

**APPROVE ENTERING INTO AGREEMENTS WITH VARIOUS VENDORS
FOR MILK AND MILK PRODUCTS****THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into agreements with Bob's Dairy, C & C Dairy, Gigi's Dairy, Gillund Dairy and Krystal Dairy to provide Milk and Milk Products to the Chicago Public Schools at a cost not to exceed \$9,885,820.37 in the aggregate. Vendors were selected pursuant to a duly advertised Bid Solicitation (# 01-250005 and 01-250163). Written agreements for each Vendor's services are available for signature. No payment shall be made to any Vendor prior to the execution of such Vendor's written agreement. The authority granted herein shall automatically rescind as to each Vendor in the event a written agreement is not executed within 60 days of the date of this Board Report. Information pertinent to these agreements are stated below.

VENDORS:

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| <p>1. Bob's Dairy Services
8526 W. Winona
Chicago, IL 60656
(773) 625-3448
Robert Leonard
Vendor #13256
Regions: 1 East, 1 West, 2 East
and 2 West
Not to exceed: \$3,820,208.73</p> | <p>2. C & C Dairy, Inc.
P.O. Box 474
Palos Heights, IL 60463-0474
(708) 448-9521
Christine Stajszczak
Vendor #49604
Regions: 4 East, 6 East, and
6 West
Not to exceed: \$1,856,854.71</p> |
| <p>3. Gigi's Dairy
2501 S. Wesley
Berwyn, IL 60402
(708) 788-9024
G. McMahon
Vendor #31943
Region: 4 West
Not to exceed: \$1,047,557.82</p> | <p>4. Gillund Dairy
7950 W. Ponderosa Court
Orland Park, IL 60462
(708) 532-8229
Terry Gillund
Vendor #49612
Region: 3 East
Not to exceed: \$788,797.00</p> |
| <p>5. Krystal Dairy, Inc.
18121 Highland Ave.
Homewood, IL 60430
(708) 957-7865
Mary Catherine Hrascinski
Vendor #46315
Regions: 3 West, 5 East and 5 West
Not to exceed: \$2,372,402.11</p> | |

USER: Department of Operations, Division of Food Services
125 South Clark, Street, 16th Floor
Chicago, IL 60603
Contact person: Sue Susanke
Tel. No.: 775-553 2830

TERM: The term of each agreement shall commence on September 1, 2001 and shall end August 31, 2002 with the Board having the option to extend each agreement for two (2) additional one (1) year periods.

SCOPE OF SERVICES/DELIVERABLES: Each vendor shall provide the delivery of milk and milk Products to Chicago Public Schools in the Regions identified above.

COMPENSATION: Each Vendor shall be paid an amount not to exceed the dollar amounts listed above, with the aggregate amount not to exceed \$9,885,820.37.

AFFIRMATIVE ACTION: Vendors agree to comply with and be bound by the provisions of the Revised Remedial Plan for Minority and Women Business Enterprise Economic Participation (M/WBE Plan).

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Charge to Operations-Food Services: \$9,885,820.37 Fiscal Year: FY02
Budget Classification: 0941-270-000-7050-5340
Source of Funds: Lunchroom Educational

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.

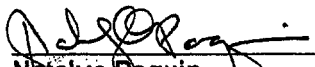
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

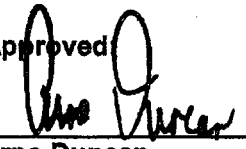
Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

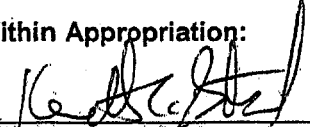
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

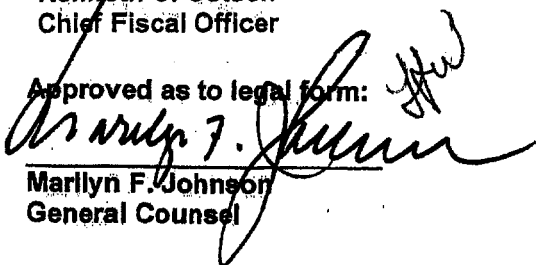

Natalie Paquin
Chief Purchasing Officer

Approved

Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel