

APPROVE EXERCISING THE OPTION TO EXTEND THE AGREEMENT WITH PREFERRED MEAL SYSTEMS, INC. FOR PREPARED MEALS- FROZEN PRE-PLATED AND DISTRIBUTION SERVICES**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve exercising the option to extend the agreement with Preferred Meal Systems, Inc. to provide prepared meals- frozen pre-plated and distribution services to the Department of Operations Bureau of Food Services and Warehousing at a cost not to exceed \$14,921,000.76. A written extension document for Vendor's services is currently being negotiated. No payment shall be made to the Vendor during the extension period prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 60 days of the date of this Board Report. Information pertinent to this agreement is stated below.

SPECIFICATION NO. 00-250464

VENDOR: Preferred Meal Systems, Inc.
3315 East Algonquin Road
Rolling Meadows, Illinois 60008
Daniel R. Krpan
(847) 870- 2210
Vendor # 31236

USER: Department of Operations- Bureau of Food Services and Warehousing
125 South Clark -16th Floor
Chicago, IL 60603
Sue Susanke
(773) 553-2830

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 00-0823-PR9) is for a term commencing September 1, 2000 and ending August 31, 2001, with the Board having the option to extend the contract for 3 additional twelve (12) month periods. The original agreement was awarded pursuant to a duly advertised Bid Solicitation (Specification # 00-250464).

OPTION TERM: The term of this agreement is being extended for a period commencing September 1, 2001 and ending August 31, 2002.

OPTION PERIOD: There are 2 option periods of twelve (12) months each remaining.

SCOPE OF SERVICES: Vendor will continue to provide and deliver frozen preplated meals to Chicago Public Schools and deliver heated meals to "receiving schools" subject to the terms and conditions of the written agreement. Sites may be added or deleted at a later date to accommodate the Board.

DELIVERABLES: Preplated frozen breakfast, lunch and after school meals and snacks.

OUTCOMES: Meal services in 166 schools

COMPENSATION: Vendor shall be paid as follows: not to exceed the sum of \$14,921,000.76.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement

AFFIRMATIVE ACTION: As a condition of this award, this firm agrees to comply with the provision of the Revised Remedial for M/WBE Economic Participation and agrees to make every effort to achieve full compliance with the goals for this program. The M/WBE goals for this program/project are: 26% Total MBE, 16% Black, 7.5% Hispanic, 2% Asian, 5% WBE.

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

FINANCIAL: Charge to Food Services & Warehousing: \$14,921,000.76 Fiscal Year: FY02
Budget Classification: 0941-270-000-7050-5340
Source of Funds: Lunchroom Fund

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

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

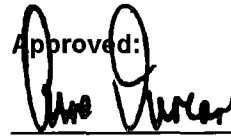
Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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

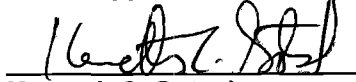
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

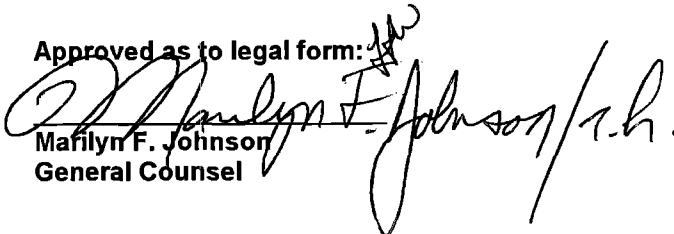

Natalye Haquin
Chief Purchasing Officer

Approved:

Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel