

**RATIFY THE EXERCISING OF THE FIRST OPTION TO EXTEND THE PRE-QUALIFICATION STATUS OF
AND THE AGREEMENTS WITH VARIOUS VENDORS TO SUPPLY GYM UNIFORMS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify the exercising of the first option to extend the pre-qualification status of and the agreements with five (5) vendors identified below to supply Gym Uniforms to various schools and departments at a cost not to exceed \$100,000 in the aggregate. A written renewal agreement for each vendor is currently being negotiated. No payment shall be made to any vendor during the renewal period prior to the execution of such vendor's renewal agreement. The pre-qualification status approved herein for each vendor shall automatically rescind in the event such vendor fails to execute the renewal agreement within 90 days of the date of this Board Report. Information pertinent to these renewal agreements is stated below.

Specification Number 01-250344

VENDORS:

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|----|---|----|--|
| 1. | Hendel Group 6417 N. Ravenswood Chicago, IL 60626 (773) 719-1442 Contact Person: Lynn Obasiolu Vendor # 13551 | 2. | Palos Sports, Inc 11711 S. Austin Alsip, IL 60803 (708) 396-2553 Contact Person: John Dunne Vendor #44328 |
| 3. | Bill O'Hara's Sporting Goods 3719-25 E. 106 th St. Chicago, IL 60617 (773) 221-7836 Contact Person: William O'Hara Vendor # 47787 and 23082 | 4. | Ridell, Inc 3760 N. Milwaukee Chicago, IL 60641 (773) 794-1994 Contact Person: James Brady Vendor # 31888 |
| 5. | Windy City Silkscreening, Inc. 2715 S. Archer Ave. Chicago, IL 60608 (312) 842-0030 Contact Person: Ronald Szczesniah Vendor #23119 | | |

USER:

All Departments and schools of the Board of Education of the City of Chicago Public Schools
C/o Department of Procurements and Contracts
125 S. Clark
10th Floor
David Blackwell/ 773-553-2268

ORIGINAL AGREEMENTS: The original agreements (authorized by Board Report 02-0522- PR03) are for a term commencing June 1, 2002 and ending May 31, 2004 with the Board having the option to renew for 2 additional one-year periods. The original agreements were awarded on a competitive basis pursuant to a duly advertised Request For Qualification (Specification No. 01-250344). Originally 9 vendors were pre-qualified to provide these goods. However, agreements for the following 4 vendors are not being renewed because of little or no business activity in FY04: White Star Sports, The Wright Fit, Silk Screen Express and Ray's T- Shirts.

OPTION PERIOD: The pre-qualification period and each Master Agreement shall be extended for a term commencing June 1, 2004 and ending May 31, 2005.

SCOPE OF SERVICES: Vendors will continue to provide Gym Uniforms to various schools, departments or regional offices.

DELIVERABLES: Vendors will continue to provide gym uniforms as requested by various schools, departments or regional offices.

OUTCOMES: Vendors will ensure that schools, department and regional offices receive quality gym uniforms in a timely manner.

COMPENSATION: The sum of payments to all pre-qualified vendors for the renewal period shall not exceed \$100,000. The maximum compensation payable to any one vendor shall not exceed \$20,000 and the costs associated herewith shall be reported to the Board on a quarterly basis pursuant to Board Rule 5-10.2.

USE OF THE POOL: All schools, regions or Central Office Departments are authorized to receive services and goods from the pre-qualified pool of vendors through sealed bids solicited from each qualified vendor.

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

AFFIRMATIVE ACTION: Pursuant to Section 6.2 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan), the Per Contract and Category Goals method for M/WBE participation will be utilized. Thus, contracts for subsequent vendors from the pool created by this contract will be subject to compliance reviews on a contract-by-contract basis. Aggregated compliance of the vendors in the pool will be reported on a monthly basis.

LSC REVIEW: Local School Council approval shall be received by each school utilizing this pool.

FINANCIAL: All users will pay for the services from their approved budget.

GENERAL CONDITIONS REGARDING PRE-QUALIFIED VENDOR PROGRAMS:

All pre-qualified vendors shall be required to enter into the Board's standard master agreement, which master agreement shall specifically identify the services to be provided by each vendor and shall include other basic contractual terms and conditions as deemed appropriate by the General Counsel.

The Chief Purchasing Officer shall develop, within six (6) months of the establishment of the pre-qualified program, a qualitative evaluation process which will rate each vendor's performance under the program and allow for a vendor's compensation limit to be increased or decreased, as the case may be, or provide grounds for revoking a vendor's pre-qualification status.

The Chief Purchasing Officer shall monitor all purchase orders, or such other documents as required, for User Groups to utilize the pre-qualified vendors to ensure that the program remains within its budgetary limitations.

User Groups may only utilize pre-qualified vendor for those services for which such vendor has been pre-qualified and are identified in such vendor's master agreement. The Chief Purchasing Officer shall prepare a directory or other such type of listing to be distributed to all User Groups which specifies the types of services for which each vendor has been pre-qualified.

Pursuant to Board Rule 5-10.2, the Chief Purchasing Officer shall submit a quarterly Board Report which reports expenditures made during the previous quarter to pre-qualified vendors including an accounting and reconciliation of such expenditures to individual vendors against the total expenditure authorized for the applicable pre-qualified pool of vendors.

The Chief Purchasing Officer shall impose financial limits on the use of pre-qualified vendors, including limits on the amount each User Group may purchase from a vendor under the pre-qualified program and the total amount of compensation paid to any one vendor during the term of the pre-qualification program. Financial limitations shall be imposed based upon the following categories of services: (i) For those services which are substantial in nature, re-occurring or of a type from past experience which will involve a high threshold of expenditures, the Chief Purchasing Officer may impose financial limitations as deemed necessary; and (ii) For those services which are routine in nature and will not involve a high threshold of expenditures, the Chief Purchasing Officer shall impose financial limits per User Group and per vendor. Any request to exceed any imposed financial limitations shall require additional Board approval.

The Chief Purchasing Officer shall develop guidelines regarding the imposition of financial limitations on newly

pre-qualified vendors or previous vendors of the Board who are now being pre-qualified to perform new or different services, with a corresponding periodic evaluation of such vendor's performance to allow for an increase in such vendor's financial limitation due to satisfactory performance ratings.

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.

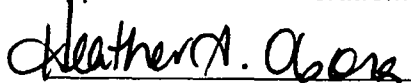
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

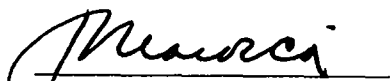
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



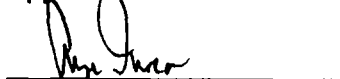
Heather A. Obora
Chief Purchasing Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved:



Arne Duncan
Chief Executive Officer

Approved as to legal form: 



Ruth Moscovitch
General Counsel