

May 27, 2003

**APPROVE EXERCISING THE THIRD OPTION TO EXTEND THE AGREEMENT WITH  
CHARTWELLS/THOMPSON HOSPITALITY, A DIVISION OF COMPASS GROUP USA, INC. FOR  
MEAL SERVICES IN REGIONS 3, 5, AND 6**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve exercising the third option to extend the agreement with Chartwells/Thompson Hospitality, a division of Compass Group USA, Inc. to provide meal services to the Department of Operations at a cost for the renewal period not to exceed \$26,468,874.04. A written extension document is currently being negotiated. No payment shall be made to Vendor during the extension period prior to the execution of the written extension agreement. The authority granted herein shall automatically rescind in the event a written extension agreement is not executed within 60 days of the date of this Board Report. Information pertinent to this extension is stated below.

**SPECIFICATION NO.:** 00-250346

**VENDOR:** Chartwells/Thompson Hospitality, a division of Compass Group USA, Inc.  
3 International Dr.  
Rye Brook, NY 10573  
Contract Person: Keith T. Cullinan  
(914) 935-5504  
Vendor # 31351

**USER:** Department of Operations/ Food Services & Warehousing  
125 South Clark Street, 16<sup>th</sup> Floor  
Contact Person: Sue Susanke  
553-2833

**ORIGINAL AGREEMENT:** The original agreement (authorized by Board Report 00-0426-PR2) is for a term commencing June 19, 2000 and ending June 18, 2001, with the Board having the option to extend the contract for four additional 12 month periods. The original agreement was extended for a term commencing June 19, 2001 and ending June 18, 2002 pursuant to Board Report 00-0523-PR13. The original agreement was further extended for a term commencing June 19, 2000 and ending June 18, 2003 pursuant to Board Report 02-0522-PR08. The original agreement was awarded pursuant to a duly advertised Bid Solicitation (Specification # 00-250346).

**OPTION PERIOD:** The term of this agreement is being extended for a term commencing on June 19, 2003 and ending June 18, 2004.

**OPTION PERIODS REMAINING:** There is one additional 12 month period remaining.

**SCOPE OF SERVICES:** Vendor shall continue to provide meal services in approximately 250 schools in Regions 3, 5 and 6. The vendor shall continue to supply all food, except fluid milk, that must meet or exceed U.S. Department of Agriculture (USDA) requirements, as appropriate, for the Child Nutrition School Lunch and Breakfast Program, Child and Adult Care Food Program, Summer Feeding Program, and any additional feeding program added through the contract period.

**DELIVERABLES:** Vendor shall continue to supply breakfast, lunch, and after-school snacks.

**OUTCOMES:** Vendor's services will result in nutritious and appealing meals that meet federal, state and local regulations.

**COMPENSATION:** Vendor shall be paid the invoiced amount 30 days after receipt. Total compensation not to exceed \$26,468,874.04 during the third option term.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written extension agreement. Authorize the President and Secretary to execute the extension 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 % - 32.93%**

**Total African American – 17.72%**

Balton Corp. 8008 S. Chicago Ave. Chicago, IL 60617	\$ 1,117,107.29 certified until June 30, 2006	4.21%
Reggio's Pizza 340 W. 83 <sup>rd</sup> St. Chicago, IL 60620	\$ 735,008.84 certified until March 31, 2007	2.77%
The Comfort Cake 1243 S. Wabash Ave. Chicago, IL 60605	\$ 90,000.00 certified until May 31, 2003	.34%
Damron Corporation 4433 W. Ohio Street Chicago, IL 60614	\$ 100,000.00 certified until January 31, 2007	.38%
Bren Products 1594 Huntington Drive Calumet, IL 60409	\$ 761,543.45 certified until March 31, 2006	2.87%
Hensaal Management 1130 S. Wabash Ave. Chicago, IL 60605	\$ 90,000.00 certified until July 31, 2006	.34%
T&T Foodservice, Inc. 2046 W. Lake St. Chicago, IL 60612	\$ 1,623,918.00 certified until March 31, 2007	6.12%
Grandma Maud's 5307 S. Hyde Park Blvd. Chicago, IL 60615	\$ 200,000.00 certified until May 31, 2007	.69%

**Total Hispanic – 8.01%**

Cristina Foods 1056 W. Lake St. Chicago, IL 60607	\$ 1,650,000.00 certified until June 30, 2006	6%
LaPaloma Scientific 4353 W. Lawrence Ave. Chicago, IL 60630	\$ 475,000.00 certified until June 30, 2006	2.01%

**Total Asian – 2%**

Swagger Foods, Corp. 900 Corporate Woods Pkwy Vernon Hills, IL	\$ 82,257.31 certified until March 31, 2007	.31%
Ace Restaurant Supply 53 East 25 <sup>th</sup> Street Chicago, IL 60616	\$ 448,434.99 certified until August 31, 2007	1.69%

**Total WBE – 5.2%**

Robin's Food Distribution 1200 Randolph Chicago, IL 60607	\$ 675,000.00 certified until May 31, 2007	2.49%
Diversity Foodservice Consultants, Inc. 4300 N. Marine Drive #705 Chicago, IL 60613	\$ 45,000.00 certified until July 31, 2007	.13%
B & L Distributors 7808 College Drive, South 4N Palos Heights, IL 60643	\$ 177,781.92 certified until June 30, 2006	.67%
Concessions Services, Inc. 1723 S. Michigan Ave. Chicago, IL 60616	\$ 506,811.15 certified until March 31, 2007	1.91%

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

**FINANCIAL:** Charge to Food Services & Warehousing:\$26,468,874.04  
Fiscal Year: FY04  
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.

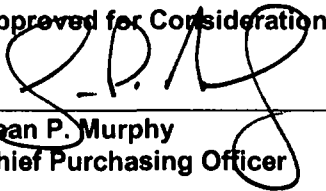
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

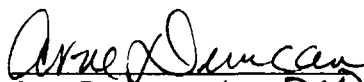
Ethics – The Board’s Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

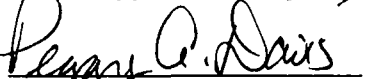
Approved for Consideration:

  
Sean P. Murphy  
Chief Purchasing Officer

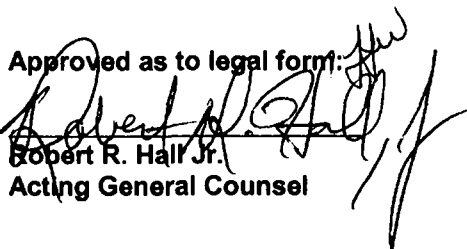
Approved:

  
Arne Duncan  
Chief Executive Officer

Within Appropriation: DS

  
Peggy A. Davis  
Chief of Staff

Approved as to legal form:

  
Robert R. Hall Jr.  
Acting General Counsel