

21337

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

ADOPTED
BOARD OF TRUSTEES OF
COMMUNITY COLLEGE DISTRICT NO. 508

JUN 3 - 1999

YEAR 2000 COMPLIANCE - CONSULTING SERVICES
ALL COLLEGES & DISTRICT OFFICE

COUNTY OF COOK
AND STATE OF ILLINOIS

THE CHANCELLOR

REPORTS

that there is a need to retain the services of a technology consulting firm to provide assessment services of District equipment and systems for Year 2000 compliance; and that a Request for Proposals was prepared inviting over 140 technology firms to submit a proposal for the required services categorized in 6 deliverable sections:

1. Project Management: Overall management of gathering information, assessing compliance, assessing risk and remediation;
2. Embedded Systems: Management and assessment of embedded systems compliance;
3. Code Remediation: Management of remediation of source code based in COBOL and other computer languages;
4. Third Party Vendor: Management of compliance by third-party vendors;
5. Year 2000 Audit: Audit of overall Year 2000 compliance and Year 2000 readiness;
6. Contingency Planning: Assessment of potential impact of mission-critical system failures relative to CCC core business processes.

that 12 responses were received from interested firms and were evaluated based on the Scope of Work outlined in the RFP; and that a standardized form was used to rate the firms on the basis of vendor qualifications, key personnel qualifications, proposed project management, approach to inventory, assessment, database tracking and remediation strategies, and cost; and based on this evaluation, staff recommends the services be awarded to two firms as follows:

IBM Corporation	Section 4 - Third Party Vendor	\$150,000 [estimated]
	Section 5 - Year 2000 Audit	\$ 80,000 [estimated]
	Section 6 - Contingency Planning	\$100,000 [estimated]
Complete Business Solutions	Section 1 - Project Management	\$250,000 [estimated]
	Section 2 - Embedded Systems	\$450,000 [estimated]
	Section 3 - Code Remediation	\$ 90,000 [estimated]

that the total cost is estimated and calculated by multiplying the estimated number of hours for each task of each deliverable section by the unit price proposed; and that actual expenditures may vary based upon the actual condition of equipment and systems, and the risk and priority assigned to remediation; and

that of the total cost, approximately \$720,000.00 will be completed during FY1999, and approximately \$400,000.00 will be required in FY2000; and

that both firms are in compliance with M/WBE requirements.

RECOMMENDS

that the Board of Trustees ratifies the Vice Chairman's pre-approval to issue purchase orders totaling \$1,120,000.00 as listed below, and authorizes the Vice Chairman and Assistant Secretary to execute any documents pertaining to these services.

- ▶ \$330,000.00 to IBM Corporation, One IBM Plaza, Chicago, and
- ▶ \$790,000.00 to Complete Business Solutions, 1750 E. Golf Road, Schaumburg.

FINANCIAL

\$1,120,000.00 -- PBC R&R Fund

Respectfully submitted:

Wayne D. Watson
Chancellor

June 3, 1999

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Respectfully submitted:

Wayne D. Watson
Chancellor

June 3, 1999

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AGREEMENT BETWEEN
COMPLETE BUSINESS SOLUTIONS, INC.
AND
BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508,
COUNTY OF COOK AND STATE OF ILLINOIS

This Agreement is made between Board of Trustees of Community College District No. 508, County of Cook and State of Illinois ("Institution") and Complete Business Solutions, Inc., a corporation organized and existing under the laws of the State of Michigan and having its principal place of business at 32605 West Twelve Mile Road, Farmington Hills, MI, 48334 with authority to do business in the State of Illinois ("Consultant").

RECITALS

- A. Institution desires to obtain the services of Consultant; and
- B. Consultant claims to have expertise and experience to provide such services for Institution.

TERMS

Consultant agrees to perform such professional services, with the standard of professional care and skill customarily provided in the performance of such services as are set forth in this Agreement, and Institution agrees to pay Consultant such amounts as are specified in this Agreement, all upon the following terms and conditions:

- 1. Scope of Service.
 - 1.1 Consultant agrees to provide the services described as stated in Attachments A (Statement of Work or "SOW", dated June 14, 1999), B (List of Consultant Positions and Staff, dated June 25, 1999), and C (City Colleges of Chicago-Scope of Services/Project Deliverables/Project Assumptions, dated June 28, 1999, pursuant to section 1.02 of City Colleges' Request for Proposals, dated March 26, 1999) appended to and incorporated into this Agreement ("Professional Consulting Services").
 - 1.2 If there is a conflict between the Terms of this Agreement and any of the Attachments or Schedules to this Agreement, the Terms shall control over the Attachments and Schedules. If there is a conflict among the Attachments, the most recent Attachment shall control over the less recent Attachment.
 - 1.3 Consultant agrees to perform the Professional Consulting Services in accordance with the specifications described in the SOW to the satisfaction of Institution during the term of this Agreement; provided, however, Consultant shall not be obligated to perform in the event funding has not been authorized by Institution's Board of Trustees or the fee cap described in paragraph 2.1 has been met.
 - 1.4 Substitution of any key staff named in Attachment B, (i.e., List of Consultant Positions and

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Staff, dated June 25, 1999) shall only be made with the prior, written approval of Institution.

- 1.5 Institution's liaison overseeing the Professional Consulting Services provided under this Agreement is Chancellor, Wayne D. Watson, who is located at 226 W. Jackson Blvd., 14th Floor, Chicago, Illinois 60606. However, the Chancellor may appoint his designee to assist in overseeing the Professional Consulting Services in this Agreement.

2. Fees and Expenses.

- 2.1 Institution agrees to pay Consultant solely for fees previously authorized by Institution's Board of Trustees, at the hourly rates set for in the SOW, up to an amount not to exceed \$711,000.00. Institution agrees to reimburse Consultant for actual reasonable travel and living expenses in an amount not to exceed \$79,000.00. The total amount to be paid under this Agreement shall not exceed seven hundred and ninety thousand dollars and no cents (\$790,000.00). Institution shall not incur any additional amounts without prior written approval by Institution's Board of Trustees.

- 2.2 Provided that Consultant is in compliance with Attachments A and C, the total fee and actual reasonable travel and living expenses, if any, shall be payable monthly, net thirty (30) days, upon the submission of an invoice providing an itemized description for rendered services pursuant to the SOW, Project Deliverables and/or Change Order described in paragraph 16 of this Agreement.

- 2.3 Consultant shall submit an invoice and adequate receipts and documentation requested by Institution to support reimbursement of all reimbursable expenses.

- 2.4 Consultant agrees that Consultant is solely responsible for payment of income, social security, and other employment taxes due to the proper taxing authorities, and that Institution will not deduct such taxes from any payments to Consultant hereunder. Institution agrees to provide Consultant with evidence of Institution's tax exempt status.

3. Term.

The Professional Consulting Services to be rendered by Consultant under this Agreement shall commence not later than June 14, 1999 and be completed by the Target Date -December 31, 1999, or any modifications thereto as mutually agreed between the parties. Time is of the essence in this Agreement. This term may be extended beyond such completion date if Institution and Consultant mutually agree to the extension in writing.

4. Contractor's Capacity and Responsibilities.

- 4.1 It is expressly understood that Consultant is an independent contractor and not the agent, partner, or employee of Institution. Consultant and Consultant's workers are not employees of Institution and are not entitled to tax withholding, Workers' Compensation,

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unemployment compensation, or any employee benefits, statutory or otherwise.

- 4.2 Consultant shall not have the authority to enter into any contract or agreement to bind Institution and shall not represent to anyone that Consultant has such authority.
- 4.3 Contractor represents and warrants to Institution that in performing the Professional Consulting Services Consultant will not be in breach of any agreement with a third party.
- 4.4 Consultant declares that he/she is not a Legislator, elected or appointed officer, or that his/her firm is not owned or controlled by any Legislator, elected or appointed officer, compensated or uncompensated, member of a State board or commission, or other employee of the State of Illinois; and
- 4.5 Consultant further declares that he/she has not participated in a State capacity, or that his/her firm has not been assisted or represented in this matter by an individual who has been involved in a State capacity, in the subject matter of this Contract in the past year.

5. Confidentiality of Information.

- 5.1 Consultant agrees to keep confidential and not to disclose to third parties any information provided by Institution pursuant to this Agreement unless Consultant has received prior written consent of Institution to make such disclosure. This obligation of confidentiality does not extend to any information that:
 - 5.1.1 Was in the possession of Consultant at the time of disclosure by Institution, directly or indirectly;
 - 5.1.2 Is or shall become, through no fault of Consultant, available to the general public, or
 - 5.1.3 Is independently developed and hereafter supplied to Consultant by a third party without restriction or disclosure.
 - 5.1.4 This provision shall survive expiration and termination of this Agreement.
 - 5.1.5 Upon expiration or termination of this Agreement, and upon Institution's payment for that portion of Professional Consulting Services completed as defined in Section 1.1, Consultant shall promptly return to Institution all computer programs, files, documentation, media, related material and any other material that, pursuant to this Agreement is owned by Institution. Expiration or termination of this Agreement shall not relieve either party of its obligations regarding Confidential Information.

6. Property Rights and Reports.

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- 6.1 Consultant agrees that any computer programs, software, documentation, copyrightable work, discoveries, inventions, or improvements developed by Consultant solely, or with others, resulting from the performance of Professional Consulting Services pursuant to this Agreement are the property of Institution, and Consultant agrees to assign all rights therein to Institution. At Institution's expense, Consultant further agrees to provide Institution with any assistance which Institution may require to obtain patents or copyright registrations, including the execution of any documents submitted by Institution, if applicable.

All ideas, concepts, designs, techniques, procedures, methods, utilities or tools whether patentable or not, that are conceived or reduced to practice by Consultant or by one or more Consultant employees or agents in the performance of services for Consultant or Institution under this Agreement, whether acting alone or in conjunction with Institutions' employees or others ("Consultant Technology"), shall be the exclusive property of Consultant. With respect to any Consultant Technology, Consultant hereby grants to Institution and to any entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, Institution, a non-exclusive, non-transferable, limited, perpetual, royalty-free license to use such Inventions in the normal course of Institution's business.

- 6.2 Consultant shall provide five (5) copies of all written report/s of the Deliverables. Consultant shall provide all such report/s as determined by the Institution; also the parties agree that the report was specifically ordered and commissioned by Institution, and is a work for hire as such term is used and defined in the Copyright Act. Accordingly, Institution shall be considered the author thereof, and the sole and exclusive owner throughout the world forever of all rights existing therein, including all manuscripts, reports, sketches, drafts, notes, maps, memoranda, etc., relating to the work, and all revisions, editions, and versions thereof in all languages, forms, and media now or hereafter known and developed.

- 6.3 This provision shall survive expiration and termination of this Agreement.

7. Insurance.

Consultant shall at its own expense comply with all federal, state and local laws in obtaining and maintaining adequate public liability insurance against personal bodily injury and against property damage liability in amounts in compliance with Illinois law to cover such liability caused by, or arising out of, activities of Consultant and its agents, and/or employees while engaged in preparing for, the Consulting work, or such other insurance that is required by Institution, and shall furnish to Sponsor certificates of insurance evidencing that such insurance has been procured prior to commencement of such work.

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8. Indemnification and Hold Harmless.

- 8.1 Consultant agrees that any personal injury to Consultant or third parties or any property damage incurred in the course of performance of the Professional Consulting Services shall be the responsibility of Consultant.
- 8.2 Consultant shall defend, indemnify, keep and save harmless Institution, its board members, representatives, officers, agents and employees, in both individual and official capacities, against all suits, claims, damages, losses and expenses, including attorney's fees, for any personal injury or property damage caused by, growing out of, or incidental to, the performance of the work under this Agreement by the Consultant or its subcontractors to the full extent as allowed by the laws of the State of Illinois and not beyond any extent which would render these provisions void or unenforceable. In the event of any such injury (including death), loss and/or damage, or claims therefore, the Consultant shall give prompt notice, but no later than 30 days from Consultant's receipt of such notice of injury, loss and/or damage, to the Institution. Further, such indemnification is conditional on the Institution's full discretion on the selection of the attorneys.

9. Indemnification and Liability-Software Product.

- 9.1 Consultant warrants that no portion of any Software Product developed and delivered hereunder by Consultant will infringe on any patent, copyright, trade secret or other proprietary right of a third party, and Consultant agrees to indemnify, defend and hold Institution harmless from and against any liabilities, suits, causes of action, claims or expense arising from any breach or claimed breach of this warranty, subject to the following conditions:
 - 9.1.1 Institution shall promptly, and in writing, notify Consultant of any such claim made against it by any third party, and shall take action as may be necessary to avoid default or other adverse consequences until such time as Consultant has a reasonable opportunity to assume the defense of the claim;
 - 9.1.2 In any claim of infringement wherein Consultant shall have an obligation to defend under this section, Consultant shall have the right to select counsel and to control such defense. Institution shall provide cooperation and participation of its personnel as required for such defense; and
 - 9.1.3 In the event that any order of a court of competent jurisdiction shall prevent Institution from using all or any part of such Software Product Consultant at Consultant's sole option, shall either (a) obtain for the Institution at Consultant's expense the right for the Institution to continue using all of such Software Product including the alleged infringing portion, or (b) replace such infringing portion of such Software Product to make it non-infringing; or (c) refund to Institution all amounts paid under the SOW pursuant to which such Software Product was supplied and under all other SOWs the use of which are adversely affected by the

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Institution's inability to use such Software Product.

THE REMEDIES SET FORTH IN THIS PARAGRAPH SHALL BE, INSTITUTION'S SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF THE WARRANTY SET FORTH IN THIS SECTION.

9.2 In the event Consultant is required to modify any Institution third party software in the Services to be performed hereunder, Institution represents and warrants that it has acquired the necessary approvals and license rights for Consultant to perform such Services. Institution will indemnify and defend Consultant from any and all claims against Consultant or Institution regarding Consultant's use or modification of such third party software.

9.3 This Section 9 shall survive termination or expiration of this Agreement.

10. Suspension or Termination of Contract.

Institution reserves the right to terminate the contract and the Professional Consulting Services to be rendered by Consultant upon oral or written notice to Consultant for any reason upon thirty (30) days' notice. In the event of termination prior to completion of all work described in Section 1.0, the amount of the total fee to be paid Consultant shall be determined by Institution on the basis of the portion of the total work actually completed up to the time of such termination.

11. Project Organization.

Each SOW shall be organized and staffed by Consultant as set forth in the applicable SOW.

12. Responsibilities.

Each SOW shall reflect the responsibilities of Institution and Consultant.

13. Location of Performance.

Services performed under the terms of this Agreement will be performed at Consultant's offices, Institution's location(s), or at other locations as defined in the SOW.

14. Covenant.

Institution agrees that, while Consultant personnel are performing services under this Agreement and for a period of twelve (12) months following the termination of this Agreement, Institution will not, except with Consultant's prior written approval directly or indirectly through a third party, refer for employment, solicit, hire, or offer employment to any employee or staff member of Consultant engaged in any efforts under this Agreement. If Institution assigns or arranges for the performance of services by Consultant's personnel at a third party location, Institution will ensure

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that an Agreement which includes a similar Covenant as this Section 14 is entered into with the third party.

15. Force Majeure.

Neither party shall be responsible for any delay or failure in performance, caused by flood, riot, insurrection, fire, earthquake, strike, communication, line failure and power failure, explosion or act of God, death of, or incapacitating illness, or injury to, key personnel of Consultant or Institution or any other force or cause beyond the control of the party claiming the protection of this paragraph.

16. Change Orders.

The scope of the services may be modified by prior mutual agreement between Consultant and Institution. All modifications shall be in writing specifying the necessary changes to the Statement of Work, the expected completion dates and the cost (Change Order). Consultant shall perform no services outside the scope of the Services as defined in writing in the Statement of Work, except by prior written agreement and as documented in a Change Order.

17. Notice.

Any notice to either party hereunder must be in writing signed by the party giving it, and shall be served either personally or by registered or certified mail addressed as follows:

To Institution:

Vice Chairman
Board of Trustees of Community College District No. 508,
County of Cook and State of Illinois
226 W. Jackson Blvd.
14th Floor
Chicago, Illinois 60606

and

Wayne D. Watson
Chancellor
City Colleges of Chicago
226 W. Jackson Blvd.
14th Floor
Chicago, Illinois 60606

To Consultant:

Siva Velu

Regional Vice President
Complete Business Solutions, Inc.
32605 West Twelve Mile Rd.
Farmington Hills, MI 48334

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Julie Thornton
Director of Contracts
Complete Business Solutions, Inc.
32605 West Twelve Mile Rd.
Farmington Hills, MI 48334

or to such other addressee as may be hereafter designated by written notice. All such notices shall be effective only when received by the addressee.

18. Entire Agreement; Modification.

This Agreement (and its attachments, if any) constitutes the entire understanding between the parties with respect to the subject matter hereof and may not be amended except by an agreement signed by Consultant and the Institution as approved by the Institution's Board of Trustees pursuant to Illinois law.

19. Severability.

The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.

20. Governing Law; Forum.

This Agreement shall be governed by and construed under the laws of the State of Illinois, which shall be the forum for any lawsuits arising from or incident to this Agreement.

21. Paragraph Headings.

The paragraph headings in this Agreement are inserted for convenience only and shall not be construed to limit or modify the scope of any provision of this Agreement.

22. Non-Waiver.

The delay or failure of either party to exercise any of its rights under this Agreement for a breach thereof shall not be deemed to be a waiver of such rights, nor shall the same be deemed to be a waiver of any subsequent breach, either of the same provision or otherwise.

23. Assignment.

Consultant may not assign the rights or obligations under this Agreement without Institution's prior

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written consent. Request for consent may not be unreasonably withheld. Consultant has a right to subcontract all or any portion of the work hereunder; provided, however, Consultant shall remain fully responsible for performance and completion of such work. The use by Consultant of personnel from any of its subsidiaries and affiliates shall not be deemed an assignment.

24. Federal, State and Local Laws.

Consultant acknowledges that the Institution is a body politic and corporate, created under the Illinois Public Community College Act (110 ILCS 805/1-1, *et seq.*). Consultant understands that its performance under this Agreement is governed by, and subject to compliance with federal, state and local laws, including but not limited to the Illinois Public Community College Act and the Rules for the Management and Government of the City Colleges of Chicago with any amendments thereafter as well as the Institution's respective collective bargaining agreements.

25. Minority and Women Business Enterprise Plan.

Consultant agrees to comply with Institution's Minority and Women Business Enterprise Plan as stated in Institution's Request for Proposal, dated March 26, 1999.

26. Ethics Policy.

Consultant agrees that it complies and will continue to comply with Institution's Ethics Policy.

27. Consultant Disclaimer.

Consultant makes no representation or warranties other than those expressly stated herein, including any warranties of merchantability for a particular purpose. Such additional warranties are hereby disclaimed and denied for all purposes.

Consultant's liability to Institution will be limited to actual damages, which will not exceed the amount of the services or deliverables directly causing damages and in no event shall consultant be liable to Institution for any indirect, special, incidental, exemplary or consequential damages (including, without limitation lost profits or good will) related to this agreement, or arising from any cause of action whatsoever, including contract, warranty, tort, strict liability, indemnity or negligence, even if Consultant has been notified of the possibility of such damages.

28. Arbitration.

Any controversy or claim arising out of or relating to this Agreement or the breach thereof may be settled by arbitration in accordance with the rules of the American Arbitration Association then in effect, and judgment up to the award rendered by the arbitrators may be entered in any court having jurisdiction. Any such arbitration will be conducted in Chicago, Illinois. The arbitrators will have no authority to award punitive damages nor any other damages not measured by the prevailing party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms, limitations and conditions of this Agreement.

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29. Press Release.

Institution hereby grants permission to Consultant to issue press releases after execution of this Agreement announcing that Institution has selected Consultant to perform the Services described herein and subsequently announcing completion of milestones hereunder, subject to Institution's review and acceptance of such press releases. Neither party shall make any press release or other public disclosure of this Agreement or the terms hereof, except as required by law, without the express written consent of the other party.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Agreement on this 26th day of July, 1999.

INSTITUTION:

CONSULTANT:

Board of Trustees of Community College
District No. 508, County of Cook
and State of Illinois

Complete Business Solutions, Inc.

By: James C. Dyson
Vice Chairman

By: Tim Manney

Attested By: Patricia A. Buck
Assistant Secretary

Name: Tim Manney

Title: Executive V.P.

Approved as to legal form:

[Signature]
General Counsel

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ATTACHMENT A- STATEMENT OF WORK

I Scope of Work/Services to be Performed

This Statement of Work ("SOW") is between **Complete Business Solutions, Inc.** ("Company") and **City Colleges of Chicago** ("Customer") in accordance with the Agreement dated July 26, 1999, and covers the performance by the Company.

Company will provide project staffing and consulting services to support the Customer Year 2000 Embedded Systems Compliance Assessment, Inventory and Remediation Management efforts. Company will provide the following service offering within the project scope of work:

1.1 Establish a Project Management Office

The following services are included within the scope of the effort:

- Selection and orientation of key project management and technical team members.
- Review of existing Y2K Program policies and procedures, tools, data repositories, and related infrastructure components to facilitate integration with Non-Embedded Systems Y2K Program, as appropriate.
- Implementation of supporting project infrastructure designed to support Company requirements including but limited to the following deliverables:
 - **Master Project and Staffing Plan.** This deliverable will include detailed documentation of the project objectives and scope, schedules, staffing and associated budget by project phase.
 - **Project Accounting and Reporting System.** This deliverable will be designed to facilitate the tracking of staff time, and budget and expenses and facilitate cost control and the tracking of progress toward the attainment of project objectives.
 - **Initial Assessment of Key Priorities and Risks.** This deliverable will include targeted high-risk areas and priorities for inventory, assessment and Remediation.
 - **Data Repository and Associated Procedures and Strategies.** This deliverable will include a database for use as a reporting tool to provide Company with inventory and assessment status during various phases of the project.

21337**1.2 Inventory and Assessment of Company Embedded Systems**

During the Inventory and Assessment phase Company will inventory identified embedded systems located at the Customer facilities. Also, Company will develop a high-level year 2000 risk assessment based on the inventory findings and provide high level recommendations regarding the scope of work for the next project phase.

1.3 Remediation Strategies

During the remediation phase of the Embedded Systems Year 2000 project the following major deliverables shall be provided:

- Project strategy for testing remediation of embedded systems.
- Project strategy for upgrade or replacement of Embedded Systems hardware.
- Project strategy for upgrade or replacement of Embedded Systems software.

2 Responsibilities**2.1 Company Responsibilities**

Company shall be responsible for performing the following duties:

Company shall provide project staff in accordance with a work plan mutually agreed to and approved by Company and Customer. Company will also provide recommendations for project staff that could be provided by Company as mutually identified as appropriate by Company and Customer. Command technical guidance and support.

2.2 Customer Responsibilities

Customer shall be responsible for performing the following duties:

Customer will provide timely and necessary space, desks, telephones and computers, printers and supplies and appropriate access to Customer networks as needed by Company personnel to perform approved work activities. Customer will provide project staff with access to project management, presentation, word processing, spreadsheet, and email applications. If Customer cannot provide timely access to the aforementioned resources, alternative strategies will be mutually agreed to by both parties to achieve Customer support requirements. Alternative strategies may include use of Company office resources.

3 Assumptions

Company used the following assumptions in preparing the proposal for Embedded Systems Compliance Assessment, Inventory and Remediation Management:

- Customer will assign a contact person for each department and/or area in which visits or

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follow-up information gathering may be required. Where possible subject matter experts will be available to assist Company.

- Customer would not be available to provide extensive assistance to the vendor in performing the actual surveying and tracking of the systems. However, Customer will review and consider additional information that demonstrates potential time and dollar savings that would be realized should the Customer rely more on internal personnel. After an assessment of the Customer environment, Company will specify the exact type of skills and tasks that would be required from the Customer staff person to accomplish such tasks.
- Customer will provide timely and necessary space, desks, telephones and computers, printers and supplies and appropriate access to Customer network and as needed by Company personnel to perform approved work activities. All project staff requiring computer support will typically require access to word processing, spreadsheet, and email applications. Some project staff will need Internet and project management software. If Customer can not provide timely access to the aforementioned resources, alternative strategies will be mutually agreed to by both parties to achieve Customer support requirements. Alternative strategies may include use of Company office resources.

4 Duration

This SOW shall commence on June 14, 1999, and shall continue until completion of the of the Services described in the SOW, but not later than December 31, 1999.

5 Staffing - See table below and Attachment B of the Agreement.**6 Work Location**

- On-site work at Customer's 16 City College facilities
- Off-site at Company's Schaumburg, IL facility
- Off-shore work at Company's Centers of Excellence "software factories" in India

7 Payment

Customer agrees to pay Company for the Services described herein at the hourly rates specified below, net thirty (30) days from receipt of invoices which shall be sent by Company monthly.

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Title/Position of Project Staff	Hourly Rate
Y2K Project Manager	\$125
Project Admin. Assistant	\$80
Programmer	\$85
Data Entry/Doc. Specialist	\$45
ES Constultant	\$95
Inventory Specialist	\$45
Project Accountant	\$95
Database Administrator	\$100
Technical Advisor	\$110
Compliance Officer	\$85
Team Leader	\$90

Title/Position of Project Staff	Hourly Rate
Team Leader -- Y2K Consultant	\$90
ES Specialist (Communications)	\$95
ES Specialist (Facilities)	\$85
ES Specialist (Office Equipment)	\$85
Inventory Assistant	\$75

If additional categories of Consultants are required, the billing rates will be negotiated at that time. These billing rates identified above shall be in effect for the term of this agreement.

Customer shall be responsible for all reasonable travel and accommodation expenses incurred by Company's consultant and any applicable communication line expenses. Customer shall reimburse Company upon receipt of invoice including actual receipts for such expenses.

These Standard Rates shall be in effect until December 31, 1999.

8 Time Sheets

The Company Project Manager will provide the Customer Project Manager with monthly time sheets for each Company consultant engaged in performing Services under this SOW,

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which will show the hours worked during the week. The Customer Project Manager will verify the hours on the time sheet by signing a copy within two (2) business days after it is submitted. A normal work week will have at least forty (40) working hours per Company consultant. Overtime work, if any is needed, will be at the same Standard Blended Rate listed above.

9 **Expenses**

Customer shall be responsible for all travel and accommodation expenses incurred by Company consultants in performing Services under this SOW, as well as for a one-time relocation fee for each Company consultant who relocates to the Customer location. Expenses shall be payable within thirty (30) days after receipt of an invoice containing appropriate details of the charges. Customer shall also be responsible for all applicable expenses incurred by Company related to third party tools, communication costs and associated expenses for data communication between Customer site, Company's off-site facilities and off-shore facilities as required.

Sent By: CBSI;

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ay: CBSI;

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ATTACHMENT B

Addendum to Agreement
between Complete Business Solutions, Inc.
and
Board of Trustees of Community College District No. 508
County of Cook and State of Illinois
Attachment B
June 15, 1999

<u>Position</u>	<u>Consultant</u>
Y2K Embedded Systems Project Manager	William Patterson
Compliance Officer	Jeff Shimkus
Project Accountant	Jim Cauthorn
Database Administrator	Gennady Zueis
Team Leader	George Colman
Team Leader	Lita Scott

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ATTACHMENT C

CBSI;

Chicago City Colleges
Complete Business Solutions, Inc
Embedded Systems

Scope of Services

Embedded Systems Compliance Assessment, Inventory and Remediation Management:

- Project Management
- Inventory Assessment
- Tracking Database
- Documentation and Tracking

Code Remediation Services: (Optional - Scope Change Addition)

- Coordination
- Testing (CCC)
- Assessment
- Documentation
- Audit
- Guidance and Direction

IT Y2K Initiative Support (Scope Change Addition)

Third Party Vendors and Business Partners Compliance Assessment, Inventory and Remediating Activity Management

- Project Management (IBM)
- Inventory Assessment (IBM)
- Tracking Database (CBSI - Scope Change Addition)
- Documentation and Tracking (CBSI - Scope Change Addition)
- Contingency Planning (IBM)

Contingency Planning, Risk Analysis, and Business Continuity Planning Workshops:

- Business Impact Analysis (IBM)
- Contingency Planning (IBM)
- Testing (CCC)

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The Following Categories of Embedded Systems are Included in the Scope of Services:

- 16 CCC owned and managed buildings; all electrical, safety, HVAC and other relevant components.
- Telephone systems.
- Pagers, cellular phones, two-way radios.
- Office equipment not administered by IT. (Copiers, Faxes, Scanners, Printers, Plotters)
- Environmental Control Devices.
- Public safety; emergency communication systems, fire/police alarms, sprinkler systems, breathing and life safety apparatus, and related items.
- Fleet Management; CCC owned vehicles.
- Laboratory equipment and other training devices.

Exclusions

- Data Network Equipment
- Televisions
- CAD/CAM
- Leased Equipment (exclusion list)
- Other equipment administered by IT.

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The Following Categories of Embedded Systems are Included in the Scope of Services:

- 16 CCC owned and managed buildings; all electrical, safety, HVAC and other relevant components.
- Telephone systems.
- Pagers, cellular phones, two-way radios.
- Office equipment not administered by IT. (Copiers, Faxes, Scanners, Printers, Plotters)
- Environmental Control Devices.
- Public safety: emergency communication systems, fire/police alarms, sprinkler
- systems, breathing and life safety apparatus, and related items.
- Fleet Management; CCC owned vehicles.
- Laboratory equipment and other training devices.

Exclusions

- Data Network Equipment
- Televisions
- CAD/CAM
- Leased Equipment (exclusion list)
- Other equipment administered by IT.

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City Colleges of Chicago
Embedded Systems – Year 2000 Services Project
Project Deliverables

June 28, 1999

Deliverable	Timeframe
1) Project Workplan	Biweekly review with Ned Dunbar
2) Setup of Project Office	Complete for Phase I; adjusted as needed with review by Ned Dunbar
3) Assistance with Inventory & Item Assessment	Current target for completion of 9/30/99

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Chicago City College Y2K Embedded Systems
Complete Business Solutions, Inc.
Project Assumptions

An Embedded System is a system connected to an Embedded System process and/or administered by an Embedded System organization.

The CCC is responsible for testing the Embedded Systems:

- CBSI will assist in identifying Embedded systems that need to be remediated
- CCC and vendors will conduct tests of equipment connected to Embedded System processes
- CBSI will develop Testing Strategy for specified embedded systems equipment

The Executive Steering Committee, Legal Department, Purchasing Department and CCC's SME's will provide support to CBSI to:

- Facilitate Communications
- Expedite Process
- Make and approve decisions and responsibilities

Systems administrators and business area representatives will sign off on deliverables.

IBM will be responsible for third party vendor/business partners compliance.

CBSI will be responsible for developing and maintaining the reporting system required to track third party compliance data provided by IBM.

The Chicago City Colleges are comprised of 16 facilities that will have to be assessed to determine if and to what extent the facility has Embedded System components or vendor partners with potential Y2K compliance issues.

Y2K project team will be given timely access to CCC owned/managed facilities.

CCC, CBSI and vendors will assist in developing remediation strategies for Embedded Systems

CCC Business Managers and other designated CCC personnel will identify the business criticality of Embedded Systems items.

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IBM Agreement for Services

Thank you for doing business with us. We strive to provide you with high quality Services. If, at any time, you have any questions or problems, or are not completely satisfied, please let us know. Our goal is to do our best for you.

This IBM Agreement for Services (called the "Agreement") covers business transactions you may do with us to acquire Services.

This Agreement and its applicable Attachments and Transaction Documents are the complete agreement regarding these transactions, and replace any prior oral or written communications between us. No machines or licensed program products are to be acquired under this Agreement. Such items are available only under the terms of 1) the IBM Customer Agreement (or any equivalent agreement between us) or 2) the applicable third-party agreement.

By signing below for our respective Enterprises, both of us agree to the terms of this Agreement. Once signed, 1) any reproduction of this Agreement, an Attachment, or Transaction Document made by reliable means (for example, photocopy or facsimile) is considered an original and 2) all Services you order under this Agreement are subject to it.

Agreed to: (Enterprise name)
**Board of Trustees of Community College
District No. 508, County of Cook and
State of Illinois**

Agreed to:
International Business Machines Corporation

By James A. Dyson
Authorized signature
VICE CHAIRMAN

By Kai J. Bunch
Authorized signature

Name (type or print): JAMES A. DYSON

Name (type or print): Kai J. Bunch

Date: JUL 23 1999

Date: 7/19/99

Enterprise number: 4502000

Agreement number:

Enterprise address: 226 W. Jackson
Chicago, IL 60606

IBM address: 330 N. Wabash
Chicago, IL. 60611

APPROVED AS TO LEGAL FORM
[Signature]
GENERAL COUNSEL

After signing, please return a copy of this Agreement to the "IBM address" shown above.

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IBM Agreement for Services

Part 1 - General

1.1 Definitions

Enterprise is any legal entity (such as a corporation) and the subsidiaries it owns by more than 50 percent. The term "Enterprise" applies only to the portion of the enterprise located in the United States or Puerto Rico.

Machine is a machine, its features, conversions, upgrades, elements, or accessories, or any combination of them. The term "Machine" includes an IBM Machine and any non-IBM Machine (including other equipment) that we may provide maintenance Services for.

Materials are literary works or other works of authorship (such as programs, program listings, programming tools, documentation, reports, drawings and similar works) that we may deliver to you as part of a Service. The term "Materials" does not include licensed program products available under their own license agreement.

Service is performance of a task, provision of advice and counsel, assistance, or access to a resource (such as access to an information database) we make available to you.

1.2 Agreement Structure

Attachments

Some Services have terms in addition to those we specify in this Agreement. We provide the additional terms in documents called "Attachments" which are also part of this Agreement. Attachments will be signed by both of us if requested by either of us.

Transaction Documents

For each business transaction, we will provide you with the appropriate "Transaction Documents" that confirm the specific details of the transaction. Transaction Documents will be signed by both of us if requested by either of us. The following are examples of Transaction Documents, with examples of the information they may contain:

1. invoices (item, quantity, and amount due);
2. statements of work (scope of Services, responsibilities, deliverables, completion criteria, estimated schedule or contract period, and charges); and
3. supplements (Service ordered, price, and contract period).

