

**APPROVE ENTERING INTO AGREEMENTS WITH SWISS VALLEY FARMS AND C & M JV1
COMPANY, LTD. FOR MILK AND MILK PRODUCTS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into agreements with Swiss Valley Farms and C & M JVI Company , LTD. to provide Milk and Milk Products to the Chicago Public Schools at a cost not to exceed \$8,497,278.00 in the aggregate. Vendors were selected pursuant to a duly advertised Request for Proposals (# 03-250066). A written agreement for each Vendor's services is currently being negotiated. No payment shall be made to either Vendor prior to the execution of such Vendor's written agreement. The authority granted herein shall automatically rescind as to each Vendor in the event a written agreement for such Vendor is not executed within 90 days of the date of this Board Report. Information pertinent to these agreements is stated below.

SPECIFICATION NO.: 03-250066

- VENDOR:**
1. Swiss Valley Farms
4201 West Chicago Avenue
Chicago, IL 60651
Contact Person: Donald Y. Downing
Vendor # 34048
Regions to be Served: 1, 2, 3
Amount: \$4,689,205.00

 2. C & M JV1 Company, LTD.
16408 South Pulaski Road
Markham, Illinois 60426
Contract Person: Christine Stajszczak
Vendor # 39550
Regions to be Served: 4, 5, 6
Amount: \$3,808,073.00

USER: Department of Operations, Division of Food Services
125 South Clark, Street, 16th Floor
Chicago, IL 60603
Contact person: Sue Susanke
Tel. No.: 775-553 2830

TERM: The term of each agreement shall commence September 1, 2003 and shall end August 31, 2005 with the Board having the option to extend each agreement for two (2) additional one (1) year periods.

SCOPE OF SERVICES/DELIVERABLES: Vendors shall provide the delivery of milk and milk products to Chicago Public Schools.

COMPENSATION: Vendors shall be paid an amount not to exceed the amounts shown above, with the total amount to both vendors not to exceed \$8,497,278.00.

AFFIRMATIVE ACTION: The M/WBE goals for these contracts include:
26% Total MBE and 5% Total WBE.

However, the Waiver Review Committee recommends that a partial waiver of the participation goals for these contracts as required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE PLAN) be granted as these contracts are not further divisible.

The vendors have identified and scheduled the following firms and percentages:

Swiss Valley Farms

Total WBE: 4.9%

Krystal Dairy
18121 Highland
Homewood, IL 60402

\$ 229,771.00 or 4.9%
certified until August 31, 2003

C & M JV1 Company, Ltd.

Total WBE: 34%

C & C Dairy
16408 South Pulaski Rd.
Markham, Il. 60424

\$1,294,744.82 or 34%
certified until August 31, 2003

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

FINANCIAL: Charge to Operations-Food Services: \$8,497,278.00 Fiscal Year: FY04
Budget Classification: 0941-270-000-7050-5340
Source of Funds: Lunchroom Educational

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.

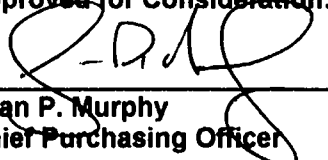
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

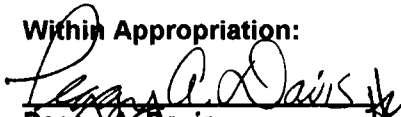
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:


Sean P. Murphy
Chief Purchasing Officer

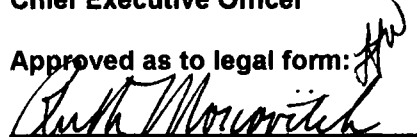
Within Appropriation:


Peggy A. Davis
Chief of Staff

Approved:


Arne Duncan
Chief Executive Officer

Approved as to legal form:


Ruth Moscovitch
General Counsel