

**APPROVE EXERCISING THE FINAL OPTION TO RENEW THE AGREEMENT WITH DIAMOND
MANAGEMENT & TECHNOLOGY CONSULTANTS NA, INC. FOR IMPLEMENTATION OF
INFORMATION SECURITY SERVICES PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the final option to renew the agreement with Diamond Management & Technology Consultants NA, Inc. ("Diamond" or "Consultant") to provide implementation services for an information security program for Chicago Public Schools' Information & Technology Services ("ITS") at a cost for the option period not to exceed \$840,000.00. A written document exercising this option is currently being negotiated. No payment shall be made to 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 90 days of the date of this Board Report. Information pertinent to this option is stated below.

CONSULTANT: Diamond Management & Technology Consultants NA, Inc.
875 N. Michigan Ave., Suite 3000
Chicago, IL 60611
Contact Person: Chris O'Brien
Phone: (312) 255-5770
Vendor # 85053

USER: Information & Technology Services
125 S. Clark, 3rd Floor
Chicago, IL 60603
Contact Person: Robert Runcie
Phone: (773) 553-1300

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report #08-0227-PR7) in the amount of \$950,000.00 is for a term commencing April 3, 2008 and ending April 2, 2009, with the Board having one option to renew for a one-year term. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

OPTION PERIOD: The term of this agreement is being extended for one year commencing April 3, 2009 and ending April 2, 2010.

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: Information Security is implementing an enterprise risk management (ERM) tool. The ERM tool will provide ITS a dashboard view of security assessments, which will be based on information security standards. Diamond will continue to develop this information security risk assessment/reporting application and a set of information security policies and standards that support this application. During this option period Diamond will:

- 1.) Continue supporting the implementation of the ERM tool, including the development of additional reporting and assessment capabilities.

ERM tool metrics will include:

- A score for each application, by functional group
- A total, weighted score for each application
- Matrix or dashboard views of scores (including high-level views and more specific data)

ERM tool will give CPS the ability to:

- Edit existing standards and load new standards against which CPS can evaluate itself
- Add new applications to evaluate and edit existing application specifics
- Use an easy-to-use method to enter and view application compliance, using a (A,B,C,D,F) grading scale

- Allow multiple groups to enter compliance scores
 - Weigh each score
 - View the results of all groups' findings
 - Drill down to view findings for a specific application or functional group
- 2.) Continue providing organizational change management and training to ensure the ERM tool and relevant security standards are successfully deployed throughout CPS. Diamond will develop online and in-person training materials, and will conduct in-person training sessions.
 - 3.) Continue developing and refining information security policies that map to established standards within the ERM tool. Diamond must assist ITS in identifying key categories, drafting policies, and obtaining approval from ITS senior management. Diamond must also assist ITS as policies are reviewed by the Board.
 - 4.) Continue developing a unified and comprehensive definition of security for CPS. This work will require both new initiatives and revisions to existing initiatives as CPS adapts to changing educational, technological, security, and regulatory needs. In order to achieve this goal, Diamond must assist ITS in developing detailed information security standards and associated grading criteria for applications and functional areas.

The scope includes three resources:

1. Project Manager/Information Security Specialist – Ensures that the project as a whole is delivered successfully by building detailed project plans, ensuring frequent and effective communication with ITS, and conducting quality assurance activities.
2. Security Standards Specialist – Develops security standards and policies.
3. Reporting Specialist – Composes and refines requirement documents, conducts vendor analyses, creates procurement recommendations, and manages development of the ERM tool. Creates training materials and coordinates training sessions.

OUTCOMES: Consultant's services will provide CPS an application system that reports on information security compliance. ITS senior management will be able to pinpoint information security improvement opportunities and proactively improve compliance based on District needs. Through this work, the Board will be able to better understand the true state of information security at CPS and be able to make decisions to drive improvements.

COMPENSATION: Consultant shall be paid during this option period as follows: by monthly invoices for hours billed. Total compensation shall not exceed \$840,000.00.

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: 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 this contract include 25% total MBE and 5% total WBE.

Diamond has identified the following firms and percentages:

Total: 35% MBE
Senryo Technologies, Inc. 35%
1300 Iroquois Avenue, Suite 155
Naperville, IL 60563

Total: 7% WBE
Monarch Group, Inc. 7%
150 N. Wacker Drive #2140
Chicago, IL 60606

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

FINANCIAL: Charge to Information & Technology Services: \$840,000.00
Budget Classification: 12510-499-54125-009580-000000-2009 \$840,000.00

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.

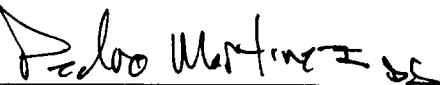
Ethics – The Board’s Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

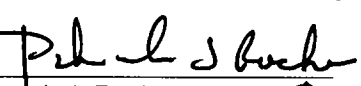

Approved for Consideration:


Opal L. Walls
Chief Purchasing Officer


Within Appropriation:


Pedro Martinez
Chief Financial Officer

Approved as to legal form. 


Patrick J. Rocks
General Counsel 

Approved:


Ron Huberman
Chief Executive Officer