

**AMEND BOARD REPORT 10-0922-PR7 AMEND BOARD REPORT 10-0428-PR16 APPROVE
EXERCISING THE SECOND OPTION TO RENEW THE AGREEMENT WITH PREFERRED MEAL
SYSTEMS FOR PREPARED MEALS-FROZEN PREPLATED AND DISTRIBUTION SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second option to renew the agreement with Preferred Meal Systems to provide preplated meal-frozen to the Board at a cost not to exceed \$24,200,000. 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.

This September 2010 amendment is necessary to (i) add a new budget line to accommodate snacks as part of the extended day learning program and (ii) change the budget line and dollar amount. No written amendment is required.

This November 2010 amended Board Report is necessary to substitute a new fuel as the basis for price adjustments and to revise the affirmative action section. The original agreement allows for a periodic fuel adjustment based upon the price for Low Sulfur #2 with Lubricity fuel for Chicago/the Chicago area as set forth in the Oil Price Information Service (OPIS) PADD Report. This fuel is being phased out and replaced with cleaner burning Ultra Low Sulfur Diesel. Therefore, the OPIS is no longer publishing this fuel price information. The pricing for Ultra Low Sulfur Diesel is to be used for future price adjustments. A written amendment to the renewal agreement is required. The authority granted herein shall automatically rescind in the event the amendment is not executed within 90 days of this amended Board Report.

Specification Number : 08-250016
Contract Administrator : Patricia Hernandez / 773-553-2256

VENDOR:

- 1) Vendor # 31236
PREFERRED MEAL SYSTEMS 3
5240 ST. CHARLES ROAD
BERKELEY, IL 60163
Arthur H. Bell
708-318-2520

USER:

Citywide Nutrition Support Services
125 South Clark Street 16th Floor
Chicago, IL 60603

Contact : Louise Esaian
Phone: 773-553-2830

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 08-0723-PR13) in the amount of \$24,027,653.00 was for a term commencing September 1, 2008 and ending June 13, 2009, with the Board having 4 options to renew for a one year period each. The agreement was renewed (authorized by Board Report 09-0422-PR4) in the amount of \$24,997,907.00 for a term commencing June 14, 2009 and ending June 13, 2010. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2 through a duly advertised Bid Solicitation (Specification No. 08-250016).

OPTION PERIOD:

This agreement is being extended for a one (1) year term commencing June 14, 2010 and ending June 13, 2011.

OPTION PERIODS REMAINING:

There are two (2) options to renew remaining for a period of one (1) year each.

SCOPE OF SERVICES:

Vendor will continue to provide and deliver preplated frozen and heated meals to schools pursuant to the terms and conditions of the written agreement. Sites may be added or deleted at a later date to accommodate the Board.

DELIVERABLES:

Vendor will continue to provide frozen preplated breakfasts, lunches and after school meals and snacks.

OUTCOMES:

Vendor's services will continue to result in the delivery of quality meal services for the Chicago Public Schools.

COMPENSATION:

Vendor shall be paid during the option period in accordance with the rates set forth in the written agreement, total cost during this option period shall not exceed \$24,200,000.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option document and amendment. Authorize the President and Secretary to execute the option document and amendment. Authorize Chief Purchasing 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 Remedial Program and Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts. The M/WBE participation goals for this contract includes 35% total MBE and 7% total WBE.

The vendor has identified the following firms:

Total MBE= 35%

Balton Corporation
8016 S. South Chicago
Chicago, IL 60617

T&T Food Services
2046 W. Lake St.
Chicago, IL 60612

Mil-Ray Food Company, Inc.
151 White Cedar Drive
Sicklerville, NJ 08081

Total WBE = 7% ~~Open Kitchens, Inc. 1161 W. 21st Str. Chicago IL 60617~~ ~~Baja Food 636 W. Roots St. Chicago, IL 60609~~

White Glove
356 E. Irving Park Road
Wood Dale, IL 60191

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to Food Services: \$24,200,000
Source of Funds: Lunchroom Fund 312 and 314

12050-314-53205-256009-000000-2010	\$423,626.00
12050-312-53205-256212-000000-2010	\$724,694.00
12050-312-53205-256009-000000-2011	\$22,901,680.00
12050-331-53405-256009-430104-2011	\$150,000.00

CFDA# : Not Applicable

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.

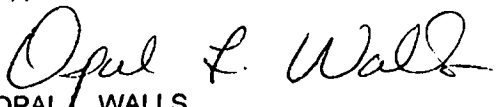
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

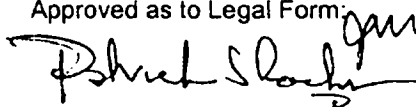
Approved:


RON HUBERMAN
Chief Executive Officer

Within Appropriation:


DIANA S. FERGUSON
Chief Financial Officer

Approved as to Legal Form:


PATRICK J. ROCKS
General Counsel