

**APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT
WITH PREFERRED MEAL SYSTEMS, INC FOR PREPARED MEALS-REFRIGERATED PRE-PLATED
AND DISTRIBUTION SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to renew the agreement with Preferred Meal Systems, Inc. to provide prepared meals-refrigerated preplated and distribution services to Chicago Public Schools at a cost for the option period not to exceed \$4,115,560.66. A written document exercising this option is currently being negotiated. No payment shall be made to Consultant/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 90 days of the date of this Board Report. Information pertinent to this option is stated below.

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

USER: Department of Operations
125 South Clark-16th Floor
Chicago, IL 60603
Sue Susanke
(773) 553-2830

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report 04-0825-PR9) is for a term commencing September 1, 2004 and ending August 31, 2005, with the Board having three (3) options to renew for 12 months each. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1 pursuant to a duly advertised Bid Solicitation (Specification # 04-250125).

OPTION PERIOD: The term of this agreement is being renewal for one (1) year commencing September 1, 2005 and ending August 31, 2006.

OPTION PERIODS REMAINING: There are two (2) option periods for 12 months each remaining.

SCOPE OF SERVICES: Vendor will continue to provide and deliver refrigerated preplated meals to Chicago Public Schools.

DELIVERABLES: Vendor will continue to provide preplated refrigerated breakfasts, lunches and after school meals and snacks.

OUTCOMES: Vendor's services will continue to 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 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. Authorize Chief Operating Officer to execute all ancillary documents required to administer or effectuate this option 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 this contract include; 26% total MBE, 16% total African American, 7.5% total Hispanic, 2% total Asian and 5% WBE.

The Vendor has identified and scheduled the following companies:

Total MBE% - 34.8%

Total African American – 20%

Hansaal Management – 1.7%

1130 S. Wabash Avenue
Chicago, Illinois 60605

certified through 08/31/05

T & T Foodservice – 12.9%

2046 W. Lake Street
Chicago, Illinois 60612

certified through 12/15/05

Revere Consulting Co., Inc. – 1.6%

4942 Bay View Drive
Richton Park, Illinois 60471

certified through 12/01/05

Balton, Inc. – 3.8%

8008 South Chicago Avenue
Chicago, Illinois 60617

certified through 10/31/05

Total Hispanic – 12.8%

Dependable Labor – 10.5%

1601 S. Morgan Avenue
Chicago, Illinois 60608

certified through 12/15/05

Baja Foods – 2.3%

636 W. Root Street
Chicago, Illinois 60609

certified through 10/01/05

Total Asian – 2%

K & R Foodservice – 2%

2141 S. Racine Avenue
Chicago, Illinois 60608

certified through 10/01/05

Total WBE – 5.7%

Open Kitchens, Inc. – 2.6%

1161 W. 21st Street
Chicago, Illinois 60608

certified through 12/15/05

Best Choice, Inc. – 3.1%

41 S. Water Market
Chicago, Illinois 60608

certified through 12/01/05

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

FINANCIAL: Charge to Food Services: \$4,115,560.66 Fiscal Year: FY06
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.

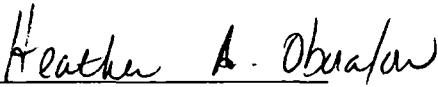
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

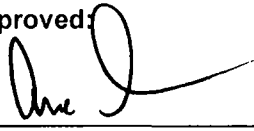
Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

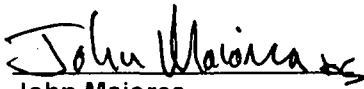
Approved for Consideration:


Heather A. Obora
Chief Purchasing Officer

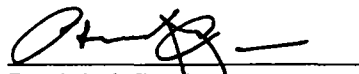
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form 


Patrick J. Rocks
General Counsel