Conflicting Terms

If there is a conflict among the terms in the various documents, those of an Attachment prevail over those of this Agreement. The terms of a Transaction Document prevail over those of both of these documents.

Our Acceptance of Your Order

A Service becomes subject to this Agreement when we accept your order by doing any of the following:

1. sending you a Transaction Document; or
2. providing the Service.

Your Acceptance of Additional Terms

You accept the additional terms in an Attachment or Transaction Document by doing any of the following:

1. signing the Attachment or Transaction Document;

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1.6 Mutual Responsibilities

Both of us agree that under this Agreement:

1. neither of us grants the other the right to use its trademarks, trade names, or other designations in any promotion or publication without prior written consent;
2. all information exchanged is nonconfidential. If either of us requires the exchange of confidential information, it will be made under a signed confidentiality agreement;
3. each is free to enter into similar agreements with others;
4. each grants the other only the licenses and rights specified. No other licenses or rights (including licenses or rights under patents) are granted;
5. each may communicate with the other by electronic means and such communication is acceptable as a signed writing. An identification code (called a "user ID") contained in an electronic document is sufficient to verify the sender's identity and the document's authenticity;
6. each will allow the other reasonable opportunity to comply before it claims that the other has not met its obligations;
7. neither of us will bring a legal action more than two years after the cause of action arose; and
8. neither of us is responsible for failure to fulfill any obligations due to causes beyond its control.

1.7 Your Other Responsibilities

You agree:

1. not to assign, or otherwise transfer, this Agreement or your rights under this Agreement, delegate your obligations, or resell any Service, without our prior written consent. Any attempt to do so is void;
2. that you are responsible for the results obtained from the use of the Services; and
3. to provide us with sufficient, free, and safe access to your facilities for us to fulfill our obligations.

1.8 Patents and Copyrights

If a third party claims that Materials we provide to you infringe that party's patent or copyright, we will defend you against that claim at our expense and pay all costs, damages, and attorney's fees that a court finally awards, provided that you:

1. promptly notify us in writing of the claim; and
2. allow us to control, and cooperate with us in, the defense and any related settlement negotiations.

If such a claim is made or appears likely to be made, you agree to permit us to enable you to continue to use the Materials, or to modify them, or replace them with Materials that are at least functionally equivalent. If we determine that none of these alternatives is reasonably available, you agree to return the Materials to us on our written request. We will then give you a credit equal to the amount you paid us for the Materials.

This is our entire obligation to you regarding any claim of infringement.

Claims for Which We are Not Responsible

We have no obligation regarding any claim based on any of the following:

1. anything you provide which is incorporated into the Materials;
2. your modification of the Materials; or
3. the combination, operation, or use of the Materials with any product, data, or apparatus that we did not provide.

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IBM Agreement for Services

Part 2 - Warranty Terms

2.1 Warranty for IBM Services

For each IBM Service, we warrant that we perform it:

1. using reasonable care and skill; and
2. according to its current description (including any completion criteria) contained in this Agreement, an Attachment, or a Transaction Document.

2.2 Extent of Warranty

THIS WARRANTY IS YOUR EXCLUSIVE WARRANTY AND REPLACES ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.3 Items Not Covered by Warranty

We do not warrant uninterrupted or error-free operation of any deliverable or Service or that we will correct all defects.

Unless we specify otherwise, we provide Materials and non-IBM Services **WITHOUT WARRANTIES OF ANY KIND**. However, non-IBM suppliers may provide their own warranties to you.

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3.5 Renewal

Renewable Services renew automatically for a same length contract period unless either of us provides written notification (at least one month prior to the end of the current contract period) to the other of their decision not to renew.

3.6 Termination and Withdrawal

Either of us may terminate a Service if the other does not meet its obligations concerning the Service.

You may terminate a non-expiring Service, without adjustment charge, on one month's written notice to us provided you have met all minimum requirements specified in the applicable Attachments and Transaction Documents.

You may terminate a renewable Service or a non-expiring maintenance Service, without adjustment charge, on notice to us provided you have met all minimum requirements specified in the applicable Attachments and Transaction Documents and any of the following circumstances occur:

1. you permanently remove the eligible product, for which the Service is provided, from productive use within your Enterprise;
2. the eligible location, for which the Service is provided, is no longer controlled by you (for example, because of sale or closing of the facility);
3. an increase in the Service charges, either alone or in combination with prior increases over the previous twelve months, is more than the maximum specified in the applicable Service Transaction Document. If no maximum is specified, then this circumstance does not apply; or
4. the Machine has been under maintenance Services for at least six months and you give us one month's written notice prior to terminating the maintenance Service.

For all other circumstances, you may terminate an expiring or renewable Service on one month's written notice to us but such termination will result in adjustment charges equal to the lesser of:

1. the charges remaining to complete the contract period; or
2. one of the following if specified in the Transaction Document —
 - a. the charges remaining to complete the contract period multiplied by the adjustment factor specified, or
 - b. the amount specified.

You agree to pay us for all Services we provide and any Materials we deliver through Service termination and any charges we incur in terminating subcontracts.

We may withdraw a renewable or non-expiring Service or support for an eligible product on three months' written notice to you. If we withdraw a Service for which you have prepaid and we have not yet fully provided it to you, we will give you a prorated refund.

Any terms which by their nature extend beyond termination or withdrawal remain in effect until fulfilled and apply to respective successors and assignees.

3.7 Service for Machines

We provide certain types of repair and exchange Service either at your location or at a service center to keep Machines in, or restore them to, conformance with their specifications. We will inform you of the available types of Service for a Machine. We may repair the failing Machine or exchange it at our discretion.

When the type of Service requires that you deliver the failing Machine to us, you agree to ship it suitably packaged (prepaid unless we specify otherwise) to a location we designate. After we have repaired or exchanged the Machine, we will return it to you at our expense unless we specify otherwise. We are responsible for loss of, or damage to, your Machine while it is 1) in our possession or 2) in transit in those cases where we are responsible for the transportation charges.

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ATTACHMENT NO. 1
TO
IBM AGREEMENT FOR SERVICES

This Attachment No.1 is entered into this July 15, 1999, by and between International Business Machines Corporation (hereinafter referred to as "IBM") and the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois (hereinafter referred to as "Institution") to modify the IBM Agreement for Services ("Agreement") between IBM and the Institution. The deletions, additions, and modifications of this Attachment are incorporated into the Agreement. In the event of conflict between the IBM Agreement and this Attachment, the terms and conditions of this Attachment shall supersede. Those terms in the Agreement not specifically referenced by this Attachment remain unchanged by this Attachment.

1. Scope of Services.

1.1 IBM agrees to provide the services described in the Statement of Work (SOW) attached hereto in accordance with this Attachment and the Agreement.

2. Term.

The project term for services shall be in accordance with the SOW.

3. Contractor's Capacity and Responsibilities.

3.1 It is expressly understood that IBM is an independent contractor and not the agent, partner or employee of Institution. IBM and IBM's workers are not employees of Institution and are not entitled to tax withholding, Workers' Compensation, unemployment compensation, or any employee benefits, statutory or otherwise.

3.2 IBM shall not have the authority to enter into any contract or agreement on behalf of Institution and shall not represent to anyone that IBM has such authority.

4. Indemnification and Hold Harmless. IBM agrees to defend and hold harmless Institution from and against any and all claims brought against Institution by third parties for bodily injury to persons or physical damage to tangible personal property or real property for which IBM is legally liable, provided that Institution: (1) promptly notifies IBM in writing of the claim; and (2) allows IBM to control, and cooperates with IBM in, the defense and any related settlement negotiations.

5. Compliance with Laws.

IBM acknowledges that the Institution is a body politic and

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corporate, created under the Illinois Public Community College Act (110 ILCS 805/1-1, *et seq.*). Both parties shall, at their own expense, comply with all federal and state laws. Each party further agrees to comply with applicable local laws that materially affect their ability to perform. In addition, both parties understand that Institution's performance shall be governed by the Rules for the Management and Government of the City Colleges of Chicago, in effect and as amended, as well as Institution's respective collective bargaining agreements.

6. Entire Agreement. This Attachment, the Agreement and the Statement of Work constitute the entire understanding between the parties with respect to the subject matter hereof.
7. Severability. The terms of this Attachment and the Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.
8. Governing Law; Forum. This Agreement shall be governed by and construed under the laws of the State of Illinois. The forum for any lawsuit arising from or incident to this Agreement shall be a court of competent jurisdiction in the State of Illinois.
9. Paragraph Headings. The paragraph headings in this Attachment are inserted for convenience only and shall not be construed to limit or modify the scope of any provisions of this Attachment.
10. Non-Waiver. The delay or failure of either party to exercise any of its rights under this Attachment for a breach thereof shall not be deemed to be waiver of such rights, nor shall the same be deemed to be a waiver of any subsequent breach, either of the same provision or otherwise, subject to the limitation contained in this Attachment.
11. Minority and Women Business Enterprise Plan.
IBM agrees to comply with Institution's Minority and Women Business Enterprise Plan, attached and incorporated herein.
12. Ethics Policy.
IBM agrees that it complies and will continue to comply with Institution's Ethics Policy, effective July 1, 1999.

Agreed to:

International Business Machines
Corporation

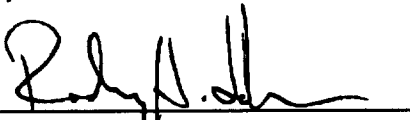
By: _____

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Policy, effective July 1, 1999.

Agreed to:

International Business Machines Corporation

By: 

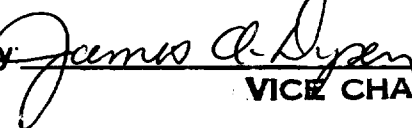
Name: Rodney H. Johnson
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Title: PRINCIPAL

Date: July 19, 1999

Agreed to:

Board of Trustees of Community College District No. 508, County of Cook and State of Illinois

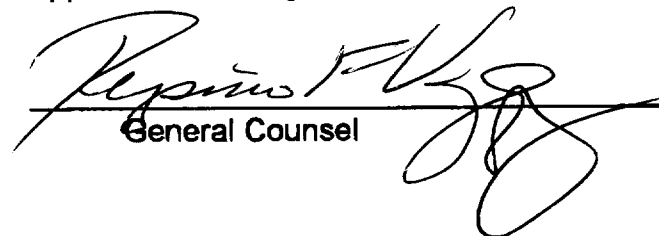
By: 
VICE CHAIRMAN

Name: JAMES A DYSON
Print or Type

Date: JUL 23 1999

Attested By: 
ASSISTANT BOARD SECRETARY

Approved as to Legal Form:


General Counsel

RFP #GAR9905-Y2k

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Year 2000 Consulting Services

Appendix 2

Special Conditions Regarding
Minority & Women Business Enterprise Contract
Participation Plan

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MINORITY AND WOMEN CONTRACT PARTICIPATION PLAN (M/WBE)

SECTION I	INTRODUCTION
SECTION II	POLICY STATEMENT & TERMS
SECTION III	DEFINITIONS
SECTION IV	PERCENTAGE GOALS
SECTION V	COUNTING MBE/WBE PARTICIPATION TOWARD THE CONTRACT GOALS
SECTION VI	PROCEDURE TO DETERMINE BID COMPLIANCE
SECTION VII	EVALUATION OF BID PROPOSALS
SECTION VIII	REQUEST FOR WAIVER
SECTION IX	MBE/WBE SUBSTITUTIONS
SECTION X	REPORTING & RECORD - KEEPING REQUIREMENTS

FORMS:

- ▶ **SCHEDULE A** - Affidavit of MBE/WBE Goal Implementation Plan
- ▶ **SCHEDULE C** - Letter of Intent from MBE/WBE to Perform as Subcontractor, Subconsultant and/or Material Supplier.
- ▶ **STATUS REPORT OF MBE/WBE (SUB) CONTRACT PAYMENTS**

**Terms & Conditions Regarding
Compliance with the Minority
Business Commitment and the Women
Business Enterprise Commitment**

**Section I
Introduction**

- 1 The Board of Trustees of Community College District No. 508. (The "Board") has adopted the amended Minority and Women Business Enterprise Plan (The "Plan") to ensure that Minority Businesses and Women Businesses shall have maximum feasible opportunities to participate on City Colleges Contracts, and to remedy the effects of historical discrimination while minimizing its impact upon NON-MBE and NON-WBE businesses. The plan includes goals for participation of MBE and WBE firms, and the Bidders utilization of such firms is considered in determining responsibility in performing this contract.
- 1.1 The purpose of revised Terms and Conditions is to describe the requirements of the amended plan including the MBE and WBE goals that have been established for this contract and certain administrative and procedural provisions. Bidders are required to submit information specifying the percentage of the contract that will be performed by MBE and WBE firms on the attached Schedules.

**Section II
Policy Statement & Terms**

- 2.1 It is the policy of the Board to insure that the City Colleges of Chicago take all possible steps consistent with applicable law to insure that minority business Enterprises and Women Business Enterprises are afforded a fair and representative opportunity to participate fully in this institutions contracting.
- 2.2 Consistent with this policy it shall be the responsibility of all contractors to exhaust all feasible means to insure significant participation by MBEs and WBEs.

**Section III
Definitions**

- 3.1 As used herein the following words shall have the meanings indicated below unless the context clearly indicates otherwise:

Board of Trustees or Board shall mean the Board of Trustees of Community College District No. 508.

Certified means any business or individual which has been certified by any approved City agency to be an MBE or WBE and has requested to be placed on the Board's list of certified MBEs or WBEs.

Chancellor shall mean the Chancellor of City Colleges of Chicago or his/her designee.

City College shall mean the City Colleges of Chicago.

Commercially Independent Function shall mean the execution of a distinct element of work by actual performance, management and supervision.

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Financial and Administrative Service Committee shall mean the Financial and Administrative Service Committee of the Board of Trustees of Community College District No.508 or such other committee as the Board of Trustees may from time to time designate.

General Contractor shall mean a firm that has entered into a contract with the Board to provide goods or services.

Joint Venture shall mean an association between two or more independent businesses formed to perform a specific contract.

Minority or Minority person shall mean a person who is a citizen or lawful permanent resident of the United States, who is a member of an identified racial/ethnic population group, specifically, Black, Hispanic, Asian, or any other racial/ethnic population group that the Chancellor determines, after notice and hearing, to suffer discrimination in the Chicago area and who has participated, or has attempted to participate, in the Chicago area market.

MBE or Minority Business Enterprise shall mean a business that is owned and controlled by a Minority or Minorities that is certified as an MBE as provided in Section A of Part II, and has participated, or has attempted to participate, in the Chicago area market.

Person shall mean a natural person, or partnership, corporation or joint venture.

Subcontractor shall mean a business that has entered into a contract with a General Contractor to provide goods or services pursuant to a contract between the General Contractor and the Board.

Waiver Review Committee: A panel of representatives selected by the Chancellor or his/her designee and drawn from personnel from Administrative and user departments and the Office of Contract Compliance.

Waiver Appeals Committee: A panel of comprised of the Vice Chancellor of Financial and Administrative Services, and two other persons designated by the Chancellor. No member of the Waiver Appeals Committee may serve on the Waiver Review Committee.

WBE or Women Business Enterprise shall mean a business that is owned and controlled by a woman or women, that is certified as a WBE as provided in Section A of Part II, and has participated, or has attempted to participate, in the Chicago area market.

Woman or Female shall mean a person who is a citizen or lawful permanent resident of the United States who us of female gender.

Section IV Percentage Goals

- 4.1 Goals for participation by certified MBE and WBE firms for this Contract shall be not less than the following percentage of the total contract price:

MBE Participation goal: 25%
WBE Participation goal: 7%

- 4.2 Each Bidders's Commitment to the Utilization of certified MBE and WBE firms shall be considered as further evidence of the responsibility of Bidder. Further, the contractor agrees to use it's best efforts to include MBE and WBE firms in any Contract modification and amendments.

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- 4.3 Failure to carry out the commitments and policies set forth in this Plan shall constitute a material breach of contract and may result in termination of the contract or such other remedy as the Board deems appropriate.

