

**APPROVE EXERCISING THE SECOND OPTION TO EXTEND THE AGREEMENT
WITH OFFICE DEPOT FOR THE PURCHASE OF OFFICE SUPPLIES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second option to extend the agreement with Office Depot for the purchase of office supplies for use by all departments and schools at a cost not to exceed \$8,500,000. This contract is subject to the Board's Strategic Sourcing Policy. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 60 days of the date of this Board Report. Information pertinent to this option is stated below.

SPECIFICATION NO: 00-250488

VENDOR:

Office Depot
Attn: Steve Purgatorio
District Sales Manager
515 Kehoe Avenue
Carol Stream, Illinois 60188
(800) 651-4624 Ext. 4452
Vendor # 14360

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
Aileen Velazquez/773-553-2280

ORIGINAL AGREEMENT: The original contract (authorized by Board Report 00-0628-PR3) in an amount not to exceed \$7,000,000 is for a term commencing July 1, 2000 and ending June 30, 2001, with the Board having four (4) options to extend the agreement for one (1) year periods. The agreement was extended (authorized by Board Report 01-0523-PR1) in the amount of \$7,000,000 for a term commencing July 1, 2001 and ending June 30, 2002. The original contract was awarded pursuant to a duly advertised bid solicitation (Specification No. 00-250488).

OPTION PERIOD: The term of this agreement is being extended for (1) year commencing July 1, 2002 and ending June 30, 2003.

OPTION PERIODS REMAINING: There are two (2) option periods remaining for one (1) year each.

COMPENSATION: Vendor shall be paid upon receipt of invoices, not to exceed \$8,500,000.

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

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 26% total MBE, and 5% total WBE.

However, the Waiver Review Committee recommends that a **conditional partial waiver** of the M/WBE goals for this contract be granted due to good faith efforts based on the Corporate Sponsorship Plan for M/WBE credit outlined in the Vendor's letter dated April 19, 2002.

The vendor has, however, identified and scheduled the following firms and percentages:

Total MBE 1.65%

Total 1.65 % African American:

*American Products Distributors 7000 So. Chicago Ave. Chicago IL 60637
\$140,000.00 1.65% Certification expires 1/31/03*

Total WBE .41 %

B & L Distributors
\$25,000.00 or .29 %

P.O Box 295

Argo, IL 60501
Certification expires 6/30/02

Pointe Writing Co.
\$10,000.00 or .12%

2137 Hammond Dr.

Schaumburg, IL 60173
Certification expires 11/30/02

The City of Chicago Department of Procurement Services certifies each identified firm. The identified firms are subject to change upon approval from the Procurement and Contract's Division of Compliance and Vendor Services without further Board approval.

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

FINANCIAL: Charge to Various Departments
Fiscal Year: 2003
Source of Funds: Various

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.

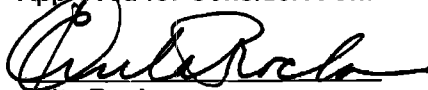
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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

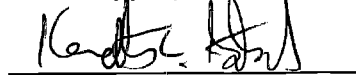
Approved for Consideration:


Anita Rocha
Acting Chief Purchasing Officer

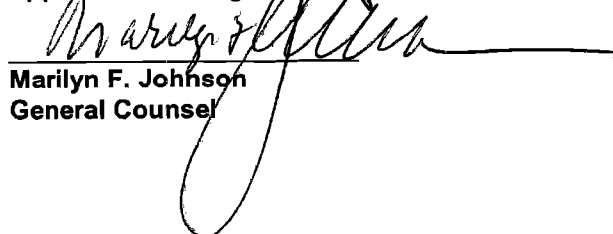
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel