

AUTHORIZE THE FIRST AND SECOND (FINAL) RENEWAL AGREEMENT 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 the first, and second (final) renewal agreement 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. The Agreements to be renewed are revenue generating contracts where the Vendors will remit commission to the Board on all vending sales. A written document exercising these options are currently being negotiated. No payment shall be made to Vendors 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 these options are stated below.

Specification Number : 16-350060

Contract Administrator : Gonzalez, Cristina / 773-553-2280

VENDOR:

- 1) Vendor # 18430
BOTTLING GROUP LLC DBA PEPSI
BEVERAGES COMPANY
1400 W. 35TH STREET
SOMERS, NY 10589

Luke Schafer
847 598-2739

Ownership: For Profit Corporation; 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: Limited Liability Company;
Sherry Holstein - 100%

USER INFORMATION :

Project
Manager: 12010 - Nutrition Support Services

42 West Madison Street

Chicago, IL 60602

Mojica, Anthony J

773-553-2830

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report (17-0426-PR12) is for a term commencing July 1, 2017 and ending June 30, 2023, with the Board having two (2) options to renew for one (1) year term. 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 two (2) years commencing July 1, 2023 and ending June 30, 2025.

OPTION PERIODS REMAINING:

There are no option periods remaining.

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 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 have been 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 redistributed to the schools and to the Office of Sports Administration. 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 based on the annual vending sales as stated in their respective contracts.

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 Executive Director of Nutrition Support Services to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women-Owned Business Enterprise Participation in

Goods and Services contracts, (M/WBE Program), this contract is exempt as this agreement is A No-cost to the Board contract.

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:



PATRICIA HERNANDEZ
Acting Chief Procurement Officer

Approved:



PEDRO MARTINEZ
Chief Executive Officer

Approved as to Legal Form: 



RUCHI VERMA
General Counsel