4150 Network Circle
Santa Clara, CA 95054
Contact: Charles T. Lockman, Regional Sales Director
Mark Pingry, Customer Account Manager
Telephone No.: (217) 359-9805
Vendor No.: 89823

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

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 01-1219-PR19, as amended by Board Report 02-0424-PR17) in the amount of \$4,531,708.00, is for a term commencing January 14, 2002 and ending June 30, 2003, with the Board having three (3) one-year options to renew the agreement. The Board further approved a renewal of the agreement (authorized by Board Report 03-0122-PR15) for a term commencing July 1, 2003 and ending June 30, 2005, with the Board having one (1) option to renew remaining for a one (1) year period. Consultant was selected pursuant to a duly advertised Request for Proposals.

OPTION PERIOD: The term of this agreement is being extended for one (1) year commencing July 1, 2005 and ending September 30, ~~2006~~ 2007. This renewal term is necessary to coincide with, and allow for the Board's participation in, Year 8 of the E-Rate Program.

OPTION PERIODS REMAINING: This agreement has no options to renew remaining.

SCOPE OF SERVICES: Consultant will continue to provide the Board with network management services to monitor and maintain the Wide Area Network ("WAN") and Local Area Network ("LAN"), including routers, ATM switches, WAN/LAN interfaces and other ancillary WAN/LAN equipment ("Services"), including:

- Proactive remote monitoring services for the Board's WAN/LAN equipment and management of WAN/LAN devices, including fault/error detection, reporting, analysis and correction of network-related problems
- 24x7x365 WAN/LAN network monitoring and support
- Equipment audits at regular intervals, including modifications, as required
- Notice of outages, reporting and on-site repair services
- Break/Fix Switch maintenance services for school LAN Equipment.

Additionally, during the renewal term, Consultant will provide project management and installation services of new WAN equipment to provide improved bandwidth and services to the schools.

DELIVERABLES: Consultant will continue to provide the following deliverables meeting the Board's specified requirements:

- Reporting (all reports accessible online, in a downloaded form and hard copy)
- Network Analysis
- Network Management and Network Monitoring
- General Management
- Service Level Agreements (SLA) and Implement agreed upon SLAs
- School Server Monitoring and Level 1 Administration
- EMC Monitoring and Administration for CPS' enterprise storage.
- Installation and configuration of Cisco series switches at the schools
- Redeployment of existing school switches replaced by the new switches
- Removal of old equipment at the schools and in the core
- Incident management and onsite maintenance services for all school LAN equipment including switches, hubs, wireless access points, transceivers, and uninterruptible power supplies ("UPS").

Consultant will also continue to provide the following assigned dedicated resources:

- CCIE certified level Design Engineer
- Network Engineer (with a concentration in routing)
- Network Engineer (with a concentration in WAN switching)
- Customer Support (NOC) Engineer
- Field Engineering Manager
- Project/Program Manager

All assigned engineers will continue to serve as primary resource with a secondary engineer (familiarized with the Board's network) acting as backup. Also, Consultant will continue to have appropriate field personnel for the proper dispatches in order to meet or exceed Service Level Agreements.

OUTCOMES: The Board will have comprehensive managed services for its WAN/LAN and improved service and bandwidth to the Chicago Public Schools. Consultant will continue to provide the Board with management services, including monitoring maintenance, for the WAN/LAN. These services will result in the Board having managed services and appropriate reporting and maintenance for all CPS locations for its WAN/LAN, including network monitoring, fault management (detection and notification), fault isolation and resolution, configuration and software support, hardware/software dispatch with on-site repair and technical assistance. These services will result in the Board (i) being notified of outages and having the ability to view trouble tickets via a web-based ticketing system and reports; (ii) receiving appropriate on-site repair services dispatched to schools and Central Office that experience outages related to WAN/LAN data equipment, and (iii) improved ability to maximize uptime. Consultant will also provide installation and project management services for new equipment within the

core network and at the Schools. School LAN equipment will be repaired in a timely fashion, reducing network downtime. The switches will have a common configuration and operating system that will improve uptime and reduce intermittent issues.

COMPENSATION: Consultant shall be paid for this one (1) year option period as follows: upon invoicing, per deliverables/projects, as will be outlined in the agreement, not to exceed the sum of \$12,247,572.00, of which \$10,482,872.00 is eligible for, but not contingent upon, E-Rate discounts, for a total cost to the Board not to exceed \$1,764,699.00. If E-Rate funding is not approved, the Board shall be invoiced for all E-Rate eligible services and equipment at the then current Board discount level.

REIMBURSEABLE EXPENSES: None.

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

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, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE. Consultant has identified and scheduled the following firms and percentages:

Total African American:
IMC Connect, Inc. **19.8%**
 207 E. Ohio #293
 Chicago, Illinois 60611

Thomas A. McCrary - **2.2%**
 16515 S. Prairie Ave.
 South Holland, Illinois 60473

Total Hispanic:
Computer Services & Consulting **7.6%**
 1613 S. Michigan Ave.
 Chicago, Illinois 60639

Total 3% Asian
SD.I (System Development.Integration) **2.5%**
 180 N. LaSalle Street, Suite 1500
 Chicago, IL 60601

Catalyst Consulting Group **2.9%**
 211 W Wacker Drive, Suite 400
 Chicago, IL 60606

Total WBE:
KMC Enterprises **5%**
 13235 Hiawatha Drive
 Homer Glen, Illinois 60491

IMC Automation, Inc	African American	19.8%
Thomas A. McCrary, Inc.	African American	2.2%
Catalyst Consulting Group	Asian	2.9%
Computer Services & Consulting	Hispanic	7.6%
SDI	Asian	2.5%
KMC Enterprises	Woman	5.0%

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

FINANCIAL: Total Cost: \$12,247,572.00
Charge to Office of Technology Services:
0220-552-000-1618-5410 \$1,764,699.00 FY06

Charge to Schools and Library Division:
\$10,482,872.00 FY06

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.

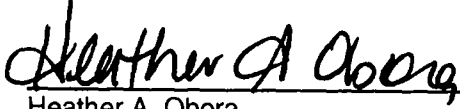
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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

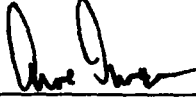
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obara
Chief Purchasing Officer

Approved:



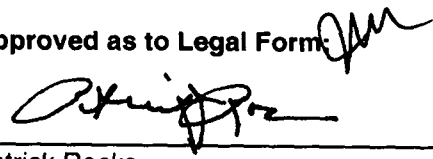
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form:



Patrick Rocks
General Counsel