Section V Counting MBE/WBE participation Toward the Contract Goals

- 5.1 MBE and WBE participation shall be counted toward the MBE and WBE goal set in this Contract as follows:
- (A) A Bidder may count toward its MBE and WBE goal only expenditures to firms that perform a commercially useful function in the work of a contract. A firm is considered to perform a commercially useful function when it is responsible for a distinct element of work of a contract and carries out the responsibilities by actually performing, managing, and supervising the work involved. To determine whether a firm is performing a commercially useful function, the office of Contract Compliance will evaluate the amount of work sub-contracted, industry practices, and other relevant factors.
 - (B) Consistent with normal industry practices, a MBE or WBE may enter into subcontracts. If a MBE/WBE contractor subcontracts a significantly greater portion of the work of the contract than would be expected on the basis of normal industry practices, the MBE or WBE shall be presumed not to be performing a commercially useful function. Evidence may be presented by the contractors involved to rebut this presumption.
 - (C) A Contractor may count toward its goals expenditures to MBE or WBE manufacturers (i.e., suppliers that produce goods from raw materials or substantially alters them before resale).
 - (D) A Contractor may count toward its goals expenditures to MBE or WBE suppliers provided that the supplier performs a commercially-useful function in the supply process.
 - (E) The total dollar value of Contract awarded to a certified MBE or WBE firm shall be credited to such participation. Only minority business participation may be counted toward MBE participation, and only women business participation may be counted toward WBE participation.
 - (F) The total dollar value of a Contract with a firm owned and controlled by minority women is counted toward either the MBE or WBE goal, but not both. The Contractor employing the firm may choose the goal to which the contract value is applied. Various work done by one and the same subcontractor shall be considered, for the purpose of this principle, as work effectively under one subcontract only, in which the subcontractor may be counted toward only one of the goals, not toward both.
 - (G) In a firm owned and controlled by both minority males and minority females, if the minority females own and control 51% or more of the business, then the total dollar value of a contract with such firm may be counted toward either MBE participation or WBE participation but not both. If the minority females, however, own and control less than 51% of the firm, then the firm's participation may be counted only toward MBE utilization.
 - (H) A Contractor may count toward its MBE or WBE goal the portion of the total dollar value of a Contract with an eligible joint venture equal to the percentage of the ownership and control of the MBE or WBE partner in the joint venture. A joint venture seeking to be credited for MBE participation may be formed among certified MBE and WBE firms, or between certified MBE and WBE firms and a non-MBE/WBE firm. A joint venture satisfies the eligibility standards of this Program if the Certified MBE or WBE participant of the joint venture:

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*Shares in the ownership, control, management responsibilities, risks and profits of the joint venture; and

*is responsible for a clearly defined portion of work to be performed in proportion to the MBE or WBE ownership percentage.

5.2 A Contractor may count toward its MBE/WBE goal the following expenditures to firms that are not manufacturers or regular dealers:

(1) The fees or commissions charged for providing a bona fide service, such as professional, technical, consultant or managerial services and assistance in the procurement of essential personnel, facilities, equipment, materials or supplies required for performance of the contract, provided that the fee or commission is determined by the Office of Contract Compliance to be reasonable and not excessive as compared with fees customarily allowed for similar services.

(2) The fees charged for delivery of materials and supplies required on a job site (but not the cost of the materials and supplies themselves) when the hauler, trucker, or delivery service is not also the manufacturer of or a regular dealer in the materials and supplies, provided that the fee is determined by the Office of Contract Compliance to be reasonable and not excessive as compared with fees customarily allowed for similar services.

(3) The fees or commissions charged for providing any bonds or insurance specifically required for the performance of the contract, provided that the fee or commission is determined by the Office of Contract Compliance to be reasonable and not excessive as compared with fees customarily allowed for similar services.

Section VI

Procedure to Determine Bid Compliance

6.1 The following Schedules and documents constitute the Bidder's MBE/WBE compliance proposal. It must be submitted at the time of the bid or proposal or within such extended period as provided in section VIII hereof:

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(A) Schedule A: Affidavit of MBE/WBE Goal Implementation Plan

Bidders must submit, together with the bid, a completed Schedule A committing them to the utilization of each listed MBE/WBE firm. Except in cases where the bidder has submitted a complete request for a waiver or variance of the MBE/WBE goals in accordance with Section VIII (below), the bidder must commit to the expenditure of a specific dollar amount of participation by: each MBE/WBE firm included on their Schedule A. The total dollar commitment to proposed MBE firms must at least equal the MBE goal, and the total dollar commitment to proposed WBEs must at least equal the WBE goal. Bidders are responsible for calculating the dollar equivalent of the MBE and WBE goals as percentages of their total base bids.

All commitments made by the bidder's Schedule A must conform to those presented in the submitted Schedule C. Where Schedule C will be submitted after the bid opening, (See VI.C Below) the bidder may submit a revised Schedule A (executed and notarized in triplicate) to conform with the Schedule C. Except in cases where substantial and documented justification is provided, bidders will not be allowed to reduce the dollar commitment made to any MBE or WBE in order to achieve conformity between the Schedules C and A.

(B) Letters of Certification

A copy of each proposed MBE/WBE firms current letter of certification from an approved certifying agency must be submitted with the bid/proposal.

All letters of certification must include a statement of the MBE/WBE firms area of specialty. The MBE/WBE firms's scope of work, as detailed by their Schedule C must conform to their area of specialty.

(C) Schedule C: Letter of Intent from MBE/WBE to perform a subcontractor, consultant and/or Material Supplier.

A Schedule C executed by the MBE/WBE firm (or Joint Venture Subcontractor) must be submitted by the bidder for each MBE/WBE included on their Schedule A and must accurately detail the work to be performed by the MBE/WBE firm at the agreed rates and prices to be paid.

If any fully completed and executed Schedule C is not or cannot be submitted with the bid, it must be received by the Office of Contract Compliance within five (5) business days after the date of the bid opening. (All post bid submissions must be in triplicate with original signatures on all documents). Failure to submit the completed Schedule C in accordance with this section will be cause for finding bid/proposal non-responsive and may result in rejection of bid/proposal.

(D) Joint Venture Agreements

If the bidder's MBE/WBE proposal includes the participation of MBE/WBE firms as a joint venture on any tier (either as the bidder or as a subcontractor), the bidder must provide a copy of the joint venture agreement.

In order to demonstrate the MBE/WBE partner's share in the ownership, control, management responsibilities, risks and profits of the joint venture, the proposed joint venture agreement must include specific details related to: (1) contributions of capital and equipment (2) work responsibilities or other performance to be undertaken by the MBE/WBE firm; (3) the commitment of management, supervisory and operative personnel employed by the MBE/WBE to be dedicated to the performance of the contract. The joint venture agreement must also clearly define each partner's authority to contractually obligate the joint venture and each partner's authority to expend joint venture funds (e.g. check signing authority).

(E) The MBE/WBE compliance proposal to submittal must have all blank spaces on the Schedule pages applicable to the Contract correctly filled in. Agreements between a Bidder and a MBE and WBE in which the MBE/WBE promises not to provide subcontracting quotations to other Bidders are prohibited.

**Section VII
Evaluation of Bid Proposals**

7.1

(A) During the period between bid opening and Contract award, the submitted documentation will be evaluated by the Office of Contract Compliance. The Bidder agrees to provide, upon request, earnest and prompt cooperation to the Director of Contract Compliance or his designee in submitting to interviews that may be necessary, in allowing entry to places of business, in providing further documentation, or in soliciting the cooperation of a proposed MBE or WBE firm in providing such assistance. A bid may be treated as non-responsive by reason of the determination that the Bidder's proposal did not contain a sufficient level of Certified MBE or WBE participation, that the Bidder was unresponsive or uncooperative when asked for further information relative to the proposal, or that false statements were made in the Schedules.

(B) If the Office of Contract Compliance's review of a Bidder's proposal concludes that the MBE/WBE proposal was deficient, the Office of Contract Compliance shall promptly notify the Bidder of the apparent deficiency and instruct the bidder to submit (within five (5) business days of such notice given by the Office of Contract Compliance) a modification of the MBE or WBE Proposal, in proper format, which remedies the deficiencies cited. Failure to correct all deficiencies cited by the Office of Contract Compliance will be cause for rejection of the Bidder's proposal as non-responsive.

(C) Bidders will not be permitted to modify their MBE/WBE compliance proposal except insofar as directed to do so by the Office of Contract Compliance. Therefore, all term and conditions stipulated for prospective MBE and WBE subcontractors or suppliers should be satisfactorily negotiated prior to the submission to the Office of Contract Compliance of the Bidder's MBE/WBE compliance proposal with the bid.

If circumstances should arise, however, where a proposed MBE/WBE is no longer available, the process described below in Section IX entitled, "MBE/WBE Substitutions" should be followed.

**SECTION VIII
REQUEST FOR WAIVER**

8.1

(A) If a Bidder is unable to identify qualified MBE and WBE firms to perform sufficient work to fulfill the MBE or WBE percentage goals for this Contract. The bid or proposal must include a written request for waiver. A request and supporting documentation demonstrating the Bidder's inability to obtain sufficient MBE and WBE firms, notwithstanding good faith attempts to achieve such participation.

(B) Examples of such good faith efforts may include, but are not limited to, the following:

(C) Attendance at the Pre-bid conference.

(D) The Bidder's general affirmative action policies regarding the utilization of MBE and WBE firms, plus a description of the methods used to carry out those policies.

(E) Advertisement in trade association newsletters and minority-oriented and general circulation media for specific sub-bids.

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(F) Timely notification of specific sub-bids to minority and women contractor assistance agencies and associations.

(G) Description of direct negotiations with MBE and WBE firms for specific sub-bids, including:

(I) the name, address and telephone number of MBE and WBE firms contacted;

(II) a description of the information provided to MBE and WBE firms regarding the portions of the work to be performed; and

(III) the reasons why additional MBE and WBE firms were not obtained in spite of negotiations.

(H) A statement of the efforts made to select portions of the work proposed to be performed by MBE and WBE firms (such as sub-supplier, transport, engineering, distribution, or any other roles contributing to production and delivery as specified in the Contract) in order to increase the likelihood of achieving such participation.

(I) A detailed statement of the reasons for the Bidder's conclusion that each MBE and WBE contacted, which the bidder considers not qualified.

(J) Efforts made by the Bidder to expand its search for MBE and/or WBE firms beyond usual geographic boundaries.

(K) General efforts made to assist MBE and WBE firms to overcome participation barriers.

8.2 If the bidder does not meet the MBE/WBE goal, price alone shall not be an acceptable basis for which the bidder may reject a MBE/WBE sub-bid unless the bidder can show to the satisfaction of the Office of Contract Compliance that no reasonable price can be obtained from a MBE/WBE. A determination of reasonable price is based on such factors as the estimate for the work under a specific subcontract, the bidder's own estimate for the specific subcontract, and the average of the bona fide prices quoted for the specific subcontract. A MBE/WBE bid for a subcontract will be presumed to be unreasonable if the MBE/WBE price exceeds the average price quoted by more than 15 percent.

(1) The Waiver Review Committee shall review all waiver requests to determine whether there is sufficient evidence that despite good faith efforts by the contractor, the contractor is unable to meet the MBE or WBE goal.

(2) The Waiver Review Committee may request from the contractor any information relevant to the waiver request. Failure of the contractor to cooperate in providing requested information in a timely manner is grounds for rejection of the waiver request.

8.3 Subsequent Waiver by Request of Contractor

(A) During the performance of a contract, a contractor may request a partial waiver from compliance with its MBE or WBE proposal for the following reasons:

(1) Due to substantially changed circumstances it is unable to meet the MBE or WBE goal;

(2) Despite every good faith effort on the part of the contractor, it is unable to meet the MBE or WBE goals.

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8.4 Waiver Initiated by City Colleges of Chicago

(A) The chancellor on his or her own initiative may grant a waiver from MBE or WBE requirements to an individual contract upon a determination by the Chancellor that there are insufficient qualified MBEs or WBEs available to fulfill such requirements for that particular contract.

(B) A determination by the Chancellor to waive MBE or WBE requirements for an individual contract must be stated in writing.

(C) Waivers may be partial or total.

8.5 Additional Criteria

In determining whether to grant a waiver, the decision maker may take into consideration the additional cost which would be incurred by denying the waiver and awarding the contract to the next lowest bidder who has not requested a waiver. Where the Office of Contract Compliance has determined that the lowest bidder is not responsible because a waiver request contained in the bid has been denied, the Office of Contract Compliance may negotiate with the lowest responsible bidder to obtain a lower price.

**SECTION IX
MBE/WBE SUBSTITUTIONS**

- 9.1 After submitting executed MBE and/or WBE sub-agreements to the Office of Contract Compliance, the Contractor shall thereafter neither terminate the sub-agreement, nor reduce the scope of the work to be performed by the MBE or WBE firm, nor decrease the price to the MBE or WBE firm, without in each instance receiving the prior written approval of the Office of Contract Compliance. If it becomes necessary to substitute a new MBE and/or WBE to fulfill the Contractor's MBE and/or WBE commitments, the Office of Contract Compliance must be given reasons justifying the release of prior specific MBE and/or WBE commitments established in the Contractor's bid proposal in order to review the propriety of the proposed substitution.
- 9.2 The Contractor must notify the Director for Contract Compliance immediately in writing of an apparent necessity to reduce or terminate a MBE and/or WBE subcontract and propose a substitute firm for some phase of work. The Contractor's notification must include the name, address and principal office of any proposed substitute MBE and/or WBE firm and the dollar value and scope of work of the proposed subcontract. Attached should be all of the same MBE/WBE schedules, affidavits, documents, and letter of intent which are required of Bidders as enumerated in Section VI above.
- 9.3 In addition, each subcontract between the Bidder and any MBE or WBE firm performing work on the Contract shall include remedies for non-compliance with the commitment to MBE and WBE participation, including an agreement to pay damages to the MBE and WBE firms which were underutilized.

The unexcused reduction of MBE or WBE participation in connection with the Contract Including any modification thereof, shall entitle the affected MBE and WBE firms to payments pursuant to such agreement. Such provisions shall include an undertaking by the Contractor to submit any dispute concerning such damages to binding arbitration by an independent arbitrator, other than the City Colleges of Chicago, with reasonable expenses, including attorneys' fees, being recoverable by a prevailing MBE or WBE. Nothing herein shall be construed to limit the rights of and remedies available to the City Colleges of Chicago.

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SECTION X
REPORTING AND RECORD-KEEPING REQUIREMENTS

10.1 The Contractor, within five (5) working days of Contract award, shall execute a formal subcontract or purchase order in compliance with the terms of the Contractor's bid proposal and MBE and WBE assurances, and submit to the Office of Contract Compliance a copy of the MBE and WBE subcontracts or purchase orders, each showing acceptance of the subcontract or purchase order by the MBE and WBE firms. During the performance of the Contract, the Contractor shall submit partial and final waivers of lien from MBE and WBE subcontractors and suppliers indicating the current payment amount and the cumulative dollar amount of payments made to date. The contractor shall file regular MBE and WBE utilization reports, on the form entitled "Status Report of MBE and WBE (Sub) Contract Payments," at the time of submitting each monthly payment voucher ("Summary of Estimate"), which reflects the current status of cumulative and projected payments to MBE and WBE firms.

10.2 The Contractor shall maintain records of all relevant data with respect to the utilization of MBE and WBE firms, including without limitation payroll records, tax returns and records, and book of accounts, and retain such records for a period of at least three (3) years after final acceptance of the work. Full access to such records shall be granted to the Office of Contract Compliance and/or its designee, on five (5) business days' notice in order to determine the Contractor's compliance with its MBE and WBE commitments and the status of any MBE or WBE firm performing any portion of the Contract

10.3 **Remedies for Non-Compliance**

1. Non-Compliance

Whenever the Office of Contract Compliance believes that the contractor or any of its subcontractors may not be operating in compliance with this Plan, it shall conduct an appropriate investigation.

2. Notification

Upon indications of inadequate compliance or non-compliance, the Office of Contract Compliance will notify the contractor and the subcontractor, if applicable, in writing. The Office of Contract Compliance, the contractor or subcontractor may request an opportunity to meet to discuss the contractor's or subcontractor's compliance. The contractor or subcontractor shall make such request to the Office of Contract Compliance in writing within five (5) working days of receiving notice. The meeting shall be scheduled by the Office of Contract Compliance at a reasonable date, time and place, with notice to contractor and subcontractor, if applicable.

3. Criteria

If, after notification, the Office of Contract Compliance determines that a contractor is not meeting or has not met applicable MBE or WBE goals and is not demonstrating or has not demonstrated every good faith to meet the goals, the contractor shall be subject to suitable sanctions as set forth in paragraph 4 below.

4. Sanctions

(A) The MBE/WBE requirements of these Terms and Conditions shall be incorporated in to the contracts between City Colleges and its vendors. In addition to any other remedies City Colleges may have, the following will apply:

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(I) Where the Office of Contract Compliance determines the conditions set forth in paragraph 3 above to exist during the term of the contract, the Office of Contract Compliance may recommend that the Board suspend or terminate the contract, in whole or in part, and may also declare the contractor ineligible for future contracts for a period of one (1) or two (2) years.

The contractor shall be liable to City Colleges for any consequential damages incurred as a result of suspension or termination of the contract including damages arising either from delay or increased price in securing performance of the work by other contractors, attorney's fees and court cost.

(II) Where the Office of Contract Compliance determines the conditions set forth in paragraph 3 above to exist at the conclusion of a contract, the Office of Contract Compliance may declare the contractor ineligible for future contracts for a period of one (1) or two (2) years.

(III) If a contractor has provided false or misleading information in connection with certification, bid or proposal documents, compliance progress reports, or any other aspect of this Plan, the Office of Contract Compliance may impose any of the sanction described in Section 4.a. and all its subsections.

(IV) If there is a bona fide payment dispute between a contractor and its M/WBE subcontractor for work performed under the Plan, City Colleges may withhold payment of the disputed amount from the contractor and place such funds in an interest bearing account pending resolution of the dispute, by judicial or other means.

