

April 26, 2017

AUTHORIZE NEW AGREEMENTS WITH BOTTLING GROUP LLC DBA PEPSI BEVERAGES COMPANY AND GLOBAL VENDING SERVICE LLC FOR BEVERAGE AND SNACK VENDING SERVICES AND CATEGORY SPONSORSHIP RIGHTS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize new agreements with Bottling Group LLC DBA Pepsi Beverages Company to provide beverage vending services and Global Vending Service LLC to provide snack vending services for the Departments of Nutrition Support Services and External Affairs and Partnerships. These will be revenue generating contracts where the Vendors will pay the Board a commission on all vending sales. Vendors were selected on a competitive basis pursuant to Board Rule 7-2. Written agreements for Vendors' services are currently being negotiated. No services shall be provided by any Vendor and no payment shall be made to any Vendor prior to execution of their written agreement. The authority granted herein shall automatically rescind as to each Vendor in the event their written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to these agreements is stated below.

Specification Number : 16-350060

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-5180

VENDOR:

- 1) Vendor # 18430
BOTTLING GROUP LLC DBA PEPSI
BEVERAGES COMPANY
1400 W. 35TH STREET
SOMERS, NY 10589
Luke Schafer
847 598-2739
Ownership: Pepsico, Inc - 100%

- 2) Vendor # 18428
GLOBAL VENDING SERVICE LLC
3599 23RD A S STE 5
LAKEWORTH, FL 33461
Sherri Holstein
877 499-8363
Ownership: Sherri Holstein - 100%

USER INFORMATION:

Project
Manager: 12010 - Nutrition Support Services
42 West Madison Street
Chicago, IL 60602
Fowler, Mrs. Leslie A.
773-553-2833

TERM:

The term of each agreement shall commence on July 1, 2017 and shall end on June 30, 2023. The agreements 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 each agreement with 30 days written notice.

SCOPE OF SERVICES:

Bottling Group LLC DBA Pepsi Beverages Company will provide a minimum of one vending machine for beverages in every CPS school and administrative office. Global Vending Service LLC will provide a minimum of one vending machine for snacks in every CPS high school. Elementary school students will only have beverage vending machines available to them, but both beverage and snack vending machines can be available in staff-only areas of the elementary schools. Beverages and snacks in the machines will meet federal and district nutrition wellness guidelines. Vendors will maintain and stock the vending machines on a regular basis. Sponsorship rights for the beverage category will also be given to Bottling Group LLC DBA Pepsi Beverages Company.

DELIVERABLES:

Vendors will install vending machines in the schools and provide all maintenance and stocking of the machines. Vendors will also provide reporting documents on the sales data from all of the vending machines.

OUTCOMES:

Vendors' services will result in revenues generated from the sales commissions that will be given to the schools and to the elementary sports programs. The vending machine commission rates will be consistent for all of the schools as a result of these contracts.

COMPENSATION:

Vendors shall pay the Board a commission percentage on the annual vending sales as stated in their respective contracts.

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreements. Authorize the President and Secretary to execute the agreements. Authorize the Executive Director of Nutrition Support Services to execute all ancillary documents required to administer or effectuate the agreements.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, the MWBE goals are 30% MBE and 7% WBE. Note: Global Vending Services is 100% WBE.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

These contracts will generate revenue.

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.

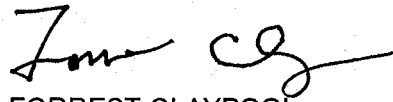
Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

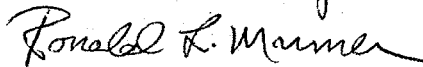
Approved for Consideration:


JOSE ALFONSO DE HOYOS-ACOSTA
Chief Administrative Officer

Approved:


FORREST CLAYPOOL
Chief Executive Officer

Approved as to Legal Form:


RONALD L. MARMER
General Counsel