

August 25, 2004

**APPROVE ENTERING INTO AN AGREEMENT WITH PREFERRED MEAL SYSTEMS, INC. FOR  
PREPARED MEALS- REFRIGERATED PRE-PLATED AND DISTRIBUTION SERVICES**

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

Approve entering into an agreement with Preferred Meal Systems, Inc. to provide prepared meals- refrigerated pre-plated and distribution services to the Department of Operations, Bureau of Food Services at a cost not to exceed \$4,115,560.66. Consultant was selected on a competitive basis pursuant to a duly advertised Bid Solicitation (Specification #04-250125). A written agreement for Vendor's services is available for signature. No payment shall be made to Vendor 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 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification No.: 04-250125

**Vendor:** Preferred Meal Systems, Inc.  
5240 St. Charles Road  
Berkeley, Illinois 60163  
Daniel R. Krpan  
(708) 318-2526  
Vendor # 31236

**USER:** Department of Operations- Bureau of Food Services and Warehousing  
125 South Clark- 16<sup>th</sup> Floor  
Chicago, IL 60603  
Sue Susanke  
(773) 553-2830

**TERM:** The term of this agreement shall commence on September 1, 2004 and shall end August 31, 2005. This agreement shall have 3 options to renew for periods of 12 months each.

**EARLY TERMINATION RIGHT:** The Board shall have the right to terminate this agreement with 30 days written notice.

**SCOPE OF SERVICES:** Vendor will provide and deliver refrigerated preplated meals to Chicago Public Schools and deliver heated meals to receiving schools.

**DELIVERABLES:** Vendor shall provide preplated refrigerated breakfasts, lunches and after school meals and snacks.

**OUTCOMES:** Vendor's services will result in the delivery of quality meal services for the Chicago Public Schools.

**COMPENSATION:** Vendor shall be paid in accordance with the rates set forth in the written agreement; not to exceed the sum of \$4,115,560.66

**REIMBURSABLE EXPENSES:** None.

**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. Authorize the Chief Operating Officer to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:** This contract is in full compliance with 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, 16% African American, 7.5% total Hispanic, 2% total Asian and 5% WBE.

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**Total MBE 25.5%**

**Total African American 16%**

Balton, Inc.

8008 S. South Chicago Ave.  
Chicago, IL. 60617

\$159,000.00 @ 3%  
Certified thru June 30, 2006

T & T Foodservice  
2046 W. Lake Street  
Chicago, IL. 60612

\$689,000.00 @ 13%  
Certified thru April 1, 2007

**Total Hispanic 7.5%**

Baja Foods

639 W. Root Street  
Chicago, IL. 60609

\$ 66,250.00 @ 1.25%  
Certified thru June 30, 2008

Dependable Labor  
1901 S. Racine  
Chicago, IL. 60608

\$331,250.00 @ 6.25%  
Certified thru Aug. 1, 2004

**Total Asian 2%**

K & R Foodservice

2141 S. Racine  
Chicago, IL. 60608

\$106,000.00 @ 2%  
Certified thru Oct. 1, 2007

**Total WBE 5%**

Best Choice

41 S. Water Market  
Chicago, IL. 60608

\$ 256,000.00 @ 5%  
Certified thru Jan. 1, 2008

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

**FINANCIAL:** Charge to Food Services: \$4,115,560.66 Fiscal Year: FY05  
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.

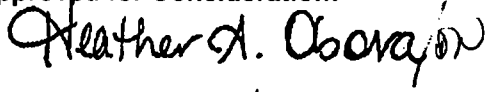
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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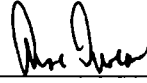
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



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

Approved:



Arne Duncan  
Chief Executive Officer

Within Appropriation:



John Maiorca  
Chief Financial Officer

Approved as to legal form: *JW*



Ruth M. Moscovitch  
General Counsel