

APPROVE EXERCISING THE THIRD OPTION TO RENEW THE AGREEMENT WITH SCHOOL SPECIALTY, INC. FOR THE PURCHASE OF EDUCATIONAL SUPPLIES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the third option to renew the agreement with School Specialty, Inc. for the purchase of educational supplies for use by all departments and schools of the Board at a cost not to exceed \$6,000,000.00. 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.: 00-250528

Contract Administrator: David Blackwell
(773) 553-2268

VENDOR: School Specialty, Inc.
100 North Bluemound Drive
Appleton, WI 54914
Vendor No. 26218
Contact Person: Sam Kuhlman (773) 665-4107

USER: All Departments and Schools of the Board of Education of the City of Chicago
Department of Procurement & Contracts
125 South Clark Street – 10TH. Floor
David Blackwell (773) 553-2268

ORIGINAL AGREEMENT: The original contract (authorized by Board Report 00-0927-PR9) was for a period commencing October 1, 2000 and ending September 30, 2001, with the board having four (4) options to renew for periods of one (1) year each upon the same terms and prices in the original written contract. The original contract was awarded pursuant to a duly advertised competitive bid process. The first option to renew was exercised for a period of one year commencing October, 1 2001 and ended September 30, 2002 (authorized by Board Report 01-0927-PR2). The second option to renew was exercised for a period of one year commencing October 1, 2002 and ending September 30, 2003 (authorized by Board Report (02-0828-PR01)).

OPTION PERIOD: This agreement is being renewed for a one-year period commencing October 1, 2003 and ending September 30, 2004.

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

COMPENSATION: Vendor shall be paid as periodic invoices are submitted and verified in amounts identified in the original contract, not to exceed \$6,000,000.00 during the option period.

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: 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 include: 26% total MBE and 5% WBE.

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

Total MBE 26%

Total 5% African American:

Educational Specialties – 9923 So. Wood Street
Chicago, IL. 60643

\$ 300,000.00 - 5%

Certification period 5/31/07

Total 21% Asian
Pointe Writing Company – 2137 Hammond Dr.
Schaumburg, IL 60173

\$1,260,000.00 - 21%

Certification period 5/31/07

Total 5% WBE
B & L Distributors – 7808 College Dr

\$ 300,000.00 - 5%

Palos Heights, IL 60463
Certification pending

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: 2004
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.

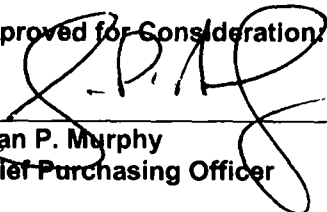
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

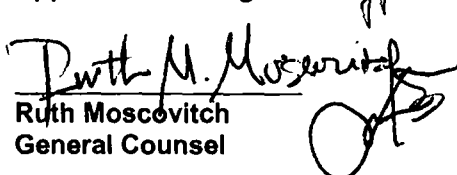
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


Peggy Davis
Chief of Staff

Approved as to legal form:


Ruth Moscovitch
General Counsel