

**APPROVE EXERCISING THE SECOND OPTION TO RENEW THE AGREEMENT
WITH CHARTWELLS/THOMPSON FOR MEAL SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second option to renew the agreement with Chartwells/Thompson to provide meal services to Department of Operations at a cost for the option period not to exceed \$56,091,128.39. 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.

CONSULTANT: Chartwells/Thompson, a joint venture
3 International Drive
Ray Brook, NY 10573
Keith T. Culinan
(914) 935-5504
Vendor # 31351

- | | | | |
|----|---|----|---|
| a) | Compass Group USA
d/b/a Chartwells
2400 Yorkmont Road
Charlotte, NC 28217
Keith T. Cullinan
(914) 935-5500
Vendor # 31232 | b) | Thompson Hospitality Services, LLC
45240 Business Court, Stu. 200
Sterling, VA 20166
Warren Thompson
(703) 709-0145
Vendor # 29608 |
|----|---|----|---|

USER: Department of Operations/Food Services and Warehousing
125 South Clark- 16th Floor
David Vitale
(773) 552-2830

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report 05-0427-PR5) in the amount of \$52,871,266.15 is for a term commencing June 19, 2005 and ending June 18, 2006, with the Board having (4) options to renew/extend for 12 months each. The agreement was extended (authorized by Board Report 06-0426-PR2) for a term commencing June 19, 2006 and ending June 18, 2007. The original agreement was awarded on a competitive basis pursuant to duly advertised Bid Solicitation (Specification No. 05-250005).

OPTION PERIOD: The term of this agreement is being extended for one year commencing June 19, 2007 and ending June 18, 2008.

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

SCOPE OF SERVICES: Vendor shall continue to provide meal services in approximately 420 schools. The vendor must supply all food, except fluid milk, and 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, Seamless Summer Feeding Program, and any additional feeding programs added through the contract period.

DELIVERABLES: Vendor will continue to supply breakfast, lunch and after-school snacks to Chicago Public Schools

OUTCOMES: Vendor's services will continue to result in nutritious and appealing meals that meet federal, state and local regulations.

COMPENSATION: During this renewal period vendor shall be paid the invoiced amount 30 days after receipt not to exceed the sum of \$56,091,128.39.

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 the contract include: 35% total MBE and 5% total WBE.

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

Total African American = 23%

Balton Corporation
8008 South Chicago Ave.
Chicago, IL 60617

T & T Foodservice, Inc.
2046 W. Lake St.
Chicago, IL 60612

Reggio's Pizza, Inc.
340 W. 83rd Street
Chicago, IL 60620

Grandma Maud's, Inc.
5020 South Lake Shore Dr. – Suite 307
Chicago, IL 606015

Hensaal Management Group, Inc.
1130 S. Wabash Ave.
Chicago, IL 60605

The Comfort Cake Company, LLC
1243 South Wabash Avenue
Chicago, IL 60605

Coffee, Tea & Me of Chicago
P.O. Box 7016
Villa Park, IL 60181

Dori Wilson & Associates, Inc.
200 East Walton Place – Suite 5
Chicago, IL 60612

Total Hispanic = 10%

Cristina Foods, Inc.
1056 West Lake Street
Chicago, IL 60607

LaPaloma Corporation
1200 West Palmer
Freeport, IL 60132

Baja Foods
636 West Roosevelt
Chicago, IL 60609

Total Asian = 2%

Ace Restaurant Equipment & Supplies
53 East 25th Street
Chicago, IL 60616

Swagger Foods
900 Corporate Woods Parkway
Vernon Hills, IL 60061

D & D Business, Inc. d/b/a DDI Printing
7830 Quincy Street
Willowbrook, IL 60527

Total WBE = 5%

Robin's Food Distribution, Inc.
1200 West Randolph
Chicago, IL 60607

B & L Distributors, Inc.
7808 College Drive, 4NE
Palos Heights, IL 60463

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

FINANCIAL: Charge to Food Services & Warehousing: \$56,091,128.39
Fiscal Year: FY 07/08
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.

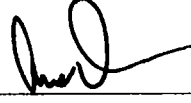
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:



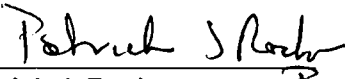
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form:


Patrick J. Rocks
General Counsel