

AUTHORIZE THE FIRST AND SECOND RENEWAL AGREEMENT WITH DBOBER, LLC, DBA THE PUBLIC PRIVATE NETWORK TO GENERATE ADDITIONAL REVENUE FROM VENDING MACHINES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the first and second renewal agreement with DBober, LLC. d/b/a The Public Private Network to manage the vending machine program for various schools and departments, including sponsorship revenues, broadcasting services, installation of vending machines, tracking of sales and the transfer of commissions to CPS for various schools and departments 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 Vendor 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 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 14-350029

Contract Administrator : Barnes, Miss Allison V / 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 :

Contact:
12010 - Nutrition Support Services
42 West Madison Street
Chicago, IL 60602
Cooper, Ms. Crystal T
773-553-1283

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report #15-0722-PR19) was for a term commencing August 1, 2015 and ending July 31, 2018, with the Board having 2 options to renew for periods of 1 year each. 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 a term commencing August 1, 2018 and ending July 31, 2020.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

DBober, LLC d/b/a The Public Private Network will support CPS' effort to structure a district-wide approach to secure additional revenue through vending machines, including sponsorship opportunities from vending company(ies) and brand manufacturer(s) of products being sold through the vending machines, and broadcasting. "Sponsorship Opportunities" are to be developed by the selected Vendor with respect to vending machine programs and/or broadcast opportunities in order to create an 'Official Partner' with the District. The 'Official Partner' may receive recognition in various forms including, but not limited to official press releases, recognition on CPS's website, presence at designated CPS sporting events, etc. Opportunities may include physical and digital signage (but will not extend to naming rights), use of CPS logos, as well as in-game promotions and product sampling at designated CPS events. All awarded sponsorship opportunities and agreed upon benefits to the Vendor and any third party vendor from the solicitation are subject to approval by the Board prior to the execution of a contract. 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 managing a comprehensive vending machine program including implementation, conducting audits, and overseeing contractual obligations. A similar approach will be taken for broadcasting. Vendor's compensation is purely based on commission in each year of a third party agreement (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 or CPS 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; payments may be made directly to Vendor by third parties from revenues generated from commissions.

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

AFFIRMATIVE ACTION:

Per the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, (M/WBE Program), this contract is exempt from MWBE review, because there is no cost to the Board.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 124

Units: 12010

Vendor shall be paid as a percentage of the total revenues received as indicated in the payment terms of the contract.

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.

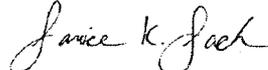
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



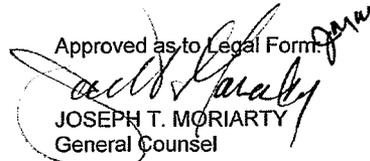
JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Chief Executive Officer

Approved as to Legal Form:



JOSEPH T. MORIARTY
General Counsel