

**APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH  
AMERICAN BOTTLING COMPANY TO PROVIDE BEVERAGE VENDING MACHINE SERVICES  
(REVENUE GENERATING)**

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

Approve exercising the first option to renew the agreement with American Bottling Company to provide beverage vending machine services to Chicago Public Schools. This contract is revenue generating and is expected to provide revenue in the amount of \$68,000.00 per month. A written document exercising this option is currently being negotiated. No payment shall be made to 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:**

American Bottling Co.  
400 N. Wolf Rd., Ste. A  
Northlake, IL 60164  
Jim Ullmer  
708-947-5013  
Vendor # 12769

**USER:**

Facility Operations & Maintenance  
125 South Clark Street 16th Floor  
Chicago, IL 60603  
Louise Esaian  
773-553-2830

**ORIGINAL AGREEMENT:**

The original Agreement (authorized by Board Report 04-1027-PR7, as amended by Board Reports 06-0426-PR6 and 06-0927-PR4) in the amount of \$4,480,350.00 is for a term commencing December 1, 2004 and ending June 30, 2008, with the Board having 2 options to renew for periods of 12 months each. The original agreement was awarded on a competitive basis pursuant to duly advertised Request for Proposals (Specification # 03-250238).

**OPTION PERIOD:**

The term of this agreement is being extended for 1 year commencing July 1, 2008 and ending June 30, 2009.

**OPTION PERIODS REMAINING:**

There is one option period for 12 months remaining.

**SCOPE OF SERVICES:**

American Bottling Company will continue to 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 services calls within 24 hours of a service call. If 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 continue to provide monthly sales, and revenue reports for all CPS Units. Quarterly meetings will be held to review implementation, performance, services and revenues and evaluate new beverage products.

**OUTCOMES:**

The beverage vending agreement will result in estimated projected revenues of \$68,000 per month and will offer healthy drinks for students.

**COMPENSATION:**

Expected revenue is \$68,000 per month.

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

**AFFIRMATIVE ACTION:**

This agreement is not applicable to contract specific M/WBE goals, as the transaction is a source of revenue for Chicago Public Schools.

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Expected revenue is \$68,000 per month.

**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 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:



PEDRO MARTINEZ  
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS  
General Counsel