

**APPROVE EXTENDING THE AGREEMENT WITH SCHOOLNET, INC. FOR THE PURCHASE OF
STUDENT INFORMATION INSTRUCTIONAL MANAGEMENT SOFTWARE LICENSES,
IMPLEMENTATION AND SUPPORT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve extending the agreement with SchoolNet, Inc. for the purchase of instructional management Software Licenses and maintenance service for Information & Technology Services (ITS), at a cost for the extension period not to exceed \$955,000.00. The vendor was selected on a non-competitive basis because the curriculum and instructional management software are proprietary to SchoolNet. A written extension agreement is currently being negotiated. No payment shall be made to SchoolNet prior to execution of the extension agreement. The authority granted herein shall automatically rescind in the event a written extension agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this extension is stated below.

This one-year sole source extension is necessary because: i) the current contract expires July 31, 2010 and ii) it is the primary software vendor of the IMPACT suite and the software is the District's Curriculum Instructional Management system (CIM).

SOFTWARE LICENSOR: SchoolNet, Inc.
525 7th Avenue, 4th Floor
New York, NY 10018
Contact: Nicole Neal
Telephone No.: (646) 496-9031
Vendor No.: 37402

USER: Information & Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: Arshele Stevens, Chief Information Officer
Phillip DiBartolo, Director Student Information Systems
Telephone No.: (773) 553-1300

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report #07-0627-PR14) in the amount of \$3,977,685.00 was for a term commencing August 1, 2007 and ending on July 31, 2010. The agreement was amended (authorized by Board Report #08-0602-PR19 and #09-0225-PR6) to increase compensation and scope.

EXTENSION PERIOD: This agreement is being extended for a one-year term commencing on August 1, 2010 and ending on July 31, 2011.

OPTION PERIODS REMAINING: There are no option periods remaining.

USE OF SOFTWARE: SchoolNet will provide licenses to the Board for the use of the SchoolNet software modules. SchoolNet will also provide maintenance for the term of this extension period on this licensed software, which consists of program corrections and upgrades, as the same become available to SchoolNet's customers, during the term of this agreement as long as the Board's annual maintenance fee is current.

SCOPE OF SERVICES: SchoolNet shall provide software and licenses, implementation services, data services, curriculum and standards support, marketing communication and project quality assurance, and associated maintenance for the term of the agreement. SchoolNet will develop the Active Directory Integration Module, and deliver the self-hosted Assess Module. SchoolNet will populate the Data Mart with CRBA, CMBA, EXPLORE, PLAN, PSAE Highest and DIBELS data. SchoolNet will support CPS in their efforts to load curriculum and standards. SchoolNet shall also provide product configuration, including KPI configuration. SchoolNet will provide mentoring and training opportunities to ensure technical and product knowledge transfer over the scope of the engagement.

SchoolNet shall provide the Board with the means to enter/import (or have entered on the Board's behalf) the Board's student data through the Licensed Software. The SchoolNet import feature will not modify the content of imported data in any way. All right, title and interest in and to such data shall at all times remain the property of the Board. SchoolNet shall have the right to use the Board's data (i) to provide the Board with the Services (ii) to assess and compare the use of the Licensed Software by various individual schools within the Board for the purpose of auditing the standard functionality of the Licensed Software and (iii) to improve the Licensed Software. In its use of the Board's data, SchoolNet will not use or disclose any personal information particular to any student.

DELIVERABLES: SchoolNet will license the software to the Board, and will also provide program corrections and upgrades during the term of the agreement, on magnetic tape, CD, email attachment, via downloadable File Transport Protocol ("FTP"), or the then current method of software delivery. SchoolNet will also provide:

- Active Directory Authorization Module
- Response to Intervention (Rtl) customizations
- Teacher Tools to promote ease of use
- ASSESS self-hosting
- Technical Knowledge Transfer
- Curriculum and Standards support
- KPI Configuration
- Marketing Communication
- Project Quality Assurance
- Assessment scanning solution
- Database architecture and Microsoft analysis training

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

COMPENSATION: SchoolNet shall be paid as set forth in the agreement. The cost of the license fee and associated services, including maintenance and upgrades, will be invoiced at a flat fee in the amount of \$800,000.00; the cost of enhancements to satisfy Response to Intervention customizations will be invoiced at a flat fee in the amount of \$155,000; total compensation not to exceed \$955,000.00.

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

AFFIRMATIVE ACTION: The M/WBE goals for this contract include 35% total MBE and 5% total WBE. However, the Waiver Review Committee recommends that a full waiver of the M/WBE participation goals for this contract as required by the Remedial Program be granted because the scope of service is not further divisible.

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

FINANCIAL: Charge to Information & Technology Services: \$955,000.00

Budget Classification No.:

12540-230-53306-009573-000000	\$700,000.00 FY11
12510-XXX-54125-009574-000000	\$155,000.00 FY11
12540-230-54125-009573.000000 PO #1733931	\$100,000.00

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.

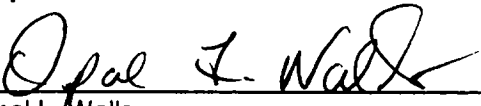
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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



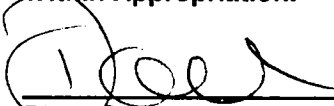
Opal L. Walls
Chief Purchasing Officer

Approved:




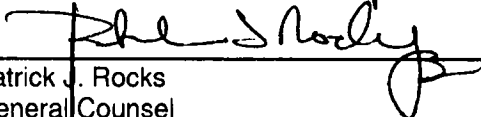
Ron Huberman
Chief Executive Officer

Within Appropriation:



Diana S. Ferguson
Chief Financial Officer

Approved as to Legal Form:

Patrick J. Rocks
General Counsel