

AMEND BOARD REPORT 17-1025-PR11
AUTHORIZE THE FINAL RENEWAL AGREEMENT WITH APPLE INC. FOR THE DISTRICT TO
PURCHASE DESKTOP AND LAPTOP COMPUTERS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the final renewal agreement with Apple Inc. for the purchase of desktop and laptop computers, and associated services for all schools, including charter schools, network offices, and departments, at an estimated annual cost set forth in the Compensation Section of this report. A written renewal agreement for this purchase is currently being negotiated. No goods may be ordered or received and no payment shall be made to Vendor prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event their written renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

This August 2018 amendment is necessary to increase the spend amount by \$16,000,000.00 to allow the Board to accommodate various projects to ensure an early start for the upcoming school year. No written amendment to the renewal agreement is required.

Contract Administrator : Matthayasack, Ms. Souly / 773-553-2906

VENDOR:

- 1) Vendor # 23266
APPLE INC
1 INFINITE LOOP
CUPERTINO, CA 95014
Denise Nahley
630 248-3708

Ownership: Publicly Held Company

USER INFORMATION :

Project 12510 - Information & Technology Services
Manager: 42 West Madison Street
Chicago, IL 60602
Pelton, Mr. James R.
773-553-3512

ORIGINAL AGREEMENT:

The original agreements with Dell Marketing LP and Apple, Inc. (authorized by Board Report 12-1024-PR12 in the amount of \$85,000,000, as amended by reports 12-1114-PR8 to add Apple Computer, Inc as a vendor and revise term section and 14-0528-PR18 to increase amount by \$25,250,000) were for a term commencing November 1, 2012 or date of execution, whichever is later and ending October 31, 2015 with the Board having two (2) options to renew for two (2) year terms. The agreements were renewed (authorized by Board Report 15-1028-PR16) for a term commencing November 1, 2015 and ending October 31, 2017. The original agreements were awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing November 1, 2017 and ending October 31, 2018.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendor will continue to provide desktop and laptop computers and associated installation, configuration, extended warranty and maintenance services.

OUTCOMES:

Vendor's services will result in the supply of desktop and laptop computers and associated installation, configuration, extended warranty, and maintenance services for all departments and schools. By leveraging this joint partnership with the City of Chicago and Cook County, significant price discounts are available compared to previous contracts. Absence of the agreement will result in higher pricing, an unmanageable technology footprint and a higher overall TCO.

COMPENSATION:

Vendor shall be paid during this option period as set forth in their renewal agreement; estimated annual costs for this option period are set forth below:

\$4,000,000 FY18

\$16,000,000.00 FY19

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 or designee to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts (M/WBE Program), this contract has M/WBE requirements of 30% total MBE and 7 %WBE. The vendor has scheduled the following:

Total MBE: 30%
KBS Computer Services
8056 186th St.
Tinley Park, IL 60487
Ownership: Anthony R. Kitchens

Total WBE: 7%
RL Canning, Inc.
8700 W. Bryn Mawr Ave. Ste. 120N
Chicago, IL 60631
Ownership: Rachel Lebron Canning

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Multiple Departments, Multiple Units

\$4,000,000.00 FY18

\$16,000,000.00 FY19

~~Not to exceed \$4,000,000 for the one (1) year renewal term.~~

Not to exceed \$20,000,000 for the one (1) year renewal term.

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.

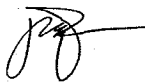
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

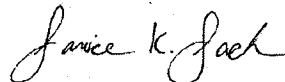
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



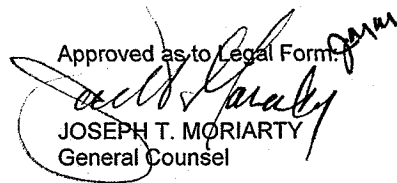
JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Chief Executive Officer

Approved as to Legal Form:



JOSEPH T. MORIARTY
General Counsel