

June 25, 2014

**AUTHORIZE ANNUAL RENEWAL FOR TECHNICAL SUPPORT AND A PAYMENT PLAN WITH  
ORACLE AMERICA, INC. FOR ADDITIONAL LICENSES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Authorize annual renewal for technical support for licenses purchased under the original agreement with Oracle America, Inc. and, if necessary, a payment plan agreement for purchase of new licenses at a total cost not to exceed \$9,406,711.00. Written documents exercising this option and a payment plan are currently being negotiated. No payment shall be made to Vendor during the option period prior to execution of the written document(s). The authority granted herein shall automatically rescind in the event a written document(s) are not executed within 90 days of the days of this Board Report. Information pertinent to this option is stated below.

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-3295

**VENDOR:**

- 1) Vendor # 89823  
ORACLE AMERICA, INC  
500 ORACLE PARKWAY  
REDWOOD SHORES, CA 94065  
Ryan Pike  
406 556-3420

**USER INFORMATION :**

Project  
Manager: 12510 - Information & Technology Services  
125 South Clark Street - 3rd Floor  
Chicago, IL 60603  
Dibartolo, Mr. Phillip Brian  
773-553-2641

**ORIGINAL AGREEMENT:**

The original Agreement (authorized by Board Report #05-1026-PR6 as amended by Board Report #06-0222-PR7), in the amount of \$1,828,610.66 is for a term commencing October 1, 2005 and ending June 30, 2006, with the Board having two options to renew for periods of one year each. The Agreement was subsequently renewed through June 30, 2007, with unlimited options to renew (authorized by Board Report #06-0628-PR22 as amended by #07-0425-PR9) and further extended through June 30, 2008 (authorized by Board Report #07-0627-PR15). The Agreement was further extended through June 30, 2009 (authorized by Board Report #08-0625-PR20). The Agreement was further extended through June 30, 2010 (authorized by Board Report #09-0624-PR20) and further extended through June 30, 2011 (authorized by Board Report #10-0922-PR11). The Agreement was further extended through June 30, 2012 (authorized by Board Report #11-0622-PR16). The Agreement was further extended through June 30, 2013 (authorized by Board Report #12-0627-PR24). The Agreement was further extended through June 30, 2014 (authorized by Board Report #13-0626-PR27). 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 one (1) year, commencing July 1, 2014 and ending June 30, 2015.

**OPTION PERIODS REMAINING:**

There are unlimited options to renew technical support on an annual basis.

**PAYMENT PLAN TERM:**

The payment schedule shall commence upon agreement execution and end on the date the last payment is due, August 15, 2016. The payment plan agreement and schedule are for a true-up of licenses used by the Board.

**SCOPE OF SERVICES:**

The technical support purchased will continue to allow the Board to operate integrated financial and HR systems connecting the accounts receivable, cash management, treasury, general ledger, budget, payroll, position control, and procurement processes.

**DELIVERABLES:**

Oracle America provides software to allow the Board to operate an integrated financial and HR system connecting the accounts receivable, cash management, treasury, general ledger, budget, payroll, position control and procurement processes. The financial system allows CPS to access and update budgetary information with respect to both school and administrative units. The financial system also allows school administrators up-to-date detailed information about dollars associated with programs including funds disbursed, encumbrances, positions, and allocations.

**OUTCOMES:**

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

**COMPENSATION:**

The total compensation to be paid to the Vendor for the services and licenses described herein shall not exceed \$9,406,711.00. The total amount paid under the payment plan shall not exceed \$4,963,098.00. The total aggregate amount authorized to be paid to Vendor hereunder shall not exceed \$9,406,711.00.

**AUTHORIZATION:**

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

**AFFIRMATIVE ACTION:**

The M/WBE goals for this agreement is 10% total M/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 Services 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 third consecutive year.

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Fund 115  
Information and Technology Services, 12500  
\$9,406,711.00, FY15

Future year funding is contingent upon budget appropriation and approval.

**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 May 25, 2011 (11-0525-PO2), 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:



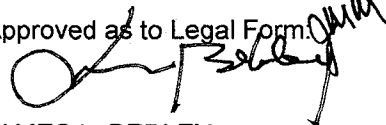
SÉBASTIEN de LONGEAUX  
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT  
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY  
General Counsel