(B) A contractor shall have the right to appeal a decision from the Office of Contract Compliance declaring it ineligible for future City College contracts. Such appeal shall be made to the Chancellor or his/her designee, or the Waiver Appeals Committee in accordance with the procedures for appealing a denial of a waiver request.

(C) The failure of City Colleges to impose any sanction it may have under this Section shall not be deemed a waiver of its right to impose such a sanction for subsequent violations. The listing of sanctions available to City Colleges in this Section shall not be deemed to exclude any other sanctions or remedies available at law or in equity.

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Schedule A: Affidavit of MBE / WBE
Goal Implementation Plan

Contract Name: _____

State of: _____

County Of: _____

In connection with the above - captioned contract:

I HEREBY DECLARE AND AFFIRM that I am a duly authorized representative of:

(name of bidder / proposer)

and that I have personally reviewed the material and facts set forth herein describing our proposed plan to achieve the MBE/WBE goals of this contract.

All MBE/WBE firms included in this plan have been certified as such by approved certifying agencies. (Letters of Certification attached).

SECTION I Direct Participation-MBE/WBE Firm in the Performance of this Contract

(Note: The bidder/proposer shall, in determining the manner of MBE/WBE participation, must first consider involvement with MBE/WBE firms as joint venture partners, subcontractors, and suppliers of goods and services directly related to the performance of this contract).

A. If bidder/proposer is a certified MBE or WBE firm, attach a copy of the letter certification. (Certification of the bidder/proposer as an MBE satisfies the MBE goal only. Certification of the bidder/proposer as a WBE satisfies the WBE goal only.

B. If bidder/proposer is a joint venture and one or more joint venture partners are certified MBEs or WBEs, attach copies of Letters of Certification and a copy of Joint Venture Agreement clearly describing the role of the MBE/WBE goal only.

C. MBE /WBE Subcontractors/Suppliers/Consultants:

1. Name of MBE/WBE: _____

Address: _____

Telephone Number: _____

Contact Person: _____

Dollar Amount of Participation: \$ _____

Percent Amount of Participation: _____ %

Schedule C attached? Yes ___ No ___

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C. MBE/WBE Subcontractors/Suppliers/Consultants - Continued:

2. Name of MBE/WBE: _____

Address: _____

Telephone Number: _____

Contact Person: _____

Dollar Amount of Participation: \$ _____

Percent Amount of Participation: _____ %

Schedule C attached: Yes _____ NO _____

3. Name of MBE/WBE: _____

Address: _____

Telephone Number: _____

Contact Person: _____

Dollar Amount of Participation: \$ _____

Percent Amount of Participation: _____ %

Schedule C attached: Yes _____ NO _____

4. Name of MBE/WBE: _____

Address: _____

Telephone Number: _____

Contact Person: _____

Dollar Amount of Participation: \$ _____

Percent Amount of Participation: _____ %

Schedule C attached: Yes _____ NO _____

All Schedule C and Letters of Certification not submitted with bid/proposals must be submitted so as to assure receipt by the Office of Contract Compliance within five (5) business days after bid opening (or proposal due date).

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SECTION II. Indirect Participation of MBE/WBE Firms

(Note: This section need not be completed if the MBE/WBE goals have been met through the direct participation outlined in Section I. If the MBE/WBE goals have not been met through direct participation, contractor will be expected to demonstrate that the proposed MBE/WBE direct participation represents the maximum achievable under the circumstances. after such a demonstration will indirect participation be considered).

1. Name of MBE/WBE: _____
Address: _____
Telephone Number: _____
Contact Person: _____
Dollar Amount of Participation: \$ _____
Percent Amount of Participation: _____ %
Schedule C attached: Yes _____ NO _____

2. Name of MBE/WBE: _____
Address: _____
Telephone Number: _____
Contact Person: _____
Dollar Amount of Participation: \$ _____
Percent Amount of Participation: _____ %
Schedule C attached: Yes _____ NO _____

3. Name of MBE/WBE: _____
Address: _____
Telephone Number: _____
Contact Person: _____
Dollar Amount of Participation: \$ _____
Percent Amount of Participation: _____ %
Schedule C attached: Yes _____ NO _____

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4. **Name of MBE/WBE:** _____
 Address: _____
 Telephone Number: _____
 Contact Person: _____
 Dollar Amount of Participation: \$ _____
 Percent Amount of Participation: _____ %
 Schedule C attached: Yes ___ NO ___

All Schedule C and Letters of Certification not submitted with bid/proposals must be submitted so as to assure receipt by the Office of Contract Compliance within five (5) business days after bid opening (or proposal due date).

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SECTION III. Summary of MBE/WBE Proposal

A. MBE PROPOSAL

1. MBE Direct Participation (refer to Section I):

MBE Firm	Dollar Amount	Percent Amount
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %

2. MBE Indirect Participation (refer to Section II):

MBE Firm	Dollar Amount	Percent Amount
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %

B. WBE PROPOSAL

1. WBE Direct Participation (refer to Section I):

MBE Firm	Dollar Amount	Percent Amount
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %

2. WBE Direct Participation (refer to Section II):

MBE Firm	Dollar Amount	Percent Amount
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

(Signature of Notary Public)

My Commission Expires: _____ (Seal)

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SCHEDULE C
Letter of Intent from MBE/WBE
To Perform As
Subcontractor, Subconsultant and/or Material Supplier

Name of Project: _____

From: _____ MBE _____ WBE _____
(Name of MBE or WBE)

To: _____
(Name of Prime/General Bidder)

The undersigned intends to perform work in connection with the above-referenced project as (check one):

_____ A Sole Proprietor _____ A Corporation
_____ A Partnership _____ A Joint Venture

The MBE/WBE status of the undersigned is confirmed by the attached Letter of Certification, dated firm, a Joint Venture agreement.

The undersigned is prepared to provide the following described services or supply the following described goods in connection with above-named project:

The above described service or goods are offered for the following price, with terms of payment as stipulated in the Contract Documents:

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Partial Pay Item(s)

For any of the order items which are partial pay items, specifically describe the work and subcontract dollar amount:

If more space is needed to fully describe the MBE/WBE firm's proposed scope of work and/or payment schedule, attach additional sheet(s).

Sub-Contracting Levels

_____ % of the dollar value of the MBE/WBE subcontract will be sublet to non-MBE contractors.

_____ % of the dollar value of the MBE/WBE subcontract to MBE/WBE contractors.

If MBE/WBE subcontractor will not be sub-contracting any of the work described in this Schedule, a zero (0) must be filled in each blank above.

If more than 10% percent of the value of the MBE/WBE subcontractor's scope of work will be sublet, a brief explanation and description of the work to be sublet must be provided.

The undersigned will enter into a formal agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City Colleges of Chicago, and will do so within five (5) working days of receipt of a notice of Contract Award from the Office of Contract Compliance.

By: _____
Name of MBE/WBE

Name (print) Signature

Phone: () _____ Date: _____

IF APPLICABLE for Joint Ventures:

By: _____
Joint Venture Partner (print)

Signature Name (print)

Phone: () _____ Date: _____

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*THE FOLLOWING SECTION CONTAINS THE
MINORITY & WOMEN BUSINESS ENTERPRISE CONTRACT PARTICIPATION PLAN*

Revised 3/9/99

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MINORITY AND WOMEN CONTRACT PARTICIPATION PLAN (M/WBE)

SECTION I	INTRODUCTION
SECTION II	POLICY STATEMENT & TERMS
SECTION III	DEFINITIONS
SECTION IV	PERCENTAGE GOALS
SECTION V	COUNTING MBE/WBE PARTICIPATION TOWARD THE CONTRACT GOALS
SECTION VI	PROCEDURE TO DETERMINE BID COMPLIANCE
SECTION VII	EVALUATION OF BID PROPOSALS
SECTION VIII	REQUEST FOR WAIVER
SECTION IX	MBE/WBE SUBSTITUTIONS
SECTION X	REPORTING & RECORD - KEEPING REQUIREMENTS

FORMS:

- **SCHEDULE A** - Affidavit of MBE/WBE Goal Implementation Plan
- **SCHEDULE C** - Letter of Intent from MBE/WBE to Perform as Subcontractor, Subconsultant and/or Material Supplier.
- **STATUS REPORT OF MBE/WBE (SUB) CONTRACT PAYMENTS**

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Terms & Conditions Regarding
Compliance with the Minority
Business Commitment and the Women
Business Enterprise Commitment

Section I
Introduction

- 1 The Board of Trustees of Community College District No. 508. (The "Board") has adopted the amended Minority and Women Business Enterprise Plan (The "Plan") to ensure that Minority Businesses and Women Businesses shall have maximum feasible opportunities to participate on City Colleges Contracts, and to remedy the effects of historical discrimination while minimizing its impact upon NON-MBE and NON-WBE businesses. The plan includes goals for participation of MBE and WBE firms, and the Bidders utilization of such firms is considered in determining responsibility in performing this contract.
- 1.1 The purpose of revised Terms and Conditions is to describe the requirements of the amended plan including the MBE and WBE goals that have been established for this contract and certain administrative and procedural provisions. Bidders are required to submit information specifying the percentage of the contract that will be performed by MBE and WBE firms on the attached Schedules.

Section II
Policy Statement & Terms

- 2.1 It is the policy of the Board to insure that the City Colleges of Chicago take all possible steps consistent with applicable law to insure that minority business Enterprises and Women Business Enterprises are afforded a fair and representative opportunity to participate fully in this institutions contracting.
- 2.2 Consistent with this policy it shall be the responsibility of all contractors to exhaust all feasible means to insure significant participation by MBEs and WBEs.

Section III
Definitions

- 3.1 As used herein the following words shall have the meanings indicated below unless the context clearly indicates otherwise:

Board of Trustees or Board shall mean the Board of Trustees of Community College District No. 508.

Certified means any business or individual which has been certified by any approved City agency to be an MBE or WBE and has requested to be placed on the Board's list of certified MBEs or WBEs.

Chancellor shall mean the Chancellor of City Colleges of Chicago or his/her designee.

City College shall mean the City Colleges of Chicago.

Commercially Independent Function shall mean the execution of a distinct element of work by actual performance, management and supervision.

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Financial and Administrative Service Committee shall mean the Financial and Administrative Service Committee of the Board of Trustees of Community College District No.508 or such other committee as the Board of Trustees may from time to time designate.

General Contractor shall mean a firm that has entered into a contract with the Board to provide goods or services.

Joint Venture shall mean an association between two or more independent businesses formed to perform a specific contract.

Minority or Minority person shall mean a person who is a citizen or lawful permanent resident of the United States, who is a member of an identified racial/ethnic population group, specifically, Black, Hispanic, Asian, or any other racial/ethnic population group that the Chancellor determines, after notice and hearing, to suffer discrimination in the Chicago area and who has participated, or has attempted to participate, in the Chicago area market.

MBE or Minority Business Enterprise shall mean a business that is owned and controlled by a Minority or Minorities that is certified as an MBE as provided in Section A of Part II, and has participated, or has attempted to participate, in the Chicago area market.

Person shall mean a natural person, or partnership, corporation or joint venture.

Subcontractor shall mean a business that has entered into a contract with a General Contractor to provide goods or services pursuant to a contract between the General Contractor and the Board.

Waiver Review Committee: A panel of representatives selected by the Chancellor or his/her designee and drawn from personnel from Administrative and user departments and the Office of Contract Compliance.

Waiver Appeals Committee: A panel of comprised of the Vice Chancellor of Financial and Administrative Services, and two other persons designated by the Chancellor. No member of the Waiver Appeals Committee may serve on the Waiver Review Committee.

WBE or Women Business Enterprise shall mean a business that is owned and controlled by a woman or women, that is certified as a WBE as provided in Section A of Part II, and has participated, or has attempted to participate, in the Chicago area market.

Woman or Female shall mean a person who is a citizen or lawful permanent resident of the United States who us of female gender.

Section IV Percentage Goals

- 4.1 Goals for participation by certified MBE and WBE firms for this Contract shall be not less than the following percentage of the total contract price:

MBE Participation goal: 25%
WBE Participation goal: 7%

- 4.2 Each Bidders's Commitment to the Utilization of certified MBE and WBE firms shall be considered as further evidence of the responsibility of Bidder. Further, the contractor agrees to use it's best efforts to include MBE and WBE firms in any Contract modification and amendments.

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- 4.3 Failure to carry out the commitments and policies set forth in this Plan shall constitute a material breach of contract and may result in termination of the contract or such other remedy as the Board deems appropriate.

Section V Counting MBE/WBE participation Toward the Contract Goals

- 5.1 MBE and WBE participation shall be counted toward the MBE and WBE goal set in this Contract as follows:
- (A) A Bidder may count toward its MBE and WBE goal only expenditures to firms that perform a commercially useful function in the work of a contract. A firm is considered to perform a commercially useful function when it is responsible for a distinct element of work of a contract and carries out the responsibilities by actually performing, managing, and supervising the work involved. To determine whether a firm is performing a commercially useful function, the office of Contract Compliance will evaluate the amount of work sub-contracted, industry practices, and other relevant factors.
 - (B) Consistent with normal industry practices, a MBE or WBE may enter into subcontracts. If a MBE/WBE contractor subcontracts a significantly greater portion of the work of the contract than would be expected on the basis of normal industry practices, the MBE or WBE shall be presumed not to be performing a commercially useful function. Evidence may be presented by the contractors involved to rebut this presumption.
 - (C) A Contractor may count toward its goals expenditures to MBE or WBE manufacturers (i.e., suppliers that produce goods from raw materials or substantially alters them before resale).
 - (D) A Contractor may count toward its goals expenditures to MBE or WBE suppliers provided that the supplier performs a commercially-useful function in the supply process.
 - (E) The total dollar value of Contract awarded to a certified MBE or WBE firm shall be credited to such participation. Only minority business participation may be counted toward MBE participation, and only women business participation may be counted toward WBE participation.
 - (F) The total dollar value of a Contract with a firm owned and controlled by minority women is counted toward either the MBE or WBE goal, but not both. The Contractor employing the firm may choose the goal to which the contract value is applied. Various work done by one and the same subcontractor shall be considered, for the purpose of this principle, as work effectively under one subcontract only, in which the subcontractor may be counted toward only one of the goals, not toward both.
 - (G) In a firm owned and controlled by both minority males and minority females, if the minority females own and control 51% or more of the business, then the total dollar value of a contract with such firm may be counted toward either MBE participation or WBE participation but not both. If the minority females, however, own and control less than 51% of the firm, then the firm's participation may be counted only toward MBE utilization.
 - (H) A Contractor may count toward its MBE or WBE goal the portion of the total dollar value of a Contract with an eligible joint venture equal to the percentage of the ownership and control of the MBE or WBE partner in the joint venture. A joint venture seeking to be credited for MBE participation may be formed among certified MBE and WBE firms, or between certified MBE and WBE firms and a non-MBE/WBE firm. A joint venture satisfies the eligibility standards of this Program if the Certified MBE or WBE participant of the joint venture:

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*Shares in the ownership, control, management responsibilities, risks and profits of the joint venture; and

*is responsible for a clearly defined portion of work to be performed in proportion to the MBE or WBE ownership percentage.

5.2 A Contractor may count toward its MBE/WBE goal the following expenditures to firms that are not manufacturers or regular dealers:

(1) The fees or commissions charged for providing a bona fide service, such as professional, technical, consultant or managerial services and assistance in the procurement of essential personnel, facilities, equipment, materials or supplies required for performance of the contract, provided that the fee or commission is determined by the Office of Contract Compliance to be reasonable and not excessive as compared with fees customarily allowed for similar services.

(2) The fees charged for delivery of materials and supplies required on a job site (but not the cost of the materials and supplies themselves) when the hauler, trucker, or delivery service is not also the manufacturer of or a regular dealer in the materials and supplies, provided that the fee is determined by the Office of Contract Compliance to be reasonable and not excessive as compared with fees customarily allowed for similar services.

(3) The fees or commissions charged for providing any bonds or insurance specifically required for the performance of the contract, provided that the fee or commission is determined by the Office of Contract Compliance to be reasonable and not excessive as compared with fees customarily allowed for similar services.

Section VI Procedure to Determine Bid Compliance

6.1 The following Schedules and documents constitute the Bidder's MBE/WBE compliance proposal. It must be submitted at the time of the bid or proposal or within such extended period as provided in section VIII hereof:

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(A) Schedule A: Affidavit of MBE/WBE Goal Implementation Plan

Bidders must submit, together with the bid, a completed Schedule A committing them to the utilization of each listed MBE/WBE firm. Except in cases where the bidder has submitted a complete request for a waiver or variance of the MBE/WBE goals in accordance with Section VIII (below), the bidder must commit to the expenditure of a specific dollar amount of participation by each MBE/WBE firm included on their Schedule A. The total dollar commitment to proposed MBE firms must at least equal the MBE goal, and the total dollar commitment to proposed WBEs must at least equal the WBE goal. Bidders are responsible for calculating the dollar equivalent of the MBE and WBE goals as percentages of their total base bids.

