

January 24, 2018

AUTHORIZE THE SECOND RENEWAL AGREEMENT WITH SODEXOMAGIC, LLC FOR INTEGRATED FACILITY MANAGEMENT SERVICES**THE ACTING CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Authorize the second renewal agreement with Sodexomagic, LLC to provide integrated facility management services to the Department of Facilities at an estimated annual cost set forth in the Compensation Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to Sodexomagic, LLC during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 120 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 13-250050

Contract Administrator : Broughton, Mr. Bradley D / 773-553-2551

VENDOR:

- 1) Vendor # 99426
SODEXOMAGIC, LLC
9801 WASHINGTON BLVD.
GAITHERSBURG, MD 20878
John Klopstein
301 987-4270
Ownership: Magic Food Provision Llc -
Member, Sodexo Operations Llc - Member

USER INFORMATION :

Project
Manager: 11880 - Facility Opers & Maint - City Wide
42 West Madison Street
Chicago, IL 60602
Peng, Mr. Yanbo
773-553-2960

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 14-0226-PR12 as amended by 15-0624-PR19 and 16-0525-PR8) in the amount of \$80,000,000 is for a term commencing March 1, 2014 and ending February 28, 2017, with the Board having two (2) options to renew for one (1) year terms. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing March 1, 2018 and ending February 28, 2019.

OPTION PERIODS REMAINING:

There are no options remaining.

SCOPE OF SERVICES:

Vendor will continue to perform full integrated facilities management across a pre-selected group of schools. Currently 35 schools have been identified, but the number of schools may fluctuate over the term

of the contract. Vendor will manage custodial services, engineering services, various trades, landscaping, snow removal and pest control for the pre-selected schools. Vendor will continue to provide a consolidated data solution and a call center for the 35 schools and all CPS managed schools. The consolidated data solution will be decreased as schools are transitioned to other Integrated Facility Management vendors.

Vendor will continue to be responsible for regularly assessing the conditions of the buildings, equipment, and systems; developing and implementing building operations, preventive maintenance, and establishing capital plan recommendations necessary to maintain, preserve, and keep the premises in good condition. As part of these responsibilities the Vendor will continue to:

- 1) Invest in system upgrades and repairs which will improve and ensure the efficient performance of building automation systems and reduce overall energy spend with targeted upgrades;
- 2) Provide professional development for all CPS Board engineering employees to enhance their skills and improve productivity.
- 3) Ensure the quality of work performed and reduce the costs within the operational areas through the call center.
- 4) Create a partnership structure with CPS that will generate the necessary savings and framework for a gainsharing approach that offsets the cost of the data solution and call center.

DELIVERABLES:

Full integrated facility management for 35 pre-selected schools, including custodial services, engineering services, various trades, landscaping, snow removal and pest control. Call center for the 35 school and CPS managed schools for quick responses to school needs (excluding custodial services in schools outside pre-selected schools). Consolidated data solution for the entire district. The consolidated data solution will be decreased as schools are transitioned to other Integrated Facility Management vendors. Buildings cleaned to a level 2 APPA standard. Best in class technology, equipment and training. Comprehensive asset inventories. Strong data systems to empower CPS to make data-driven long term financial decisions.

OUTCOMES:

Vendor will continue to provide the skills and experience needed to manage every aspect of facility management to a group of pre-selected schools using cutting-edge building monitoring technology which provide data driven decision by CPS, such as repair vs. replacement of assets. The benefits and outcomes to CPS are:

- 1) Cost Efficiency - By managing services under one umbrella, costs will be managed more effectively.
- 2) Consistency - Establishing one standard level of services for all schools will result in consistent service across the District.
- 3) Improved Productivity - The ability to share resources and management will create enhanced levels of productivity.
- 4) Professional Development - CPS FM employees will receive comprehensive training and development on an ongoing basis to enhance their skills and the services they provide to the schools.
- 5) Communication - Vendor will coordinate many different service providers, the communication process will be simplified and more sophisticated communication tools will be created.
- 6) Turnkey/Convenience - Principals, staff, and CPS Leadership will quickly connect with the right person and resolve problems with a "turnkey" solution.
- 7) Responsiveness - Principals and their teams will have a high level of confidence that their FM Partner will respond quickly and efficiently.
- 8) Accountability - One FM Partner will manage all processes and will be responsible for the program results.
- 9) Program Quality - The end result will be enhanced program quality that provides a safer, attractive more comfortable leaning environment for all students.

COMPENSATION:

Vendor will be compensated as specified in their renewal agreement; total not to exceed the sum of \$22,000,000 for the one (1) year renewal term.

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 Chief Facilities Officer and Chief Procurement Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Programs for Minority and Women Owned Business Enterprise (M/WBE) Participation in Goods and Services and Construction Contracts, the overall M/WBE District goals for this award are 40% total MBE and 10% total WBE. The selected vendor has scheduled the following participation for their awarded category.

Total MBE: 40%

RJB Properties, Inc.
1229 N. Branch, Ste. 212 B
Chicago, IL 60622
Ownership: Ronald Blackstone

Total WBE: 10%

Christy Webber and Company
2900 W. Ferdinand St.
Chicago, IL 60612
Ownership: Christy Webber

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to Facilities Department
Fund 230, Parent Unit Number 11880

FY18 not to exceed \$6,291,897.32

FY19 not to exceed \$15,708,102.68

Not to Exceed \$22,000,000.00

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.

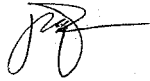
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

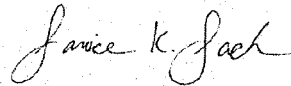
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



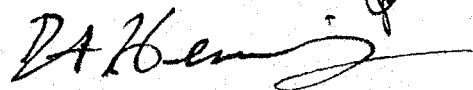
JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Acting Chief Executive Officer

Approved as to Legal Form:



DOUGLAS A. HENNING
Acting General Counsel