

**AMEND BOARD REPORT 04-0324-PR11
APPROVE ENTERING INTO AN AGREEMENT WITH
~~ACCENTURE OR IBM FOR IMPLEMENTATION SERVICES~~**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with ~~Accenture or IBM~~ to provide consulting services to the Office of Technology Services ("OTS") at a cost not to exceed \$20,700,000.00 for a 2-year term. ~~The Office of Technology Services is continuing its negotiations with both of these vendors, and the contract will be awarded to that vendor which provides the Board with the best prices and best terms. Both vendors were~~Vendor was selected on a competitive basis pursuant to a duly advertised Request for Proposal (Specification No. 03-250274). A written agreement for Consultant's services ~~will be entered into with the final selected consultant~~ are currently being negotiated. No payment shall be made to Consultant prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within ninety (90) days of the date of this Board Report. Information pertinent to this agreement is stated below.

This amendment is necessary to finalize the vendor of choice and to include the Affirmative Action language.

SPECIFICATION NO.: 03-250274

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| CONSULTANT: | 1-) Accenture 161 North Clark Street Chicago, Illinois 60603 Contact: David Nichols Telephone No.: (312) 693-6693 Vendor No.: 36659 | OR | 2-) IBM 330 N. Wabash Avenue Chicago, Illinois 60611 Contact: Larry Peslewait Michael Carlson Telephone No.: (312) 245-5998 (630) 568-7014 Vendor No.: 13388 |
|--------------------|--|----|---|

USER: Office of Technology Services
125 South Clark Street, 3rd Floor
Chicago, Illinois 60603
Contact: Robert W. Runcie, Chief Information Officer
Gretchen Olson, SIS Program Manager
Telephone No.: 773-553-1300

TERM: The term of this agreement shall commence on April 1, 2004 and shall end ~~March 31, 2006~~ September 30, 2006. This agreement shall have one (1) option to renew for a period of one (1) year, the cost of which will be determined at the time of renewal.

EARLY TERMINATION: The Board shall have the right to terminate this agreement with thirty (30) days written notice.

SCOPE OF SERVICES: Vendor shall provide the following consulting services to the Board to implement the Board's new Student Information Systems (SIS) software including the following:

Phase 1: Process Review & Gap Analysis

1. Project Management
 - a. Manage Project efforts
 - b. Develop Project work plan
 - c. Develop Communication plan
2. Process Review and Gap Analysis
 - a. Assess technical environment
 - b. Define business processes

- c. Provide technical training to CPS
- d. Install/Verify proof of concept
- e. Conduct conference room pilot
- f. Revise Implementation Plan
- 3. Implementation Support
 - a. Prepare/conduct change readiness assessment

Phase 2: Pilot and Mini-District Implementation

- 1. Project Management
 - a. Manage Project efforts
 - b. Track/Report status
 - c. Project communications
- 2. Pilot and Mini-District Implementation
 - a. Design pilot approach
 - b. Design mini-district approach
 - c. Install/Verify software
 - d. Design/implement security
 - e. Plan application product test
 - f. Build/test infrastructure
 - g. Execute product/functional tests
 - h. Create Pilot/Mini-district Support Models
- 3. Customization/Modifications
 - a. Design/develop modifications of software
- 4. Installation and Integration
 - a. Update implementation approach
 - b. Implement interfaces
 - c. Provide technical support
 - d. Test/Retest modules
- 5. Implementation Support
 - a. Change Readiness
 - b. Implement Support Model
- 6. Data Conversion
 - a. Identify/map data to convert
 - b. Data cleanup
 - c. Convert data
- 7. Training and End-User Support
 - a. Develop Training Plan and Curriculum
 - b. Develop/modify training
 - c. Design/develop training database
 - d. Develop Online Quick Reference tool
 - e. Deliver training
 - f. Evaluate training

Phase 3: Implementation/Phased Rollout

- 1. Project Management
 - a. Manage Project efforts
 - b. Track/Report status
 - c. Project communications
- 2. Implementation Support
 - a. Change Readiness
 - b. Implement Support Model
- 3. Data Conversion
 - a. Identify/map data to convert
 - b. Data cleanup
 - c. Convert data
- 4. Training and End-User Support
 - a. Develop Training Plan and Curriculum
 - b. Modify training

- c. Modify Online Quick Reference tool
- d. Deliver training
- e. Evaluate training

DELIVERABLES: Vendor will provide the following deliverables:

- Project Management Procedures
- Change Management Processes
- Gap Analysis
- Functional and Technical Specifications
- End-user and Technical Training

OUTCOMES: Vendor’s services will result in the enhancing educational opportunities, overall education processes, and enable new application development and allow for future growth.