All commitments made by the bidder's Schedule A must conform to those presented in the submitted Schedule C. Where Schedule C will be submitted after the bid opening, (See VI.C Below) the bidder may submit a revised Schedule A (executed and notarized in triplicate) to conform with the Schedule C. Except in cases where substantial and documented justification is provided, bidders will not be allowed to reduce the dollar commitment made to any MBE or WBE in order to achieve conformity between the Schedules C and A.

(B) Letters of Certification

A copy of each proposed MBE/WBE firm's current letter of certification from an approved certifying agency must be submitted with the bid/proposal.

All letters of certification must include a statement of the MBE/WBE firm's area of specialty. The MBE/WBE firm's scope of work, as detailed by their Schedule C must conform to their area of specialty.

(C) Schedule C: Letter of Intent from MBE/WBE to perform a subcontractor, consultant and/or Material Supplier.

A Schedule C executed by the MBE/WBE firm (or Joint Venture Subcontractor) must be submitted by the bidder for each MBE/WBE included on their Schedule A and must accurately detail the work to be performed by the MBE/WBE firm at the agreed rates and prices to be paid.

If any fully completed and executed Schedule C is not or cannot be submitted with the bid, it must be received by the Office of Contract Compliance within five (5) business days after the date of the bid opening. (All post bid submissions must be in triplicate with original signatures on all documents). Failure to submit the completed Schedule C in accordance with this section will be cause for finding bid/proposal non-responsive and may result in rejection of bid/proposal.

(D) Joint Venture Agreements

If the bidder's MBE/WBE proposal includes the participation of MBE/WBE firms as a joint venture on any tier (either as the bidder or as a subcontractor), the bidder must provide a copy of the joint venture agreement.

In order to demonstrate the MBE/WBE partner's share in the ownership, control, management responsibilities, risks and profits of the joint venture, the proposed joint venture agreement must include specific details related to: (1) contributions of capital and equipment (2) work responsibilities or other performance to be undertaken by the MBE/WBE firm; (3) the commitment of management, supervisory and operative personnel employed by the MBE/WBE to be dedicated to the performance of the contract. The joint venture agreement must also clearly define each partner's authority to contractually obligate the joint venture and each partner's authority to expend joint venture funds (e.g. check signing authority).

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(E) The MBE/WBE compliance proposal to submittal must have all blank spaces on the Schedule pages applicable to the Contract correctly filled in. Agreements between a Bidder and a MBE and WBE in which the MBE/WBE promises not to provide subcontracting quotations to other Bidders are prohibited.

7.1

**Section VII
Evaluation of Bid Proposals**

(A) During the period between bid opening and Contract award, the submitted documentation will be evaluated by the Office of Contract Compliance. The Bidder agrees to provide, upon request, earnest and prompt cooperation to the Director of Contract Compliance or his designee in submitting to interviews that may be necessary, in allowing entry to places of business, in providing further documentation, or in soliciting the cooperation of a proposed MBE or WBE firm in providing such assistance. A bid may be treated as non-responsive by reason of the determination that the Bidder's proposal did not contain a sufficient level of Certified MBE or WBE participation, that the Bidder was unresponsive or uncooperative when asked for further information relative to the proposal, or that false statements were made in the Schedules.

(B) If the Office of Contract Compliance's review of a Bidder's proposal concludes that the MBE/WBE proposal was deficient, the Office of Contract Compliance shall promptly notify the Bidder of the apparent deficiency and instruct the bidder to submit (within five (5) business days of such notice given by the Office of Contract Compliance) a modification of the MBE or WBE Proposal, in proper format, which remedies the deficiencies cited. Failure to correct all deficiencies cited by the Office of Contract Compliance will be cause for rejection of the Bidder's proposal as non-responsive.

(C) Bidders will not be permitted to modify their MBE/WBE compliance proposal except insofar as directed to do so by the Office of Contract Compliance. Therefore, all term and conditions stipulated for prospective MBE and WBE subcontractors or suppliers should be satisfactorily negotiated prior to the submission to the Office of Contract Compliance of the Bidder's MBE/WBE compliance proposal with the bid.

If circumstances should arise, however, where a proposed MBE/WBE is no longer available, the process described below in Section IX entitled, "MBE/WBE Substitutions" should be followed.

**SECTION VIII
REQUEST FOR WAIVER**

8.1

(A) If a Bidder is unable to identify qualified MBE and WBE firms to perform sufficient work to fulfill the MBE or WBE percentage goals for this Contract. The bid or proposal must include a written request for waiver. A request and supporting documentation demonstrating the Bidder's inability to obtain sufficient MBE and WBE firms, notwithstanding good faith attempts to achieve such participation.

(B) Examples of such good faith efforts may include, but are not limited to, the following:

(C) Attendance at the Pre-bid conference.

(D) The Bidder's general affirmative action policies regarding the utilization of MBE and WBE firms, plus a description of the methods used to carry out those policies.

(E) Advertisement in trade association newsletters and minority-oriented and general circulation media for specific sub-bids.

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- (F) Timely notification of specific sub-bids to minority and women contractor assistance agencies and associations.
- (G) Description of direct negotiations with MBE and WBE firms for specific sub-bids, including:
 - (I) the name, address and telephone number of MBE and WBE firms contacted;
 - (II) a description of the information provided to MBE and WBE firms regarding the portions of the work to be performed; and
 - (III) the reasons why additional MBE and WBE firms were not obtained in spite of negotiations.
- (H) A statement of the efforts made to select portions of the work proposed to be performed by MBE and WBE firms (such as sub-supplier, transport, engineering, distribution, or any other roles contributing to production and delivery as specified in the Contract) in order to increase the likelihood of achieving such participation.
- (I) A detailed statement of the reasons for the Bidder's conclusion that each MBE and WBE contacted, which the bidder considers not qualified.
- (J) Efforts made by the Bidder to expand its search for MBE and/or WBE firms beyond usual geographic boundaries.
- (K) General efforts made to assist MBE and WBE firms to overcome participation barriers.

8.2 If the bidder does not meet the MBE/WBE goal, price alone shall not be an acceptable basis for which the bidder may reject a MBE/WBE sub-bid unless the bidder can show to the satisfaction of the Office of Contract Compliance that no reasonable price can be obtained from a MBE/WBE. A determination of reasonable price is based on such factors as the estimate for the work under a specific subcontract, the bidder's own estimate for the specific subcontract, and the average of the bona fide prices quoted for the specific subcontract. A MBE/WBE bid for a subcontract will be presumed to be unreasonable if the MBE/WBE price exceeds the average price quoted by more than 15 percent.

(1) The Waiver Review Committee shall review all waiver requests to determine whether there is sufficient evidence that despite good faith efforts by the contractor, the contractor is unable to meet the MBE or WBE goal.

(2) The Waiver Review Committee may request from the contractor any information relevant to the waiver request. Failure of the contractor to cooperate in providing requested information in a timely manner is grounds for rejection of the waiver request.

8.3 Subsequent Waiver by Request of Contractor

(A) During the performance of a contract, a contractor may request a partial waiver from compliance with its MBE or WBE proposal for the following reasons:

(1) Due to substantially changed circumstances it is unable to meet the MBE or WBE goal;

(2) Despite every good faith effort on the part of the contractor, it is unable to meet the MBE or WBE goals.

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8.4 Waiver Initiated by City Colleges of Chicago

(A) The chancellor on his or her own initiative may grant a waiver from MBE or WBE requirements to an individual contract upon a determination by the Chancellor that there are insufficient qualified MBEs or WBEs available to fulfill such requirements for that particular contract.

(B) A determination by the Chancellor to waive MBE or WBE requirements for an individual contract must be stated in writing.

(C) Waivers may be partial or total.

8.5 Additional Criteria

In determining whether to grant a waiver, the decision maker may take into consideration the additional cost which would be incurred by denying the waiver and awarding the contract to the next lowest bidder who has not requested a waiver. Where the Office of Contract Compliance has determined that the lowest bidder is not responsible because a waiver request contained in the bid has been denied, the Office of Contract Compliance may negotiate with the **lowest responsible bidder** to obtain a lower price.

SECTION IX MBE/WBE SUBSTITUTIONS

- 9.1 After submitting executed MBE and/or WBE sub-agreements to the Office of Contract Compliance, the Contractor shall thereafter neither terminate the sub-agreement, nor reduce the scope of the work to be performed by the MBE or WBE firm, nor decrease the price to the MBE or WBE firm, without in each instance receiving the prior written approval of the Office of Contract Compliance. If it becomes necessary to substitute a new MBE and/or WBE to fulfill the Contractor's MBE and/or WBE commitments, the Office of Contract Compliance must be given reasons justifying the release of prior specific MBE and/or WBE commitments established in the Contractor's bid proposal in order to review the propriety of the proposed substitution.
- 9.2 The Contractor must notify the Director for Contract Compliance immediately in writing of an apparent necessity to reduce or terminate a MBE and/or WBE subcontract and propose a substitute firm for some phase of work. The Contractor's notification must include the name, address and principal office of any proposed substitute MBE and/or WBE firm and the dollar value and scope of work of the proposed subcontract. Attached should be all of the same MBE/WBE schedules, affidavits, documents, and letter of intent which are required of Bidders as enumerated in Section VI above.
- 9.3 In addition, each subcontract between the Bidder and any MBE or WBE firm performing work on the Contract shall include remedies for non-compliance with the commitment to MBE and WBE participation, including an agreement to pay damages to the MBE and WBE firms which were underutilized.

The unexcused reduction of MBE or WBE participation in connection with the Contract including any modification thereof, shall entitle the affected MBE and WBE firms to payments pursuant to such agreement. Such provisions shall include an undertaking by the Contractor to submit any dispute concerning such damages to binding arbitration by an independent arbitrator, other than the City Colleges of Chicago, with reasonable expenses, including attorneys' fees, being recoverable by a prevailing MBE or WBE. Nothing herein shall be construed to limit the rights of and remedies available to the City Colleges of Chicago.

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SECTION X
REPORTING AND RECORD-KEEPING REQUIREMENTS

- 10.1 The Contractor, within five (5) working days of Contract award, shall execute a formal subcontract or purchase order in compliance with the terms of the Contractor's bid proposal and MBE and WBE assurances, and submit to the Office of Contract Compliance a copy of the MBE and WBE subcontracts or purchase orders, each showing acceptance of the subcontract or purchase order by the MBE and WBE firms. During the performance of the Contract, the Contractor shall submit partial and final waivers of lien from MBE and WBE subcontractors and suppliers indicating the current payment amount and the cumulative dollar amount of payments made to date. The contractor shall file regular MBE and WBE utilization reports, on the form entitled "Status Report of MBE and WBE (Sub) Contract Payments," at the time of submitting each monthly payment voucher ("Summary of Estimate"), which reflects the current status of cumulative and projected payments to MBE and WBE firms.
- 10.2 The Contractor shall maintain records of all relevant data with respect to the utilization of MBE and WBE firms, including without limitation payroll records, tax returns and records, and book of accounts, and retain such records for a period of at least three (3) years after final acceptance of the work. Full access to such records shall be granted to the Office of Contract Compliance and/or its designee, on five (5) business days' notice in order to determine the Contractor's compliance with its MBE and WBE commitments and the status of any MBE or WBE firm performing any portion of the Contract
- 10.3 **Remedies for Non-Compliance**
1. **Non-Compliance**
- Whenever the Office of Contract Compliance believes that the contractor or any of its subcontractors may not be operating in compliance with this Plan, it shall conduct an appropriate investigation.
2. **Notification**
- Upon indications of inadequate compliance or non-compliance, the Office of Contract Compliance will notify the contractor and the subcontractor, if applicable, in writing. The Office of Contract Compliance, the contractor or subcontractor may request an opportunity to meet to discuss the contractor's or subcontractor's compliance. The contractor or subcontractor shall make such request to the Office of Contract Compliance in writing within five (5) working days of receiving notice. The meeting shall be scheduled by the Office of Contract Compliance at a reasonable date, time and place, with notice to contractor and subcontractor, if applicable.
3. **Criteria**
- If, after notification, the Office of Contract Compliance determines that a contractor is not meeting or has not met applicable MBE or WBE goals and is not demonstrating or has not demonstrated every good faith to meet the goals, the contractor shall be subject to suitable sanctions as set forth in paragraph 4 below.
4. **Sanctions**
- (A) The MBE/WBE requirements of these Terms and Conditions shall be incorporated in to the contracts between City Colleges and its vendors. In addition to any other remedies City Colleges may have, the following will apply:

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(I) Where the Office of Contract Compliance determines the conditions set forth in paragraph 3 above to exist during the term of the contract, the Office of Contract Compliance may recommend that the Board suspend or terminate the contract, in whole or in part, and may also declare the contractor ineligible for future contracts for a period of one (1) or two (2) years.

The contractor shall be liable to City Colleges for any consequential damages incurred as a result of suspension or termination of the contract including damages arising either from delay or increased price in securing performance of the work by other contractors, attorney's fees and court cost.

(II) Where the Office of Contract Compliance determines the conditions set forth in paragraph 3 above to exist at the conclusion of a contract, the Office of Contract Compliance may declare the contractor ineligible for future contracts for a period of one (1) or two (2) years.

(III) If a contractor has provided false or misleading information in connection with certification, bid or proposal documents, compliance progress reports, or any other aspect of this Plan, the Office of Contract Compliance may impose any of the sanction described in Section 4.a. and all its subsections.

(IV) If there is a bona fide payment dispute between a contractor and its M/WBE subcontractor for work performed under the Plan, City Colleges may withhold payment of the disputed amount from the contractor and place such funds in an interest bearing account pending resolution of the dispute, by judicial or other means.

(B) A contractor shall have the right to appeal a decision from the Office of Contract Compliance declaring it ineligible for future City College contracts. Such appeal shall be made to the Chancellor or his/her designee, or the Waiver Appeals Committee in accordance with the procedures for appealing a denial of a waiver request.

(C) The failure of City Colleges to impose any sanction it may have under this Section shall not be deemed a waiver of its right to impose such a sanction for subsequent violations. The listing of sanctions available to City Colleges in this Section shall not be deemed to exclude any other sanctions or remedies available at law or in equity.

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Schedule A: Affidavit of MBE / WBE
Goal Implementation Plan

Contract Name: _____

State of: _____

County Of: _____

In connection with the above - captioned contract:

I HEREBY DECLARE AND AFFIRM that I am a duly authorized representative of:

(name of bidder / proposer)

and that I have personally reviewed the material and facts set forth herein describing our proposed plan to achieve the MBE/WBE goals of this contract.

All MBE/WBE firms included in this plan have been certified as such by approved certifying agencies, (Letters of Certification attached).

SECTION I Direct Participation-MBE/WBE Firm in the Performance of this Contract

(Note: The bidder/proposer shall, in determining the manner of MBE/WBE participation, must first consider involvement with MBE/WBE firms as joint venture partners, subcontractors, and suppliers of goods and services directly related to the performance of this contract).

A. If bidder/proposer is a certified MBE or WBE firm, attach a copy of the letter certification. (Certification of the bidder/proposer as an MBE satisfies the MBE goal only. Certification of the bidder/proposer as a WBE satisfies the WBE goal only.)

B. If bidder/proposer is a joint venture and one or more joint venture partners are certified MBEs or WBEs, attach copies of Letters of Certification and a copy of Joint Venture Agreement clearly describing the role of the MBE/WBE goal only.

C. MBE /WBE Subcontractors/Suppliers/Consultants:

1. Name of MBE/WBE: _____

Address: _____

Telephone Number: _____

Contact Person: _____

Dollar Amount of Participation: \$ _____

Percent Amount of Participation: _____%

Schedule C attached? Yes ___ No ___

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C. MBE/WBE Subcontractors/Suppliers/Consultants - Continued:

2. Name of MBE/WBE: _____
Address: _____
Telephone Number: _____
Contact Person: _____
Dollar Amount of Participation: \$ _____
Percent Amount of Participation: _____ %
Schedule C attached: Yes ___ NO ___
3. Name of MBE/WBE: _____
Address: _____
Telephone Number: _____
Contact Person: _____
Dollar Amount of Participation: \$ _____
Percent Amount of Participation: _____ %
Schedule C attached: Yes ___ NO ___
4. Name of MBE/WBE: _____
Address: _____
Telephone Number: _____
Contact Person: _____
Dollar Amount of Participation: \$ _____
Percent Amount of Participation: _____ %
Schedule C attached: Yes ___ NO ___

All Schedule C and Letters of Certification not submitted with bid/proposals must be submitted so as to assure receipt by the Office of Contract Compliance within five (5) business days after bid opening (or proposal due date).

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SECTION II. Indirect Participation of MBE/WBE Firms

(Note: This section need not be completed if the MBE/WBE goals have been met through the direct participation outlined in Section I. If the MBE/WBE goals have not been met through direct participation, contractor will be expected to demonstrate that the proposed MBE/WBE direct participation represents the maximum achievable under the circumstances. after such a demonstration will indirect participation be considered).

