## **AMEND BOARD REPORT 09-0527-PR14**

APPROVE EXERCISING THE SECOND OPTION TO RENEW AGREEMENTS WITH ADVOTEK, INC. AND DELL MARKETING, L.P. FOR THE PURCHASE AND/OR LEASE OF NETWORK SERVERS

## THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second option to renew agreements with Advotek Inc. and Dell Marketing, L.P., Inc. for the purchase and/or lease of network servers for use by all schools, regional and central office departments, at an aggregate cost not to exceed \$5,000,000.00. Written agreements exercising this option are currently being negotiated. No payment shall be made to any Vendor prior to the execution of such Vendor's agreement. The authority granted herein shall automatically rescind as to each Vendor in the event a written renewal agreement for such Vendor is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

This October 2009 amendment is necessary to ratify entering into a leasing agreement with Dell Financial Services for the FY09 year and to exercise the option to renew the leasing portion of the agreement moving forward in FY10. The leasing agreement allows the Board to lease network servers from Dell Financial Services. This amendment also clarifies the Affirmative Action section. The authority granted herein shall automatically rescind in the event a written renewal agreement with Dell Financial Services is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

VENDOR: 1. Advotek Inc.

148 Ogden Avenue Downers Grove, IL 60515 630-964-7762 Diana Conley

Vendor No. 45666

2. Dell Marketing, L.P. (Financing for leasing servers will be provided by Dell's wholly owned subsidiary, Dell Financial Services)

One Dell Way, RR8-Box 870<u>7</u>6 Round Rock, TX 78682 800-766-3355 ext. 35093 Angela L. Woods Vendor No. 44646

3. Dell Financial Services 12234 N. IH35\_BLDG. B Austin, TX 78753 (615) 871-9439 Alissa Sirianni Vendor No. 14600

USER: All Schools, area and central office departments

Contact Person: Craig Holloway, Contract Administrator 773-553-2903

**ORIGINAL AGREEMENT:** The original agreements (authorized by Board Report # 04-1215-PR2 as amended by Board Report # 05-0727-PR2) were for a term beginning on the date the agreement was to be signed and ending June 30, 2008. Each agreement had two options to renew for periods of 12 months each at the same prices, terms, and conditions as in the original agreement. The <u>purchase</u> agreements were was extended for a one-year term (authorized by Board Report # 08-0625-PR17) commencing July 1, 2008 and ending June 30, 2009 and amended to increase the dollar amount to \$5,000,000.00

(authorized by Board Report # 09-0225-PR7). The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

**OPTION PERIOD:** The term of each <u>purchase</u> agreement is being extended for a term commencing July 1, 2009 and ending June 30, 2010. <u>The lease agreement is for a term commencing July 1, 2008 and ending June 30, 2010.</u>

**OPTION PERIODS REMAINING:** There are no option periods remaining.

SCOPE OF SERVICES: Vendors will continue to provide servers and associated installation, configuration, extended warranty and maintenance service. Schools, area, and central office departments shall purchase equipment at their option via requisition to CPS Procurement and Contracts, which will mail a purchase order to the appropriate vendor. School purchases shall be consistent with school improvement plans. Purchases that exceed \$25,000.00 must be approved by the Area Instructional Officer. Within Central Office, purchases over \$25,000.00 must be approved by the Chief of the appropriate department.

**DELIVERABLES:** Vendors will continue to provide the purchase and/or leasing/financing of servers including installation and accessories to the Chicago Public Schools.

**OUTCOMES:** Vendor's services will provide the purchase and/or leasing of network servers including installation and accessories.

**COMPENSATION:** Vendors will continue to provide all network servers at the prices indicated in their original agreements. Total aggregate amount for all Vendors shall not exceed \$5,000,000.00.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written option documents. Authorize the President and Secretary to execute the option documents. Authorize the Chief Purchasing Officer to execute all ancillary documents required to administer or effectuate these option agreements.

AFFIRMATIVE ACTION: Pursuant to the Remedial Program for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the Per contract and Category Goals method for M/WBE participation will be utilized. Thus, contract for subsequent vendors from the pool created by this contract will be subject to compliance reviews on a contract-by contract basis. Aggregated compliance of the vendors in the pool will be reported on a monthly basis. The M/WBE participation goals for this contract include: 30% total MBE and 5% total WBE. The attached list of vendors has been identified and scheduled to provide the following M/WBE participation. However, the Waiver Review Committee recommends that a partial waiver of the M/WBE participation goals for this contract as required by the Remedial Program be granted because the contract is not further divisible.

Dell has identified and scheduled the following firms and percentages:

Total 30% MBE

Pharos Capital Group, LLC 30%

5 Speen Street

Framingham, MA 01701

Total 45%WBE

Advotek Inc. 45%

148 Ogden Avenue

Downers Grove, Illinois 60515

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

FINANCIAL: Charge to various schools and departments

Fiscal Year: 2010

Budget Classification: 55005-Equipment, 53405-Supplies, 56105-Services/Repair

Contracts

## **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 Christina Herzeg Acting Chief Financial Officer

Approved as to legal form: > 🚣

Patrick Rocks General Counsel Approved:

Ron Huberman

Chief Executive Officer