

APPROVE ENTERING INTO AN AGREEMENT WITH THE AMERICAN BOTTLING COMPANY (DBA DR. PEPPER SNAPPLE GROUP) TO PROVIDE VENDED BEVERAGES IN CHICAGO PUBLIC SCHOOLS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with American Bottling Company d/b/a Dr. Pepper Snapple Group (DPSG) to provide vended beverages in Chicago Public Schools. This contract is revenue generating and is expected to provide revenue of approximately \$2,500,000 over a three year term. Commission revenue from this contract will be provided directly to the schools to supplement their discretionary funds. Vendor was selected on a competitive basis pursuant to a duly advertised Request for Proposals (Specification No. 08-250046; contract administrator, Demetra Knowles). 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.

VENDOR:

1)
American Bottling Company, The
400 N. Wolf Rd., Ste. A
Northlake, IL 60164
Jim Ullmer
708-947-5013
708-562-0071
Vendor # 12769

USER:

Citywide Food Services
125 South Clark Street 16th Floor
Chicago, IL 60603
Louise Esaian
773-553-2830

TERM:

The term of this agreement shall commence on July 1, 2009 and shall end 36 months thereafter. This agreement shall have two options to renew for periods of two years each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

Vendor shall provide beverage vending machine services to Chicago Public Schools pursuant to the CPS Vended Beverage Guidelines which prohibits carbonated drinks and allows only unflavored water, 100% fruit juice (with no added sweeteners and up to 120 calories per 8 ounces) in all schools and other drinks with no more than 66 calories per 8 ounces in high schools. All machines shall be placed at least 30 feet from any school cafeteria. Vendor will pay for any and all electrical connections required for new vending machines. Vendor will handle and resolve all repairs and service calls within an agreed to services time. During the term of the contract, Vendor will also sponsor and support district programs and initiatives with a specific sponsorship package with financial and in-kind support.

DELIVERABLES:

Vendor will provide monthly sales and revenue reports for all units. Periodic meetings will be held to review conversion, implementation, performance, service, revenue and evaluate new products. Vendor will financially sponsor and provide management support of the essay contest and program which supports excellence in education, reading and science.

OUTCOMES:

The beverage vending agreement will result in estimated projected revenue of approximately \$65,500 per month (including non-commission, commission and guaranteed commission fees) and estimated sponsorship value of \$3,600 per month as well as healthy beverage offerings for students. Commission and sponsorship revenue generated will be provided to the schools and used to supplement their discretionary funds.

COMPENSATION:REVENUE: Expected revenue is \$65,500 per month (including non-commission, commission and guaranteed commission fees) and estimated sponsorship value of \$3,600 per month.

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

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

AFFIRMATIVE ACTION:

Pursuant to Section 5.2.4 of the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services contracts, this contract is exempt from M/WBE review as this agreement classifies as a unique transaction. This agreement will generate revenue for the Board of Education.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

No cost to the Board. Expected annual revenue of \$829,000. These discretionary funds are subsequently appropriated to the school unit earning the commissions annually under various school units-124-54105-113090-000121-2009.

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.

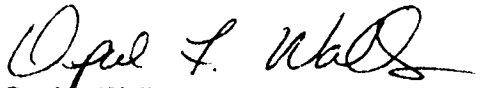
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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


Opal L. Walls
Chief Purchasing Officer


Approved:


Ron Huberman
Chief Executive Officer

Within Appropriation:


PEDRO MARTINEZ
Chief Financial Officer

Approved as to Legal Form:


PATRICK J. ROCKS
General Counsel