1. Name of MBE/WBE: _____
Address: _____
Telephone Number: _____
Contact Person: _____
Dollar Amount of Participation: \$ _____
Percent Amount of Participation: _____ %
Schedule C attached: Yes _____ NO _____

2. Name of MBE/WBE: _____
Address: _____
Telephone Number: _____
Contact Person: _____
Dollar Amount of Participation: \$ _____
Percent Amount of Participation: _____ %
Schedule C attached: Yes _____ NO _____

3. Name of MBE/WBE: _____
Address: _____
Telephone Number: _____
Contact Person: _____
Dollar Amount of Participation: \$ _____
Percent Amount of Participation: _____ %
Schedule C attached: Yes _____ NO _____

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4. Name of MBE/WBE: _____
Address: _____
Telephone Number: _____
Contact Person: _____
Dollar Amount of Participation: \$ _____
Percent Amount of Participation: _____ %
Schedule C attached: Yes _____ NO _____

All Schedule C and Letters of Certification not submitted with bid/proposals must be submitted so as to assure receipt by the Office of Contract Compliance within five (5) business days after bid opening (or proposal due date).

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SECTION III. Summary of MBE/WBE Proposal

A. MBE PROPOSAL

1. MBE Direct Participation (refer to Section I.):

MBE Firm	Dollar Amount	Percent Amount
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %

2. MBE Indirect Participation (refer to Section II):

MBE Firm	Dollar Amount	Percent Amount
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %

B. WBE PROPOSAL

1. WBE Direct Participation (refer to Section I):

MBE Firm	Dollar Amount	Percent Amount
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %

2. WBE Direct Participation (refer to Section II):

MBE Firm	Dollar Amount	Percent Amount
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

(Signature of Notary Public)

My Commission Expires: _____ (Seal)

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**SCHEDULE C
Letter of Intent from MBE/WBE
To Perform As
Subcontractor, Subconsultant and/or Material Supplier**

Name of Project: _____

From: _____ MBE _____ WBE _____
(Name of MBE or WBE)

To: _____
(Name of Prime/General Bidder)

The undersigned intends to perform work in connection with the above-referenced project as (check one):

- | | | | |
|-------|-------------------|-------|-----------------|
| _____ | A Sole Proprietor | _____ | A Corporation |
| _____ | A Partnership | _____ | A Joint Venture |

The MBE/WBE status of the undersigned is confirmed by the attached Letter of Certification, dated firm, a Joint Venture agreement.

The undersigned is prepared to provide the following described services or supply the following described goods in connection with above-named project:

The above described service or goods are offered for the following price, with terms of payment as stipulated in the Contract Documents:

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Partial Pay Item(s)

For any of the order items which are partial pay items, specifically describe the work and subcontract dollar amount:

If more space is needed to fully describe the MBE/WBE firm's proposed scope of work and/or payment schedule, attach additional sheet(s).

Sub-Contracting Levels

_____ % of the dollar value of the MBE/WBE subcontract will be sublet to non-MBE contractors.

_____ % of the dollar value of the MBE/WBE subcontract to MBE/WBE contractors.

If MBE/WBE subcontractor will not be sub-contracting any of the work described in this Schedule, a zero (0) must be filled in each blank above.

If more than 10% percent of the value of the MBE/WBE subcontractor's scope of work will be sublet, a brief explanation and description of the work to be sublet must be provided.

The undersigned will enter into a formal agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City Colleges of Chicago, and will do so within five (5) working days of receipt of a notice of Contract Award from the Office of Contract Compliance.

By: _____
Name of MBE/WBE

Name (print) Signature

Phone: () _____ Date: _____

IF APPLICABLE for Joint Ventures:

By: _____
Joint Venture Partner (print)

Signature Name (print)

Phone: () _____ Date: _____

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IBM
Executive Summary and Proposal
for
City Colleges of Chicago
Assistance with
Year 2000 Third Party Vendor
Management, Readiness Review and
Contingency Planning

July 19, 1999

The information in this proposal shall not be disclosed outside the City Colleges of Chicago organization and shall not be duplicated, used or disclosed in whole or in part for any purpose other than to evaluate the proposal. If a contract is awarded to IBM as a result of or in connection with the submission of this proposal, City Colleges of Chicago shall have the right to duplicate, use or disclose the information to the extent provided by the applicable confidentiality agreement signed by the parties. If not, City Colleges of Chicago may retain one copy of this proposal for archival purposes. IBM retains ownership of this proposal. This offer expires on August 2, 1999.

IBM Global Services
IBM Corporation
One IBM Plaza
Chicago, Illinois 60611

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Executive Overview

IBM is pleased to present this proposal to assist City Colleges of Chicago with its Year 2000 Challenge. This challenge refers to a phenomenon that exists throughout the Information Technology (IT) industry because historically many process logic chips, computers and their programs make use of dates represented by only two digits (i.e. 97 versus 1997).

The problem can be manifest in many ways. The first is in the computer programs themselves. When working with years outside the range 1900-1999, programs (both system and application) that perform arithmetic operations, comparisons, or sorting of date fields can yield incorrect results. Simply stated, this is a two-digit year problem. The challenges presented, however, are not simple in scope and the business costs associated with the inability to process mission critical applications make this an issue that requires close scrutiny.

An additional problem is embedded chips that have been preprogrammed to perform a certain function or time stamp a system response. This time stamp can provide input to other control systems or output devices such as a computer or printer. The failure to process the correct date can result in incorrect data, process failure and system shutdown.

IBM understands that City Colleges of Chicago faces a tremendous challenge and demanding schedule to address the solution, design and implementation of the changes required by the Year 2000 problem. IBM's proposed Statement of Work defines the activities, schedule, and charges estimated to assist in performing the Year 2000 Third Party Vendor Management, Readiness Review and Contingency Planning for City Colleges of Chicago at the facilities listed in Appendix C.

As part of our proposal IBM will assist City Colleges of Chicago in:

- 1 Initiating the Vendor Readiness efforts for Non-IT Assets.
- 2 Developing a Non-IT Business Contingency Strategy.
- 3 Performing a Readiness Review for the Information Technology processes identified as Human Resources, Student System and Financial System.

IBM's objective is to provide City Colleges of Chicago with an agreement for Year 2000 consulting assistance that allows City Colleges of Chicago to apply its resources during the project, based on current knowledge, plans and priorities.

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Year 2000 Information and Readiness Disclosure Act

Statements made to you in the course of this sale are subject to the Year 2000 Information and Readiness Disclosure Act (P.L. 105-271, 112 Stat 2386). In the case of a dispute, this Act may reduce your legal rights regarding the use of any such statements, unless otherwise specified by your contract or tariff.

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Statement of Work

This Statement of Work shall be appended to and made part of the *IBM Agreement for Services (IAS) and its attachments July 15, 1999 (Agreement)*, which is hereby incorporated by reference. In the event of any contradiction, inconsistency or ambiguity between the terms and conditions of the two documents, this Statement of Work shall govern. This Statement of Work and the IAS (and any applicable attachments) represent the entire agreement between the parties regarding this subject matter and replace any prior oral or written communications. The following are incorporated in and made part of this Statement of Work:

- Appendix A. Guidelines for Deliverables
- Appendix B. Project Change Control Procedure
- Appendix C. City Colleges of Chicago Facility List
- Appendix D. Signature Document

Changes to this Statement of Work will be processed in accordance with the procedure described in "Appendix B - Project Change Control Procedure".

The investigation and the implementation of changes may result in modifications to the Estimated Schedule, Charges, and/or other terms of the *Agreement*. City Colleges of Chicago may request more assistance from IBM throughout the project and in that event the defined IBM Project Change Control Procedure will be used to revise the estimated assistance.

1.0 Project Scope

City Colleges of Chicago's Year 2000 Non-IT efforts will focus on the sites listed in Appendix C that consist of City Colleges of Chicago's owned and managed buildings, telephone systems, pagers, cellular phones, two way radio's, office equipment, environmental control devices, public safety, fleet management, laboratory equipment and other training devices. IBM's efforts will be in an assistance mode only.

IBM will provide assistance to City Colleges of Chicago during its execution of the following activities:

- Conduct IT Readiness Review
- Coordinate Initial Vendor Readiness Efforts for Non-IT Assets
- Develop Non-IT Business Contingency Strategy

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The subsequent upgrades, replacement and testing of Non-IT Assets are outside the scope of this Statement of Work.

2.0 Key Assumptions

This Statement of Work (SOW) and IBM's estimates to perform this SOW are based on the key assumptions below. Any changes to these assumptions may have an effect on estimated hours, price or schedule and will be handled in accordance with the Project Change Control Procedure in Appendix B.

- 1 City Colleges of Chicago retains overall responsibility and ownership of this Year 2000 Project.
- 2 City Colleges of Chicago will provide facilities for IBM resources that may be assigned to be on-site at City Colleges of Chicago during the project. These facilities will be consistent with those provided to City Colleges of Chicago employees.
- 3 The IBM Project Team will have 24-hour a day, 7 days per week access to facilities, except for scheduled outages.
- 4 City Colleges of Chicago will staff the project with resources with the appropriate skill levels and experience to accomplish all City Colleges of Chicago responsibilities as outlined in this document
- 5 The mix of IBM resources and their specialty, skill level, experience and roles will vary over time based on project requirements and availability of resources. The pricing is based on this mix of resources as outlined in the 8.0 Charges section.
- 6 IBM may engage subcontractors and other third parties in performing a portion of its obligations under this Statement of Work.
- 7 City Colleges of Chicago acknowledges that IBM must maintain the ability to manage the IBM Year 2000 Project team composition. IBM assumes project staffing content as shown in the Estimated Charges section. Material changes to the staffing mix may impact project scope, schedule, resources and charges.
- 8 During the engagement, IBM may recommend tools to be acquired and installed in City Colleges of Chicago environments. Should City Colleges of Chicago install such recommended tools, the cost will be borne by City Colleges of Chicago.
- 9 The hours estimated in this Statement of Work are only for activities directly associated with the asset inventory and Review for the locations listed in Appendix C.
- 10 This Statement of Work provides for delivery of services under an "actual services used" billing arrangement and IBM will be paid for actual time worked and expenses incurred as defined in 2.8 Charges section. IBM's provision of such estimate does not imply or create the existence of an agreement for the completion of work for a fixed price. **No fixed price activities will be performed under this Statement of Work.**
- 11 IBM's involvement on this inventory and review project does not commit to identification of every Non-IT Asset of City Colleges of Chicago.

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- 12 Before software inventory reviews, City Colleges of Chicago will select, purchase and install a software inventory tool to be used to perform the personal computer software inventory at the City Colleges of Chicago facilities
- 13 Up to 16 sites will be reviewed. These sites are identified in *Appendix C. City Colleges of Chicago Facility List*.
- 14 Without written notice to IBM, IBM personnel will not be required to satisfy a security clearance. If City Colleges of Chicago requires a security clearance for any IBM personnel, after notifying IBM in writing, City Colleges of Chicago will meet with IBM to discuss and reach agreement upon an appropriate security clearance process. City Colleges of Chicago will be responsible for all costs of the agreed upon security clearance process.
- 15 City Colleges of Chicago will notify IBM of any potential health hazards on sites controlled by City Colleges of Chicago which IBM personnel may encounter in the course of performing the services hereunder. In the event that IBM becomes aware of potential health hazards with a site, IBM has the discretion to be relieved of any responsibilities for that site.
- 16 IBM's Definition of Year 2000 ready is:

A product is Year 2000 ready if the product, when used in accordance with its associated Documentation, is capable of correctly processing, providing and/or receiving date data within and between the 20th and 21st centuries, provided all other product (for example, software, hardware, and firmware) used with the product properly exchange date data with it.
- 17 All GLOBAL TRANSFORMATION 2000 materials are IBM proprietary and confidential materials and will be provided in accordance with the City Colleges of Chicago/IBM Agreement for the Exchange of Confidential Information or its successor agreement and its associated supplements.

2.1 Non-IT Asset Terms and Conditions

- 1 Although IBM will assist City Colleges of Chicago in identifying categories of Non-IT Assets which may not be Year 2000 Ready, City Colleges of Chicago is responsible for identifying specific Non-IT Assets currently being used in City Colleges of Chicago's operations which may not be Year 2000 Ready.
- 2 City Colleges of Chicago understands that IBM has not undertaken any independent testing of Non-IT Assets to determine whether they are Year 2000 Ready and IBM is not responsible for verifying and/or testing the accuracy of Non-IT vendor representations regarding whether any Non-IT Assets are Year 2000 Ready.
- 3 Although IBM will assist you in obtaining information from Non-IT Asset vendors regarding whether their products are Year 2000 Ready, City Colleges of Chicago is solely responsible for replacing or modifying Non-IT Assets so that they are Year 2000 Ready and for verifying and/or testing to ensure that such assets are in fact Year 2000 Ready.

3.0 IBM Responsibilities

IBM will provide Services to perform the following IBM responsibilities.

3.1 Project Management Assistance

The IBM Project Manager will assist the City Colleges of Chicago Project Manager in performing project management activities, consisting of the following:

1. Interface between IBM and City Colleges of Chicago
2. Administer Project Change Control Procedure for changes with the City Colleges of Chicago Project Manager
3. Prepare for, and participate in status meetings. This preparation includes bi-weekly status reporting.
4. Assist the City Colleges of Chicago to measure, track and evaluate project progress against the plan.
5. Assist City Colleges of Chicago Project Manager with project planning, management of project schedules, tasks, resources and development of project estimates.

Completion Criteria

This activity is considered complete when the first of either (i) the 95 hours allocated for this activity are provided or (ii) City Colleges of Chicago states no further assistance is required for this activity.

Deliverable

Bi-weekly status report

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3.2 Readiness Review of City Colleges of Chicago's Information Technology Year 2000 projects

IBM will assist City Colleges of Chicago with a Readiness Review of your Year 2000 projects. The Readiness Review will review City Colleges of Chicago's Year 2000 IT efforts to date, identify potential Year 2000 risks and recommend improvements where applicable for the administration headquarters work site. The business processes to be reviewed are human resources, student system and financial system.

IBM will support City Colleges of Chicago in conducting a Readiness Review of Information Technology projects.

1. Using the IBM Readiness Review methodology, IBM will launch the Readiness Review activities which include meeting with the Project Sponsor to review project scope and planned deliverables, schedule and contact work sites, develop a work plan, and customize the Readiness Review Templates.
2. Using the IBM Readiness Review methodology, IBM will conduct work site visits, gather data, and review information against the customized Year 2000 Readiness Review templates.
3. Using the IBM Readiness Review methodology, IBM will consolidate and analyze the gathered data, identify and prioritize against a criticality ranking from City Colleges of Chicago the potential risk, and develop a summary report with findings and recommendations.

Completion Criteria

This activity is considered complete when the first of either (i) the 537 hours allocated for this activity are provided or (ii) City Colleges of Chicago states no further assistance is required for this activity or (iii) IBM completes the task activities including delivery of the IT Readiness Review Summary Report.

Deliverab

IT Readiness Review Summary Report

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3.3 Assist with Coordinating Initial Vendor Readiness Efforts

IBM will assist City Colleges of Chicago with initiating vendor readiness efforts.

1. Assist City Colleges of Chicago in creating sample vendor/supplier readiness letters and assist with the development of up to 3 sample letters that can be distributed to vendors/suppliers of products and services. These letters will request companies to inform City Colleges of Chicago in writing of the Year 2000 readiness status of the products and of their ability to continue their own operations at a level sufficient to provide a comparable level of service as City Colleges of Chicago currently receives.
2. Before initiating distribution of a readiness letter to a specific vendor, assist City Colleges of Chicago in grouping the products and services by vendor. IBM will use the asset inventory provided by the City Colleges of Chicago to group the products and services by vendor. IBM will then assist City Colleges of Chicago subject matter experts to review that information to identify vendors/suppliers missed during the prior asset surveys.
3. Assist City Colleges of Chicago with the coordination, distribution, and tracking of the initial set of readiness letters and responses to these letters from vendors/suppliers.
4. As initial vendor/supplier responses are received, assist City Colleges of Chicago with the recording of Year 2000 readiness information for each asset in the response. This will be collected in the asset database. City Colleges of Chicago will retain responsibility for accurate reflection of the vendor response in the asset database.

Completion Criteria.

This activity is considered complete when the first of either (i) the 638 hours allocated for this activity are provided or (ii) City Colleges of Chicago states no further assistance is required for this activity.

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3.4 Assist with Development of a Business Contingency Planning Strategy for Non-IT Assets

IBM will assist City Colleges of Chicago with development of a business contingency planning strategy for Non-IT Assets. IBM will assist City Colleges of Chicago in the performance of the tasks required to

1. Launch Contingency Planning Activities by utilizing IBM's Year 2000 Contingency Planning methodology to define the framework for City Colleges of Chicago's effort.
2. Analyze Business Processes by utilizing IBM's Year 2000 Contingency Planning methodology to define the framework for City Colleges of Chicago's effort.
3. Analyze assets and vendors activities by utilizing IBM's Year 2000 Contingency Planning methodology to define the framework for City Colleges of Chicago's effort.
4. Develop a Contingency Planning Strategy by utilizing IBM's Year 2000 Contingency Planning methodology to define the framework for City Colleges of Chicago's effort.

Completion Criteria

This activity is considered complete when the first of either (i) the 280 hours allocated for this activity are provided or (ii) City Colleges of Chicago states no further assistance is required for this activity.

