

AUTHORIZE A NEW AGREEMENT WITH DBOBER, LLC. DBA THE PUBLIC PRIVATE NETWORK TO GENERATE ADDITIONAL REVENUE FROM VENDING MACHINES AND BROADCASTING SERVICES

THE INTERIM CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with DBober, LLC dba The Public Private Network ("Vendor") to generate additional revenue from vending machines and broadcasting services for various schools and departments at an estimated annual cost set forth in the Compensation Section of this report. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. 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 their 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.*

Specification Number : 14-350029

Contract Administrator : Solomon, Mr. Alex M / 773-553-2280

VENDOR:

- 1) Vendor # 16469
DBober, LLC dba The Public Private
Network
4346 REDWOOD AVE
MARINA DEL REY, CA 90292
David Bober
917 595-0776

Ownership: David Bober-100%

USER INFORMATION :

Project
Manager: 10510 - Communications Office

42 West Madison Street

Chicago, IL 60602

Iori, Mr. Ronald H.

773-553-1620

TERM:

The term of this agreement shall commence on August 1, 2015 and shall end July 31, 2018. This agreement shall have two (2) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

Dbober, LLC dba The Public Private Network will support CPS' effort to structure a district-wide approach to secure additional revenue through vending machines and broadcasting. Vendor will generate significant additional revenues for CPS while providing better oversight. Vendor is contracted solely on a success fee basis, which means that Vendor's compensation is purely based on commission with no upfront fees.

DELIVERABLES:

Vendor will add value to this program by developing an RFP for a comprehensive vending machine program, managing its implementation, conducting audits, and overseeing contractual obligations. A similar approach will be taken for broadcasting. Vendor's compensation is purely based on commission (18% in year 1, 17% in year 2, 16% in year 3 and 15% thereafter) with no upfront fees.

OUTCOMES:

A centrally managed vending program that will ensure compliance with USDA nutritional guidelines and broadcasting program which will provide significant additional revenue for the district to reinvest in our schools. There is no financial risk as the vendor payment is exclusively based on commission.

COMPENSATION:

Vendor shall be paid as follows: As a percentage of the total revenues received as indicated in the payment terms of the contract. Payment shall only be made to Vendor after revenues are received by CPS.

Estimated annual costs for the three (3) year term are set forth below:

\$2,400,000.00 NTE for the three (3) year term

This number is based on the New York City experience and the fees applied by the Vendor.

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 the Chief Communication and Marketing Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

Vendor intends to fully comply with participation goals of 25% MBE and 5% WBE but has not yet found a suitable partner. The nature of the work is specialized and it is important to find partners who can contribute in a meaningful way.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Various Departments: Vendor shall be paid as follows:

As a percentage of the total recoveries received as indicated in the payment terms of the contract.

Payment shall only be made to Vendors after recoveries are received by CPS.

Not to exceed \$2,400,000.00 for the three (3) year term.

This number is based on the New York City experience and the fees applied by the Vendor.

Vendor is contracted solely on a success fee basis, which means that Vendor's compensation is purely based on commission with no upfront fees.

Future year funding is contingent upon budget appropriation and approval

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 May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

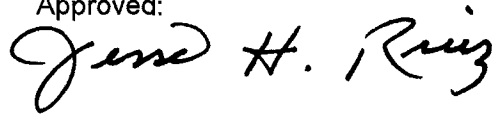
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



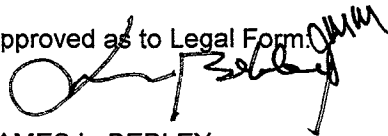
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



JESSE H. RUIZ
Interim Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY
General Counsel