

**APPROVE EXERCISING THE FINAL OPTION TO RENEW THE SOFTWARE LICENSE AGREEMENT
WITH HEWLETT PACKARD COMPANY FOR KINTANA SOFTWARE PRODUCTS AND
CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the final option to renew a software license agreement with Hewlett-Packard Company ("Software Licensor") for Kintana software products and consulting to be used by the Chicago Public Schools' Information & Technology Services ("ITS") at a cost for the option period not to exceed \$172,904.38. A written document exercising this option is currently being negotiated. No payment shall be made to Software Licensor 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.

SOFTWARE LICENSOR: Hewlett-Packard Company
2001 Butterfield Rd., Suite 700
Downers Grove, IL 60515
Contact: Mukulika Kapas
Telephone No.: (408) 447-0789
Vendor Number: 46457

USER: Information & Technology Services
125 South Clark, 3rd Floor
Chicago, Illinois 60603
Contact: Pablo Ortega, Project Manager
Telephone No.: (773) 553-2694

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report # 03-1119-PR15 as amended by Board Report # 04-1215-PR13) in the amount of \$812,118.30 was for a term commencing December 1, 2003 and ending November 30, 2006, with the Board having three options to renew for periods of one year each. The first renewal was for a term commencing December 1, 2006 and ending November 30, 2007 (authorized by Board Report # 06-1115-PR11). The second renewal was for a term commencing December 1, 2007 and ending November 30, 2008 (authorized by Board Report # 07-1024-PR12). The second renewal document was amended to increase the compensation amount (authorized by Board Report # 08-0326-PR5). The original Agreement was awarded on a non-competitive basis because of the Software Licensor's expertise in project management software.

OPTION PERIOD: The term of this agreement is being extended for one year commencing December 1, 2008 and ending November 30, 2009.

OPTION PERIODS REMAINING: There are no option periods remaining.

USE OF SOFTWARE: Hewlett-Packard will continue to provide a license to the Board to use the Kintana software products. Hewlett-Packard will also continue to provide maintenance on this licensed software, which consists of program corrections and enhancements that Hewlett-Packard may develop during the option period, as long as the Board's maintenance fee is current.

SCOPE OF SERVICES: Hewlett-Packard will continue to provide the following services related to the Kintana software modules:

- Provide technical knowledge and development skills.
- Provide relevant business and functional knowledge of the modules.
- Provide online training.
- Provide hosting services for the development and production instances of the software.

DELIVERABLES: Hewlett-Packard will continue to deliver the software, program corrections, and enhancements that Hewlett-Packard may develop during the term of the agreement, on magnetic tape,

CD, e-mail attachment, or via a downloadable File Transfer Protocol ("FTP"). In addition, Hewlett-Packard will continue to deliver source code for new reports, interfaces, customizations, and extensions based on written business and functional requirements. Five modifications are allowed per year. Hewlett-Packard will also continue to provide training for project managers, program managers, and standard project users.

OUTCOMES: The Kintana software program products will secure the Board's capacity to provide program management and project management services for all future technology projects.

COMPENSATION: The total compensation shall not exceed \$172,904.38, which includes \$46,169.38 for maintenance fees and \$126,735.00 for hosting services.

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 agreement.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 35% total MBE and 5% total WBE.

However the waiver review committee recommends a full waiver of the M/WBE participation goals for this contract as required by the Remedial Plan be granted because the contract scope is not further divisible. The waiver has been granted based on the vendor offering its HP Scholar Program to CPS students with an interest in technology.

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

FINANCIAL: Charge to Information & Technology Services: \$172,904.38
Budget Classification: 12510-115-54125-266206-000000 \$172,904.38 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.

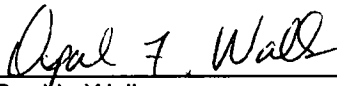
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



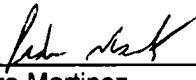
Opa L. Walls
Chief Purchasing Officer

Approved:



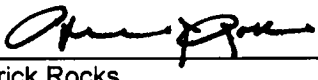
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to Legal Form: 



Patrick Rocks
General Counsel