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4.0 City Colleges of Chicago Responsibilities

The responsibilities listed in this section are in addition to those responsibilities specified in the *Agreement* and are to be provided at no charge to IBM. IBM's performance is predicated upon the following responsibilities being fulfilled by City Colleges of Chicago. These responsibilities are those initially identified by IBM, but may not be the total responsibilities of City Colleges of Chicago needed to fulfill their responsibilities to this project.

4.1 City Colleges of Chicago Executive Sponsor

Prior to the start of this Statement of Work under the *Agreement*, City Colleges of Chicago will designate a person, called the City Colleges of Chicago Executive Sponsor, to whom IBM communications will be addressed and who has the authority to act for City Colleges of Chicago in all aspects of the contract. The City Colleges of Chicago Executive Sponsor's responsibilities include:

1. Administering the Project Change Control Process with the IBM Project Executive as outlined in Appendix B.
2. Assisting with resolution of project issues and their escalation within the City Colleges of Chicago organization, as necessary, retaining ultimate responsibility for the success of the project.

4.2 City Colleges of Chicago Project Manager

Prior to the start of this Statement of Work under the *Agreement*, City Colleges of Chicago will designate a person, called the City Colleges of Chicago Project Manager. The City Colleges of Chicago Project Manager's responsibilities include:

1. Management of the Year 2000 project.
2. Review, refine, and accept project plans and management of project schedules, tasks, resources and development of project estimates that relate to use of City Colleges of Chicago resources.
3. Serve as the interface between the IBM project team and City Colleges of Chicago departments participating in this project.
4. Direct project status meetings with the support of the IBM Project Manager or Project Executive.
5. Obtain and provide information, data, decisions and approvals, within two working days of IBM's request unless City Colleges of Chicago and IBM agree to a different response time. This response time constraint is reciprocal.
6. Resolve deviations from project plans which may be caused by City Colleges of Chicago.

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7. Help resolve project issues and escalate issues within the City Colleges of Chicago organization, as necessary.
8. Retains all management responsibility for City Colleges of Chicago acquired and/or contracted for personnel and/or resources.

4.3 City Colleges of Chicago Project Personnel

City Colleges of Chicago agrees to make available full time a City Colleges of Chicago Project Manager. City Colleges of Chicago agrees to make available at least 5 hours a week the City Colleges of Chicago Project Executive. Other subject matter experts, site coordinators and personnel who are familiar with City Colleges of Chicago Non-IT Assets as described in Section 3.0. will be made available as required by the project team.

All City Colleges of Chicago personnel will respond to team requests within 2 business days from the date of request.

4.4 City Colleges of Chicago Activity Responsibilities

In support of *Section 3.0 – IBM Responsibilities*, City Colleges of Chicago agrees to perform the following tasks:

1. Execute a program to increase the awareness of Non-IT Asset challenges.
2. Provide subject matter experts, including analysts, business area experts, and on-site personnel to participate in the initial vendor readiness coordination.
3. Provide business area experts for creating and distributing the vendor readiness form letter.
4. Provide subject matter experts, including analysts and business area experts, plus site coordinators for development of a business contingency planning strategy for Non-IT Assets.
5. Provide IBM with an inventory of vendor assets.

4.5 General City Colleges of Chicago Responsibilities

1. City Colleges of Chicago will be responsible for identifying and communicating the overall impact of the Year 2000 challenge on City Colleges of Chicago business processes to City Colleges of Chicago executives and other staff.
2. City Colleges of Chicago will be responsible for identifying and providing resolutions to any third party confidentiality concerns and issues that may arise during the course of the project.
3. City Colleges of Chicago is responsible for being licensed properly for all software required by this project. IBM will be granted access to all such required software at no charge, for the duration of this project.

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4. During vendor surveys, City Colleges of Chicago is responsible for ensuring the accuracy and timeliness of its vendor's responses.
5. City Colleges of Chicago will provide IBM with access to facilities and assets required for the activities in this Statement of Work.

4.6 Provide PCs and Connectivity

City Colleges of Chicago will provide workstations and software equivalent to that provided to City Colleges of Chicago employees and sufficient to meet the individual work requirements. Also, LAN (Local Area Network) connectivity for printing and for access to the City Colleges of Chicago Host Development Environment will be provided. Other resource requirements include but are not limited to: TSO (Time Sharing Option), mainframe logons, proper security access, and one analog telephone line.

4.7 Office Space and Other Facilities

City Colleges of Chicago is responsible for obtaining the following office space and other facilities for the IBM Project Executive and approximately 6 IBM Team members that may perform services at the City Colleges of Chicago site:

- Provide suitable office space, office supplies, furniture, telephone and other facilities equivalent to those provided to City Colleges of Chicago project managers for the IBM Project Team while working on City Colleges of Chicago premises.
- Provide all necessary clerical, reproduction, and services required to support the IBM Consultants while working on City Colleges of Chicago premises.
- Provide all necessary machine time, related services, and supplies required to support project planning, tracking, documentation, and reporting activities.

4.8 Security

City Colleges of Chicago is responsible for the establishment of procedures to provide physical site security for the hardware and software systems and their elements. This security would include, as appropriate, protection from losses occasioned by natural threats, forced entry, acts of violence, and internal sabotage.

It is City Colleges of Chicago's responsibility to implement any procedure necessary to safeguard the integrity and security of software and data used in this project from access by unauthorized persons. The content of any data file, the selection and implementation of controls on its access and use, and the security of stored data are the responsibility of City Colleges of Chicago.

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4.9 Federal, State and Local Laws

City Colleges of Chicago is responsible for the identification and correct interpretation of any applicable laws, regulations, and statutes that affect City Colleges of Chicago and any application systems or programs to which IBM will have access during this project. It is the responsibility of City Colleges of Chicago to assure that the systems and programs meet the requirements of such laws.

4.10 Employment of Personnel

During the project and for a period of twelve months after completion of the project, City Colleges of Chicago agrees not to directly or indirectly induce or solicit for employment any IBM employees who were assigned to the project.

4.11 Access, Use and/or Modification of Products

City Colleges of Chicago will promptly obtain and provide to IBM all Required Consents necessary for IBM to provide the Services described in this Statement of Work. A Required Consent means any consents or approvals required to give IBM and its subcontractors the right or license to access, use and/or modify (including creating derivative works) to the hardware, software, firmware and other products that City Colleges of Chicago use, without infringing the ownership or license rights (including patent and copyright) of the providers or owners of such products.

City Colleges of Chicago will indemnify, defend and hold IBM, its affiliates, and subcontractors, harmless from and against any and all claims, losses, liabilities and damages (including reasonable attorneys' fees and costs) arising from or in connection with any claims (including patent and copyright infringement) made against IBM, alleged to have occurred as a result of City Colleges of Chicago failure to provide any Required Consents.

IBM will be relieved of the performance of any obligations that may be affected by City Colleges of Chicago failure to promptly obtain and provide any Required Consents to IBM.

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4.12 Third Party Charges

City Colleges of Chicago is responsible for any third-party charges from service bureaus or other organizations for access to systems or software or for survey information, which are not specifically provided under agreement with IBM and are required for performance of project activities.

4.13 Taxes

City Colleges of Chicago is responsible for any governmental taxes and/or fees incurred as a result of this contract, if applicable, except for net income or similar taxes incurred by IBM as a result of its fee income from the contract.

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5.0 Deliverable Materials

5.1 IBM Deliverables

IBM will deliver one copy of the following specified Type II Materials to City Colleges of Chicago, which are also defined in Appendix A.

IT Readiness Review Summary Report
Bi-Weekly Status Reports

5.2 Pre-Existing Materials

All IBM pre-existing material used in the performance of this Statement of Work will remain the sole property of IBM. Pre-existing materials include, but are not limited to, data models, reports, programs, documentation, presentations, methods and techniques. Where pre-existing materials are used in the development of City Colleges of Chicago produced material or Type II materials, those portions of the materials that utilize copies and/or derivations of the pre-existing materials will remain the sole property of IBM.

6.0 Completion Criteria

IBM fulfills its obligations under this Statement of Work when any one of the following first occurs:

1. The total charges IBM invoices for work performed, admin fees and travel / living expenses shall not exceed the sum of \$330,000 unless this amount is increased in a subsequent change authorization approved pursuant to Appendix B. (Project Change Control Procedure), or
2. The Estimated end date of this Statement of Work is reached without an extension through the Project Change Control Procedure, or
3. IBM or City Colleges of Chicago terminate the Project in accordance with the provisions of the Agreement as modified by the Statement of Work.

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7.0 Estimated Schedule

The services are estimated to be performed from August 2, 1999 to October 1, 1999, as specified in the *Statement of Work* found in "Appendix D - Signature Document". No work will be performed by IBM after October 1, 1999, without prior written approval of City College's Board of Trustees.

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8.0 Charges

Professional Fees

The blended rate is based on the assumption that these resources will be required for the following number of hours by job function. This mix of resources is noted in Section 2.0 Key Assumption #5 earlier in this Statement of Work.

Positions	Hours	Blended Rate
Principal / Project Executive	100	
Consultant	1,450	
Total	1,550	\$181.00

The total estimated funding for up to 1,550 hours of service is up to \$280,550 plus travel and living expenses. City Colleges of Chicago will be charged only for the actual hours provided by IBM staff in performing activities related to this Statement of Work.

Travel and Living Expenses

City Colleges of Chicago will reimburse IBM for the actual travel and living expenses incurred in providing these services, including any tax liability IBM or IBM personnel incurs as a result of such expenses, if applicable, up to an amount not to exceed \$43,840.00. Expenses typically range from 10% to 15% of professional fees for IBM resources traveling to and from the client site. For IBM personnel which ultimately remain on the assignment for more than one year, there may be an increased tax burden pursuant to IRS section 162(a). City Colleges of Chicago will be responsible for, and will pay, the increased expenses related to federal, state and local tax assistance provided to the affected resources. Application of the IRS rules will be determined by IBM. The costs will be billed, when appropriate, with the travel and living expenses affected and incurred in the performance of the work scope detailed in this Statement of Work.

Administrative Fee

An administrative fee of 2% of the actual charges (excluding travel and living expenses and any applicable taxes) will be charged, up to an amount not to exceed \$5610.00 (i.e., 2% of the hourly fees). This fee will be invoiced one month in arrears based on the prior month's charges.

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Invoices

City Colleges of Chicago will be billed monthly for the actual hours worked, the administrative fee, travel and living expenses incurred and taxes, if applicable. The invoices will be payable upon receipt.

Termination Notice

City Colleges of Chicago or IBM may terminate this Statement of Work by providing 30 days' written notice to the other party. Upon receipt of such written notice, IBM will stop work in an orderly manner as directed in the written notice. IBM will provide to City Colleges of Chicago all Deliverable Materials in progress. City Colleges of Chicago will be invoiced for all hours expended, all travel and living charges incurred, any licensing fees due, any hardware and software usage charges incurred by IBM on City Colleges of Chicago behalf, and any charges IBM incurs in terminating subcontractors.

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Appendix A. Guidelines for Deliverables

Delivery Method: IBM will provide one paper copy and one electronic copy of each deliverable to the City Colleges of Chicago Project Manager. The electronic copies will be provided in Microsoft Word on the City Colleges of Chicago LAN.

The IBM consultants will provide the following Type II deliverables:

The IT Readiness Review Summary Report

The IT Readiness Review Summary Report will consist of findings and recommendations. For each of the IT business areas, (Human Resources, Student System and Financial System) the report will include:

1. an overview of the progress reported by the City Colleges of Chicago Year 2000 teams
2. a comparison against the customized IBM Year 2000 Readiness Review templates to identify the potential risks for failure.

Bi-Weekly Status Report

Purpose: These documents provide IBM's periodic written Review of current progress against the detailed project plan, the estimated schedule, and the estimated charges. They provide formal notification of any changes in the estimated completion date or the estimated total number of hours required to complete the project and offers IBM's recommendations regarding available alternatives for corrective actions. Significant accomplishments, milestones, and problems will be identified.

Contents:

- Overall Review of project progress and current estimates to project completion
- Activities during the reporting period.
- Activities planned for the next reporting period
- Hours summary
- Hours expended during this reporting period
- Hours expended to date
- Problems, concerns, and recommendations

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Appendix B. Project Change Control Procedure

The following provides a detailed process to follow if a change to this Statement of Work is required.

- A Project Change Request (PCR) will be the vehicle for communicating change. The PCR must describe the change, the rationale for the change and the effect the change will have on the project.
- Either City Colleges of Chicago or IBM may create a PCR. The PCR originator will present a draft to his appropriate manager to determine whether to submit the request to the other party.
- The IBM Project Executive and the City Colleges of Chicago Project Executive will review the proposed change and approve it for further investigation or reject it. IBM will specify any charges for such investigation.
- If the investigation is authorized, the IBM Project Executive and the City Colleges of Chicago Project Executive will sign the PCR which will constitute approval for the investigation charges. IBM will invoice City Colleges of Chicago for any such charges. The investigation will determine the effect that the implementation of the PCR will have on price, schedule and other terms and conditions of the Agreement.
- If this Statement of Work requires changes, a written Change Authorization will be created describing the scope and impact on the project. This must be signed by IBM and City Colleges of Chicago to authorize implementation of the investigated changes.
- The parties agree that no PCR, investigation and/or changes to this Statement of Work shall exceed the total amount authorized under this SOW, three hundred and thirty thousand dollars (\$ 330,000), without prior written authorization from the Board of Trustees of City Colleges of Chicago.

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Appendix C. City Colleges of Chicago Facility List

	Location	Mailing Address	City	State
1	<i>Central Administration</i>	<i>226 W. Jackson Blvd</i>	<i>Chicago</i>	<i>IL</i>
2	<i>Daley College</i>	<i>7500 Pulaski Avenue</i>	<i>Chicago</i>	<i>IL</i>
3	<i>West Side Technical Insti.</i>	<i>2800 South Western Avenue</i>	<i>Chicago</i>	<i>IL</i>
4	<i>Kennedy-King College</i>	<i>6800 S. Wentworth Ave.</i>	<i>Chicago</i>	<i>IL</i>
5	<i>Washburne Trade School</i>	<i>3233 W. 31st St.</i>	<i>Chicago</i>	<i>IL</i>
6	<i>Dawson Tech. Institute</i>	<i>3901 S. State Street</i>	<i>Chicago</i>	<i>IL</i>
7	<i>Malcolm X College</i>	<i>1900 W. Van Buren Street</i>	<i>Chicago</i>	<i>IL</i>
8	<i>West Side Learning Center</i>	<i>4624 West Madison Street</i>	<i>Chicago</i>	<i>IL</i>
9	<i>Olive-Harvey College</i>	<i>10001 S. Woodlawn Ave.</i>	<i>Chicago</i>	<i>IL</i>
10	<i>S. Chicago Learning Ctr.</i>	<i>3055 E. 92nd Street</i>	<i>Chicago</i>	<i>IL</i>
11	<i>Harry S. Truman College</i>	<i>1145 W. Wilson Ave.</i>	<i>Chicago</i>	<i>IL</i>
12	<i>Lakeview Learning Center</i>	<i>3310 N. Clark Street</i>	<i>Chicago</i>	<i>IL</i>
13	<i>Harold Washington College</i>	<i>30 E. Lake Street</i>	<i>Chicago</i>	<i>IL</i>
14	<i>Wilbur Wright College (N)</i>	<i>4300 N. Narragansett Ave.</i>	<i>Chicago</i>	<i>IL</i>
15	<i>Wilbur Wright College (S)</i>	<i>3400 N. Austin Avenue</i>	<i>Chicago</i>	<i>IL</i>
16	<i>Humboldt Park Vocational Education Center</i>	<i>1645 North California Avenue</i>	<i>Chicago</i>	<i>IL</i>

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Appendix D. Signature Document

An authorized signature on the following page will indicate your acceptance of this Statement of Work.

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Custom Services

Scope of Services, Completion Criteria, Charges, and other applicable terms:

Refer to the "IBM Proposal for City Colleges of Chicago Assistance with Year 2000 Third Party Vendor Management, Readiness Review and Contingency Planning" dated ~~June 24~~, 1999 section "Statement of Work".

July 19,

Each of us agrees that the complete agreement between us about these Services consists of 1) this Statement of Work and 2) the referenced IBM Customer Agreement.

**Board of Trustees of Community College
District No. 508, County of Cook and**

Agreed to:
City Colleges of ~~State of Illinois~~
Chicago, Illinois

Agreed to:
International Business Machines Corporation
Armonk, New York

By *James A. Dyson*
Authorized signature
VICE CHAIRMAN

By *Rodney H. Johnson*
Authorized signature

Name (type or print): **JAMES A. DYSON**

Name (type or print): **Rodney H. Johnson**

Date: **JUL 23 1999**

Date: **July 19, 1999**

Customer number: 17671-58

Reference Agreement number:
Statement of Work number:

Customer address:
226 W. Jackson Blvd.
Chicago, Illinois, 60606

IBM Address
One IBM Plaza
Chicago, Illinois 60611

Project name or identifier:

Estimated start date: August 2, 1999

Estimated end date: October 1, 1999

APPROVED AS TO LEGAL FORM
James P. [Signature]
GENERAL COUNSEL