

**APPROVE EXERCISING THE FIRST OPTION TO RENEW
THE AGREEMENTS WITH VARIOUS VENDORS
FOR THE PURCHASE OF MUSICAL INSTRUMENTS AND ACCESSORIES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to renew the agreements with the vendors listed below for the purchase of musical instruments and accessories for Chicago Public Schools high schools and elementary schools at an aggregate cost not to exceed \$600,000. A written renewal agreement for each vendor is currently being negotiated. No payment shall be made to either vendor during the option period prior to the execution of such vendor's written renewal agreement. The authority granted herein shall automatically rescind as to each vendor in the event a written renewal agreement for such vendor is not executed within 90 days of the date of this Board Report. Information pertinent to these renewals is stated below.

SPECIFICATION NO: 02-250164

VENDORS:

- | | | | |
|----|--|----|--|
| 1. | International Musical Suppliers, Inc.
681 Graceland Avenue
Des Plaines, IL 60016
Lisa Argins
847-827-0707
Vendor # 19408
Sections: 1-5 inclusive | 2. | Gand Music and Sound
780 Frontage Road
Northfield, IL 60093
Joan Gand
847-446-4263
Vendor # 18734
Sections: 2 and 5 only |
|----|--|----|--|

USER:

All Departments and Schools of the Board of Education of the City of Chicago
C/o Department Of Procurement and Contracts
125 S. Clark
10th Floor
David Blackwell 773- 553-2268

ORIGINAL AGREEMENTS: The original agreements (authorized by Board Report 03-0122-PR20 as amended by 04-0728-PR1) are for a period commencing January 1, 2003 and ending December 31, 2004, with the Board having two (2) additional options to renew for periods of one (1) year upon the same terms and prices as in the original contracts. The original contracts were awarded on a competitive basis pursuant to a duly advertised bid solicitation (Specification No. 02-250164).

OPTION PERIOD: Each agreement is being renewed for a one year period commencing January 1, 2005 and ending December 31, 2005.

OPTION PERIODS REMAINING: There is one option period remaining to renew for one additional 1-year period.

SCOPE OF SERVICES: Each vendor shall continue to provide a catalog(s) containing various musical instruments and accessories. Schools may purchase goods as needed via a purchase order.

COMPENSATION: Vendors shall be paid for goods ordered and received at the prices contained in the original contracts. Total cost not to exceed \$600,000.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written renewal agreements. Authorize the President and Secretary to execute the renewal agreements. Authorize the Deputy Chief Education Officer to execute all ancillary documents required for administering or effectuating these agreements.

AFFIRMATIVE ACTION: Pursuant to Section 6.2 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the Per Contract and Category Goals method for M/WBE participation will be utilized. Thus, contracts for subsequent vendors from the pool created by this contract will be subject to compliance reviews on a contract-by-contract basis. Aggregated compliance of the vendors in the pool will be reported on a monthly basis

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

FINANCIAL: Charge to: Various School/Departments
Fiscal Year: 2005/2006
Budget Classification: Various Funds

GENERAL CONDITIONS:

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


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

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

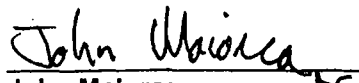
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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

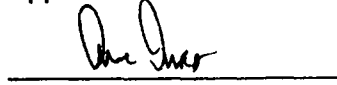
Approved for Consideration:


Heather A. Obora
Chief Purchasing Officer

Within Appropriation:


John Malorca
Chief Financial Officer

Approved:


Arne Duncan
Chief Executive Officer

Approved as to legal form:


Ruth Moscovitch
General Counsel