

**AMEND BOARD 04-1027-PR7**  
**APPROVE ENTERING INTO AN AGREEMENT WITH AMERICAN BOTTLING COMPANY  
TO PROVIDE BEVERAGE VENDING MACHINE SERVICES  
(REVENUE GENERATING)**

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

Approve entering into an agreement with American Bottling Company to provide beverage vending machine services for the Chicago Public Schools. This contract is revenue generating and is expected to provide revenue in the amount of ~~\$3,827,678~~ \$4,480,350.00 ~~over a 3-year term~~. Vendor was selected on a competitive basis pursuant to a duly advertised Request for Proposals (Specification # 03-250238). A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and 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.: 03-250238

This amendment is necessary to change the end date of the term of this agreement and to increase the dollar amount. A written amendment to the agreement for vendor is currently being negotiated. The authority granted herein shall automatically rescind in the event a written amendment is not executed within 90 days of the date of this Board Report.

**VENDOR:** American Bottling Company  
401 North Railroad Ave, Suite C  
North Lake, IL 60164  
Paul E. Ingram  
(708) 947-5000  
Vendor #12769

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

**TERM:** The term of this agreement shall commence upon date of signing and shall end ~~36 months thereafter~~ June 30, 2007. This agreement shall have (2) two 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:** American Bottling Company shall provide beverage vending machine services to Chicago Public Schools ("CPS"). Machines accessible to elementary and middle school students will operate only after school hours. Machines in high schools will operate all day. All machines will only carry juice, water and sports drinks. All machines must be placed at least thirty (30) feet from any school cafeteria or sporting venue. American Bottling Company will pay for any and all electrical connections required for new vending machines where economically feasible. American Bottling Company will handle and resolve all repairs and service calls within 24 hours of a service call. If the machine is not serviced, American Bottling will pay CPS a penalty amount for each additional day that the machine is not serviced/repaired.

**DELIVERABLES:** American Bottling Company will provide monthly sales and revenue reports for all CPS Units. Quarterly meetings will be held to review implementation, performance, service and revenues and evaluate new beverage products.

**OUTCOMES:** The beverage vending agreement will result in projected revenues of ~~\$3,827,678~~ \$4,480,350 and will offer healthy drinks for students.

**REVENUE:** Expected revenue for ~~three years~~ is ~~\$3,827,678~~ \$4,480,350

**REIMBURSABLE EXPENSES:** N/A.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written agreement and amendment. Authorize the President and Secretary to execute the agreement and amendment. 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 the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE). The M/WBE participation goals for the contract include: 35% African American, 10% Hispanic, 2% Asian and 5% WBE.

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

**Total MBE 35%**

Total African American 22%  
Discovery Promotions  
2835 Aurora Ave. #115  
Naperville, Il. 65049

\$30,800.00 @ 22%  
Certification expires Nov. 1, 2008

Total Hispanic 10%  
Deco Lighting Retro Pit, Inc.  
3009 S. Maple Ave.  
Berwyn, Il. 60402

\$14,000.00 @ 10%  
Certification expires April 30, 2007

Total Asian 3%  
Shah USA  
107 W. Van Buren, ste. 215  
Chicago, Il. 60605

\$4,200.00 @ 3%  
Certification expires Aug. 1, 2007

**Total WBE 5%**

An Executive Decision  
1510 W. Wolfram  
Chicago, Il. 60657

\$7,000.00 @ 5%  
Certification expires Dec. 1, 2007

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

**FINANCIAL:** Credit to Unit 0963: Citywide- Finance General  
Fund: 280-121-0302-5400

**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.

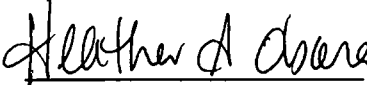
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

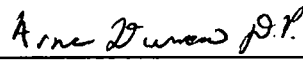
Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:**

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

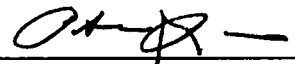
**Approved:**

  
\_\_\_\_\_  
**Arne Duncan**  
**Chief Executive Officer**

**Within Appropriation:**

  
\_\_\_\_\_  
**John Maiorca**  
**Chief Financial Officer**

**Approved as to legal form:** 

  
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**Patrick J. Rocks**  
**General Counsel**