

**APPROVE EXERCISING THE FIRST OPTION TO RENEW AGREEMENT WITH NCS PEARSON INC.
FORMERLY KNOWN AS CHANCERY SOFTWARE, INC FOR THE PURCHASE OF STUDENT INFORMATION
SYSTEMS SOFTWARE LICENSES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising first option to renew agreement with NCS Pearson Inc. for the purchase of database, enterprise, and e-business software licenses at a cost for the option period not to exceed \$876,934.00. The vendor was selected on a competitive basis pursuant to a Request for Proposal (Specification No. 03-250274). A written document exercising this option is currently being negotiated. No payment shall be made to software Licensor prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this option is stated below.

SPECIFICATION No.: 03-250274

SOFTWARE LICENSOR: NCS Pearson, Inc.
80 Iron Point Circle, Suite 200
Folsom, CA 95630
Contact: Kevin Schutz, Contracts Manager
Email: Kevin.Schutz@pearson.com
Telephone No.: (480) 457-7679
Fax No.: (480) 610-7610
Vendor No.: 34595

USER: Information & Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: Robert Runcie, Chief Information Officer
Teresa Kieffer, IMPACT Program Manager
Telephone No.: (773) 553-1300

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 04-0324-PR12 and amended by 04-0428-PR13) in an amount not to exceed \$17,500,000.00 is for a term commencing April 1, 2004, and ending June 30, 2008 with the Board having five (5) options to renew for periods of one (1) year each.

OPTION PERIOD: The term of this Agreement is being extended for one year commencing July 1, 2008 and ending June 30, 2009.

OPTION PERIODS REMAINING: There are four options to renew for periods of one year each remaining.

USE OF SOFTWARE: Vendor will continue to provide licenses to the Board to use the Student Information System (SIS) software modules. Vendor will also provide maintenance on this licensed software, which consists of program corrections and enhancements that Vendor may develop during the term of this agreement as long as the Board's annual maintenance fee is current.

MAINTENANCE/LICENSE FEE: Vendor will be paid an annual maintenance and license fee, which will not exceed \$876,934.00.

DELIVERABLES: Vendor will license the software to the Board, and will also provide program corrections and enhancements that the Vendor may develop during the term of the agreement, on magnetic tape, CD, email attachment, via downloadable FTP, or the then current method of software delivery.

OUTCOMES: The SIS software programs will further automate the Board's student information system applications programs, thus making the Board more efficient and effective in managing student information systems. The SIS software will enhance the Board's ability to effectively educate students.

COMPENSATION: NCS Pearson, Inc. shall be paid during the option period in accordance with a pricing schedule contained in the written agreement; total compensation not to exceed \$876,934.00.

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 all 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 contract is a unique transaction.

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

FINANCIAL: Charge to Information & Technology Services for License fee: \$876,934.00
Budget Classification No.: 12540-230-53306-009573-000000 \$876,934.00 FY09

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.

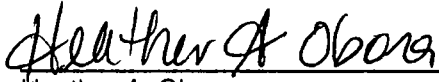
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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

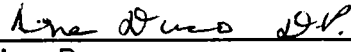
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



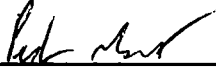
Heather A. Obora
Chief Purchasing Officer

Approved:



Arne Duncan
Chief Executive Officer

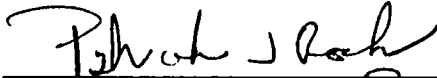
Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form:





Patrick Rocks
General Counsel