APPROVE EXERCISING THE FINAL OPTION TO RENEW THE AGREEMENT WITH KRONOS INCORPORATED FOR SOFTWARE AND HARDWARE MAINTENANCE

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the final option to renew the agreement with Kronos Incorporated ("Kronos" or "Vendor") to provide software and hardware maintenance for all of the Board's Kronos software and hardware products for the Information & Technology Services ("ITS") at a cost not to exceed \$354,625.71. A written document exercising this option is currently being negotiated. No payment shall be made to Kronos 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.

SPECIFICATION NO.: 01-250357

VENDOR: Kronos Incorporated

297 Billerica Road Chelmsford, MA 01824 Contact: John Hogan Telephone: (847) 969-6578

Vendor No.: 31925

USER: Information & Technology Services

125 South Clark, 3rd Floor

Chicago, IL 60603

Contact: Jerome Goudelock, Application Services Officer

Telephone: (773) 553-1300

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report #06-1025-PR9) in the amount of \$354,625.71 is for a term commencing January 1, 2007 and ending December 31, 2007, with the Board having two options to renew for a one-year term. The agreement was extended for a term commencing January 1, 2008 and ending December 31, 2008 (authorized by Board Report 07-1219-PR12). The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

OPTION PERIOD: The term of this agreement is being extended for one year commencing January 1, 2009 and ending December 31, 2009.

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: Kronos will continue to provide mission critical maintenance on the Workforce TimeKeeper system and depot repair maintenance on the smart converter and keypad system. This maintenance consists of program corrections and enhancements that Kronos may develop during the term of this agreement as long as the Board's maintenance fee is current.

DELIVERABLES: Kronos will continue to provide hardware support to ensure the proper operation of the WorkForce TimeKeeper units. Kronos will also provide software support to ensure the operating systems function properly, and will provide quarterly optimizations and necessary process documentation.

OUTCOMES: Kronos' services will continue to result in the WorkForce TimeKeeper systems being maintained properly and functioning properly. Services will also result in ITS and Payroll Services having the necessary hardware and software support to ensure the proper functioning of the operating system.

COMPENSATION: Kronos shall be paid in bi-annual installments of \$177,312.85 and \$177,312.86, respectively, with the total amount not to exceed \$354,625.71.

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

AFFIRMATIVE ACTION: The M/WBE goals for this contract include 35% total MBE and 5% total WBE. However, the Waiver Review Committee recommends that a full waiver of the M/WBE participation goals for this contract as required by the Remedial Program be granted because the scope of service is not further divisible.

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

FINANCIAL: Charge to Information & Technology Services: \$354,625.71

Budget Classification: 12540-115-56105-266410-000000 \$177,312.85 FY09

12540-115-56105-266410-000000 \$177,312.86 FY10

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

Chief Financial Officer

Approved as to Legal Form

Patrick Rocks
General Counsel

Approved:

Arne Duncan

Chief Executive Officer