COMPENSATION: Vendor shall be paid on a monthly basis in accordance with an agreed upon payment schedule contained in the written agreement not to exceed the sum of \$20,700,000.00 for a 2-year term.

AUTHORIZATION: ~~Authorize the Chief Information Officer to select one of the two vendors identified herein for this award.~~ Authorize the General Counsel to include other relevant terms and conditions in the written agreement with the selected vendor. Authorize the President and Secretary to execute the agreement. Authorize the Chief Information Officer (CIO) to execute all ancillary documents required to administer or effectuate the master agreement. Authorize the CIO to execute all Statements of Work for individual projects related to this agreement; provided, however, the maximum compensation amount of \$20,700,000.00 shall not be exceeded.

AFFIRMATIVE ACTION: ~~To be Determined.~~ This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The M/WBE participation goals for the contract include 40% total MBE, 27% African American, 11% Hispanic, 2% Asian and 5% WBE.

The vendor has identified and scheduled the following firms and percentages:

Total MBE 40%

27% African American

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|---------------------------------------|------------------------------|
| <u>Blackwell Consulting Services,</u> | <u>\$2,470,200.00 – 12%</u> |
| <u>100 S. Wacker Drive, Ste. 800,</u> | <u>Certification expires</u> |
| <u>Chicago, IL 60606</u> | <u>June 30, 2006</u> |

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|---|------------------------------|
| <u>Kc Management Services</u> | <u>\$3,087,750.00 – 15%</u> |
| <u>1525 E. 53rd St., Suite 932</u> | <u>Certification pending</u> |
| <u>Chicago, IL 60615</u> | |

11% Hispanic

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| <u>Quantum Crossings, Inc.</u> | <u>\$2,264,350.00 - 11%</u> |
| <u>455 N. Cityfront Plaza Dr. Ste. 3100,</u> | <u>Certification expires</u> |
| <u>Chicago, IL 60611</u> | <u>November 1, 2007</u> |

2% Asian

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|---|------------------------------|
| <u>Marstech Solutions, Inc.</u> | <u>\$411,700.00 – 2%</u> |
| <u>4635 W. 63rd St, # A,</u> | <u>Certification expires</u> |
| <u>Chicago, IL 60629</u> | <u>March 31, 2007</u> |

5% WBE

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|---------------------------------|-----------------------|
| Teamwerks, Incorporated | \$1,029,250.00 – 5% |
| 307 N. Michigan Ave., Ste. 1818 | Certification expires |
| Chicago, IL 60601 | August 1, 2006 |

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

FINANCIAL: Charge to the Office of Technology Services: \$20,700,000.00

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| Budget Classification No.: 0960-410-000-7536-5410 | \$ 566,550.00 | FY04 |
| 0960-410-000-7536-5410 | \$10,467,200.00 | FY05 |
| 0960-410-000-7536-5410 | \$ 8,283,200.00 | FY06 |
| 0960-410-000-7536-5410 | \$ 1,383,050.00 | FY07 |

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.

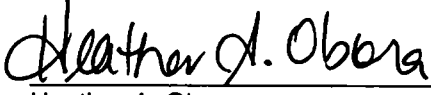
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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

Indebtedness – The Board’s Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board’s Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

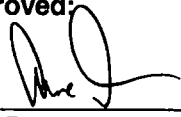
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:




Heather A. Obora
Chief Purchasing Officer

Approved:



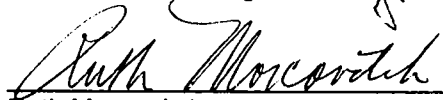
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to Legal Form:



Ruth Moscovitch
General Counsel