

APPROVE EXERCISING THE ANNUAL OPTION TO RENEW THE AGREEMENT WITH HEWLETT-PACKARD COMPANY FOR HARDWARE AND SOFTWARE MAINTENANCE SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the annual renewal of the agreement with Hewlett-Packard Company ("HP" or "Vendor") to provide hardware and software maintenance services to Chicago Public Schools' Information & Technology Services ("ITS") at a cost not to exceed \$591,418.00. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor 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 90 days of the date of this Board Report. Information pertinent to this option is stated below.

CONSULTANT: Hewlett-Packard Company
2001 Butterfield Road, Suite 700
Downers Grove, IL 60515
Contact: Linda Barber
Telephone No.: (847) 895-0856
Vendor No. 46457

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

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report #01-1219-PR12, as amended by Board Report #02-0424-PR16), in the amount of \$230,790.28, is for a term commencing October 1, 2001 and ending September 30, 2002. The agreement was renewed (authorized by Board Report #02-1120-PR05, as amended by Board Report #03-1119-PR10) for a term commencing October 1, 2002 and ending September 30, 2005. This agreement was subsequently renewed (authorized by Board Report #05-0928-PR8) for a one-year term commencing October 1, 2005 and ending September 30, 2006. This renewal also authorized unlimited options to renew for one-year terms at an annual renewal cost not to exceed a 5% increase over the previous year's cost. The agreement was subsequently renewed (authorized by Board Report #06-0927-PR9) for a one-year term commencing October 1, 2006 and ending September 30, 2007. The agreement was renewed again (authorized by Board Report #07-1024-PR12) for a one-year term commencing October 1, 2007 and ending September 30, 2008. The original agreement was awarded on a non-competitive basis because this hardware and software is proprietary to HP and HP has the expertise to provide maintenance services to the Board.

RENEWAL TERM: This agreement shall be renewed for a term commencing October 1, 2008 and ending September 30, 2009.

SCOPE OF SERVICES: HP will continue to provide Support Plus 13 X 5 (Monday through Friday), four-hour onsite, two-hour OS Software Support Plus 24; four-hour onsite, 24 hours a day, seven days a week, 365 days a year, two-hour OS Software, Proactive 24; four-hour onsite, 24 hours a day, seven days a week, 365 days a year, two-hour OS Software.

DELIVERABLES: HP will continue to provide hardware support to ensure the proper operation of the district's HP server equipment. HP will also continue to provide software correction and enhancement for the HP Operating System.

OUTCOMES: Vendor's services will result in the Board having the necessary hardware and software support to ensure the proper functioning of the HP Operating Systems for the Oracle Financial Applications.

COMPENSATION: Consultant shall be paid during this option period, as follows: upon invoicing, with total compensation not to exceed \$591,418.00. This amount exceeds the 5% cap on increases over the previous year's cost due to maintenance payments for existing servers that came off of warranty. This cost was added to the maintenance cost.

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

AFFIRMATIVE ACTION: The M/WBE participation goals required for this contract by the Remedial Program for Minority and Women owned business enterprise participation include: 35% total MBE and 5% total WBE participation.

However, a waiver was granted due to the vendor providing indirect participation with the following firms to show a good faith effort. The vendor will also offer its HP Scholar Program to CPS students with an interest in technology.

35% Total MBE

Pace Certified by the City of Chicago

Novanis Certified by the State of Illinois

FINANCIAL: Charge to Information & Technology Services: \$591,418.00
Budget Classification No.: 12540-115-56105-266414-000000 \$591,418.00 FY 09

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.

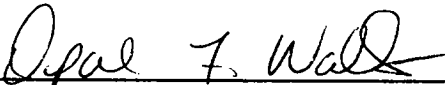
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

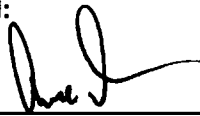
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



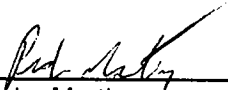
Opal L. Walls
Chief Purchasing Officer

Approved:



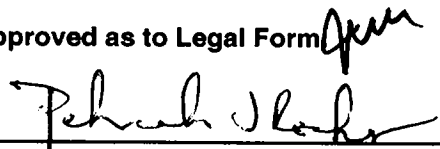
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form



Patrick Rocks
General Counsel

