

**APPROVE EXERCISING THE SECOND 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 second 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 \$15,338,788.48. A written extension document for Vendor's services is currently being negotiated. No payment shall be made to the Vendor during the second 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.
5240 St. Charles Road
Berkely, Illinois 60163
Daniel R. Krpan
(708) 318-2526
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). The original agreement was extended for a term commencing September 1, 2001 and ending August 31, 2002 pursuant to Board Report 01-0822-PR10.

OPTION TERM: The term of this agreement is being extended for a period commencing September 1, 2002 and ending August 31, 2003.

OPTION PERIODS REMAINING: There is one option period of twelve (12) months 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 \$15,338,788.48.

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: This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan).

The M/WBE participation goals for the contract are: 26% Total MBE, 16% Total African American, 7.5% Total Hispanic, 2% Total Asian and 5% Total WBE.

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

Total MBE % -26 %

Total African American – 16 %

T & T Food Service 2046 W. Lake St. Chicago, IL 60612	\$2,458,980.89	16 %
	Certified until April 1, 2003	

Total Hispanic – 7.5%

Dependable Labor 1637 S. Blue Island Ave. Chicago, IL 60608	\$ 1,152,647.29	7.5 %
	Certified until February 1,2003	

Total Asian – 2 %

K & R Foodservice 2141 S. Racine Chicago, IL 60608	\$ 307,372.61	2 %
	Certified until September 30, 2002	

Total WBE – 5 %

Best Choice 41 S. Water Market Chicago, IL 60612	\$ 768,431.53	5%
	Certified until January 1, 2003	

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 Food Services & Warehousing: \$15,338,788.48 Fiscal Year: FY03
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:


Arita Rocha
Acting Chief Purchasing Officer

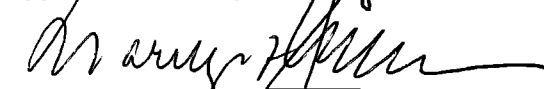
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel