

**APPROVE EXERCISING THE FOURTH 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 fourth 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 \$27,024,720.40. 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  
(773) 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 further extended for a term commencing June 19, 2003 and ending June 18, 2004 pursuant to Board Report 03-0527-PR23. 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, 2004 and ending June 18, 2005.

**OPTION PERIODS REMAINING:** There are no option periods 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 \$27,024,720.40 during the fourth 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:** 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. 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 vendor has identified and scheduled the following firms and percentages:

**Total MBE % - 33.91%**

**Total African American 19.06%**

Bren Products 1594 Huntington Drive Calumet, IL 60409	\$ 750,000.00 or 2.77% certified until March 31, 2006
Grandma Maud's 5307 S. Hyde Park Blvd. Chicago, IL 60615	\$ 225,000.00 or .83% certified until May 31, 2007
T & T Foodservice 2046 W. Lake St. Chicago, IL 60612	\$ 1,650,000.00 or 6.09% certified until March 31, 2007
Hensaal Management 1130 S. Wabash Ave. Chicago, IL 60605	\$ 95,000.00 or .35% certified until July 31, 2006
Balton Corp. 8008 S. South Chicago Ave. Chicago, IL 60617	\$ 1,000,000.00 or 3.69% certified until June 30, 2006
Damron Corp. 4433 W. Ohio St. Chicago, IL 60614	\$ 500,000.00 or 1.85% certified until January 31, 2007
Reggio's Pizza, Inc. 340 W. 83 <sup>rd</sup> St. Chicago, IL 60620	\$ 750,000.00 or 2.77% certified until March 31, 2007
The Comfort Cake Co. 1243 S. Wabash Ave. Chicago, IL 60605	\$ 95,000.00 or .35% certified until May 31, 2006
Coffee, Tea & Milk, Inc. P.O. Box 7016 Villa Park, IL 60181	\$ 75,000.00 or .28% certified until July 31, 2006
Dori Wilson & Associates 200 E. Walton #5 Chicago, IL 60611	\$ 24,000.00 or .09% certified until April 30, 2007

**Total Hispanic 7.51%**

LaPaloma Scientific \$ 500,000.00 or 1.85%  
4353 W. Lawrence Ave.  
Chicago, IL 60630 certified until June 30, 2006

Cristina Foods \$ 1,535,000.00 or 5.67%  
1056 W. Lake St.  
Chicago, IL 60607 certified until June 30, 2006

**Total Asian - 2.01%**

Ace Restaurant Supply \$ 495,000.00 or 1.83%  
53 E. 25<sup>th</sup> St.  
Chicago, IL 60616 certified until August 31, 2007

Swagger Foods, Corp. \$ 50,000.00 or .18%  
900 Corporate Woods Pkwy  
Vernon Hills, IL 60061 certified until August 31, 2007

**Total WBE – 5.33%**

B & L Distributors, Inc. \$ 200,000.00 or .74%  
7808 College Dr., South 4N  
Palos Heights, IL 60643 certified until June 30, 2006

Concession Service, Inc. \$ 500,000.00 or 1.85%  
1723 S. Michigan  
Chicago, IL 60616 certified until March 31, 2007

Robin's Food Distribution \$ 700,000.00 or 2.58%  
1200 Randolph St.  
Chicago, IL 60607 certified until May 31, 2007

Diversity Foodservice Consultants \$ 45,000.00 or .16%  
4300 N. Marine Drive #705  
Chicago, IL 60613 certified until July 31, 2007

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

**FINANCIAL:** Charge to Food Services & Warehousing: \$27,024,720.40  
Fiscal Year: FY05  
Budget Classification: 0941-270-000-705005340  
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.

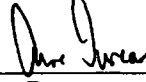
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**



**Heather A. Obora**  
**Chief Purchasing Officer**

**Approved:**



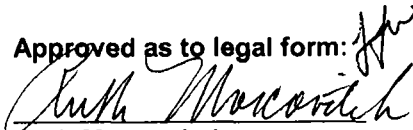
**Arne Duncan**  
**Chief Executive Officer**

**Within Appropriation:**



**John Maiorca**  
**Chief Financial Officer**

**Approved as to legal form:**



**Ruth Moscovitch**  
**General Counsel**