

APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH ORACLE AMERICA, INC.

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the option to renew the agreement with Oracle America, Inc., f/k/a Oracle USA, Inc. ("Oracle" or "Vendor") to provide technical support to Information & Technology Services at a cost for the option period not to exceed \$417,135.00. A written document exercising this option is currently being negotiated. No payment shall be made to Oracle 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.

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-2280

VENDOR:

- 1) Vendor # 89823
ORACLE AMERICA, INC
500 ORACLE PARKWAY
REDWOOD SHORES, CA 94065
Reem Daly
703-478-9000

USER INFORMATION :

Contact:
12510 - Information & Technology Services

125 South Clark Street - 3rd Floor

Chicago, IL 60603

Tidmarsh, Mr. Lachlan W.

773-553-1300

Project 12510 - Information & Technology Services
Manager: 125 South Clark Street - 3rd Floor
Chicago, IL 60603
Nettem, Mr. Prasad Venkata
773-553-1300

ORIGINAL AGREEMENT:

The original master agreement (executed under Board Report 03-1022-PR17) is for a term commencing November 26, 2003 and ending November 25, 2005 ("Initial Term") with the Board having three options to renew for a one year term. Thereafter, in lieu of new agreements, the Board executed ordering documents to purchase products and services, including but not limited to, additional software program products, maintenance, and consulting services, pursuant to Board Reports 03-1119-PR11, 04-0225-PR14, 04-0225-PR15, and 05-0525-PR7. These ordering documents referenced the original master agreement. Pursuant to Board Report 06-0628-PR23, the term of the original master agreement was renewed for a period commencing November 26, 2005 and ending November 26, 2006 (the "Extension Period") with unlimited options to renew technical support for licenses under the Master

Agreement and associated ordering documents, annually for one year periods. The annual technical support ordered during the Extension Period expired December 31, 2007. The technical support was thereafter extended to December 30, 2008 pursuant to Board Report 08-0326-PR7 and extended to December 30, 2010 pursuant to Board Report 08-1119-PR11 and 09-1216-PR16. The technical support was further extended pursuant to Board Report 10-1027-PR12 as amended by 11-1214-PR6 until June 30, 2012. The original Agreement was awarded on a non-competitive basis because the Oracle software is the only software that provides the functionality required by the Board's integrated financial systems.

OPTION PERIOD:

The term of this agreement is being renewed for a period commencing July 1, 2012 and ending June 30, 2013.

OPTION PERIODS REMAINING:

There are four (4) options to renew for periods of one (1) year each.

SCOPE OF SERVICES:

Oracle shall be paid a fee of \$417,135.00, which covers software upgrades, technical support, and usage of the software licenses including, but not limited to, Oracle E-Business Suite and Oracle Peoplesoft Enterprise.

DELIVERABLES:

The maintenance support will consist of program corrections and enhancements that Oracle may develop during the term of the renewal of the original agreement as long as the Board's maintenance fee is current. In addition, during this renewal period, Oracle shall provide software licenses including, but not limited to, Oracle E-Business Suite and Oracle Peoplesoft Enterprise.

OUTCOMES:

The maintenance support for the software program products will further secure the Board's critical data.

COMPENSATION:

Consultant shall be paid during this option period in accordance with the pricing set forth in the ordering document; total compensation during the renewal term for all maintenance, support, and licenses shall not exceed \$417,135.00.

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 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 10% MBE and 5% WBE participation. The Office of Business Diversity recommends that Oracle be given credit for supplier diversity by adhering to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Service Contracts section 9.5 "Good Faith Efforts to Meet Contract Specific Goals". Oracle will engage CPS students in an internship with their organization for a second consecutive year.

LSC REVIEW:

Local School Council approval is not applicable to this report

FINANCIAL:

Charge to Information & Technology Services: \$417,135.00

12540-230-53306-266407-000000-2013

\$417,135.00

CFDA#: Not Applicable

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:



SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



JEAN-CLAUDE BRIZARD
Chief Executive Officer

Within Appropriation:



DAVID G. WATKINS
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel