

**APPROVE EXERCISING THE FIRST OPTION TO EXTEND THE AGREEMENT
WITH OFFICE DEPOT, INC. FOR THE PURCHASE OF OFFICE SUPPLIES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to extend the agreement with Office Depot, Inc. for the purchase of office supplies for use by all schools and departments at a cost for the option period not to exceed \$27,000,000. This contract is subject to Strategic Sourcing Policy. A written extension agreement exercising this first option is currently being negotiated with Office Depot, Inc. No payment shall be made to Office Depot, Inc. during the option period prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written extension agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

SPECIFICATION #: 05-250001

VENDOR: Office Depot, Inc.
515 Kehoe Avenue
Carol Stream, Illinois 60188
800 613-4624 Ext. 4450
Robert Peluso, Account Manager
Vendor #: 14360

USER: All schools, areas, and Central Office Departments
C/o Department of Procurement and Contracts
125 South Clark, 10th Floor
Contact Person: Felicia D. Carwell, Commodity Manager
773 553-2289

ORIGINAL AGREEMENT: The original Agreement authorized by Board Report #05-0727-PR7 in the amount of \$25,146,800 is for a term commencing July 27, 2005 and ending July 26, 2007, with the Board having two (2) options to extend for periods of two (2) years each. The original agreement was awarded on a competitive basis pursuant to Board Rule 5-4.1.

OPTION PERIOD: The term of this agreement is being extended for two (2) years commencing July 27, 2007 and ending July 26, 2009.

OPTION PERIODS REMAINING: There is one (1) option period remaining.

COMPENSATION: Vendor shall be paid in accordance with the unit prices and discount percentages contained in the agreement; not to exceed the sum of \$13,500,000 per year.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written extension agreement. Authorize the President and Secretary to execute the extension agreement. Authorize the Chief Purchasing Officer to execute all ancillary documents required to administer or effectuate the extension agreement.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include 26% total MBE and 5% WBE.

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

Total MBE 25%

American Products 24.54%
8350 Arrowbridge Blvd.
Charlotte, N.C. 28273

Chicago Shred Authority
2416 S. Archer
Chicago, IL 60610 .01%

Citizen's Newspaper
306 East 78th St.
Chicago, IL 60619 .045%

Total WBE 2.5%

Brite Site
4616 W. Fullerton Ave.
Chicago, IL 60639 .5%

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

Pointe Writing Co.
880 Remington Road
Schaumburg, IL 60173 1.6%

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

FINANCIAL: Charge to various schools and departments
Fiscal Years 2007-2008
Budget Classification: 5730-Equipment, 5320-Supplies, 5731-Furniture, 5310-Instructional
Supplies
Source of Funds: Various

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.

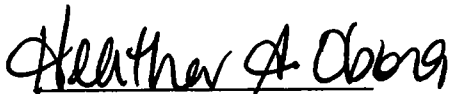
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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

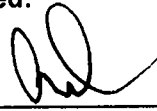
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:



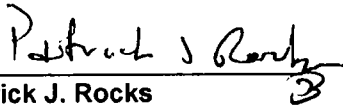
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel