

**APPROVE EXERCISING THE SECOND OPTION TO EXTEND THE AGREEMENT WITH
CHARTWELLS/THOMPSON HOSPITALITY, A DIVISION OF COMPASS GROUP USA, INC. FOR
MEAL SERVICES IN REGIONS 3, 5, AND 6**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second option to extend the agreement with Chartwells/Thompson Hospitality, a division of Compass Group USA, Inc. to provide meal services to the Department of Operations at a cost for the renewal period not to exceed \$26,142,478.00. A written extension document is currently being negotiated. No payment shall be made to Vendor during the extension period prior to the execution of the written extension agreement. The authority granted herein shall automatically rescind in the event a written extension agreement is not executed within 60 days of the date of this Board Report. Information pertinent to this extension is stated below.

SPECIFICATION NO.: 00-250346

VENDOR: Chartwells/Thompson Hospitality, a division of Compass Group USA, Inc.
3 International Dr.
Rye Brook, NY 10573
Contract Person: Keith T. Cullinan
(914) 935-5504
Vendor # 31351

USER: Department of Operations/ Food Services & Warehousing
125 South Clark Street, 16th Floor
Contact Person: Sue Susanke
553-2833

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 00-0426-PR2) is for a term commencing June 19, 2000 and ending June 18, 2001, with the Board having the option to extend the contract for four additional 12 month periods. The original agreement was extended for a term commencing June 19, 2001 and ending June 18, 2002 pursuant to Board Report 00-0523-PR13. The original agreement was awarded pursuant to a duly advertised Bid Solicitation (Specification # 00-250346).

OPTION PERIOD: The term of this agreement is being extended for a term commencing on June 19, 2002 and ending June 18, 2003.

OPTION PERIODS REMAINING: There are two additional 12 month periods remaining.

SCOPE OF SERVICES: Vendor shall continue to provide meal services in approximately 250 schools in Regions 3, 5 and 6. The vendor shall continue to supply all food, except fluid milk, that must meet or exceed U.S. Department of Agriculture (USDA) requirements, as appropriate, for the Child Nutrition School Lunch and Breakfast Program, Child and Adult Care Food Program, Summer Feeding Program, and any additional feeding program added through the contract period.

DELIVERABLES: Vendor shall continue to supply breakfast, lunch, and after-school snacks.

OUTCOMES: Vendor services will result in nutritious and appealing meals that meet federal, state and local regulations.

COMPENSATION: Vendor shall be paid the invoiced amount 30 days after receipt. Total compensation not to exceed \$26,142,478.00 during the option term.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement.

AFFIRMATIVE ACTION: This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan).

The M/WBE participation goals for the contract are: 26% Total MBE, 16% Total African American, 7.5% Total Hispanic, 2% Total Asian and 5% Total WBE.

The vendor has identified and scheduled the following firms and percentages:

Total MBE % - 26.67 %

Total African American – 16.66 %

<i>Balton Corp.</i>	\$ 1,100,598.35	4.21 %
<i>8008 S. Chicago Ave.</i>		
<i>Chicago, IL 60617</i>		<i>certified until June 30, 2002</i>

<i>T & T Foodservice</i>	\$ 1,599,919.65	6.12 %
<i>2046W. Lake St.</i>		
<i>Chicago, IL 60612</i>		<i>certified until March 31, 2003</i>

<i>Reggio's Pizza</i>	\$ 724,146.64	2.77 %
<i>333 S. State – Concourse Level</i>		
<i>Chicago, IL 60601</i>		<i>certified until March 31, 200</i>

<i>Grandma Maude's</i>	\$ 15,000.00	2 %
<i>5307 S. Hyde Park Blvd.</i>		
<i>Chicago, IL 60615</i>		<i>certified until November 30, 2002</i>

<i>Bren's Products</i>	\$ 750,289.12	2.87 %
<i>1594 Huntington Dr.</i>		
<i>Calumet City, IL 60409</i>		<i>certified until March 31, 2003</i>

Total Hispanic - 8.01 %

<i>Cristina Foods</i>	\$1,568,548.68	6.0 %
<i>1056 W. Lake St.</i>		
<i>Chicago, IL 60607</i>		<i>certified until June 30, 2002</i>

<i>L.P.S. Corp.</i>	\$ 525,463.81	2.01 %
<i>4353 W. Lawrence</i>		
<i>Chicago, IL 60630</i>		<i>certified until June 30, 2002</i>

Total Asian – 2%

<i>Ace Restaurant</i>	\$ 441,807.88	1.69 %
<i>53 East 25th St.</i>		
<i>Chicago, IL 60616</i>		<i>certified until February 28, 2003</i>

Swagger Foods \$ 81,041.68 .31 %
900 Corporate Woods Parkway
Vernon Hills, IL 60061 certified until September 30, 2002

Total WBE – 5.2 %

Robin's Foods \$ 650,947.70 2.49 %
1200 W. Randolph
Chicago, IL 60607 certified until November 30, 2002

Diversity F.S. Consultants, Inc. \$ 35,000.00 .13 %
4300 N. Marine #705
Chicago, IL 60613 certified until January 31, 2003

Concession Services, Inc. \$ 499,321.33 1.91 %
1723 S. Michigan Ave.
Chicago, IL 60616 certified until September 30, 2002

B & L Distributors, Inc. \$ 175,000.00 .67 %
7808 College Dr. S.4.N.
Palos Heights, IL 60463 certified until 07/01/02

The City of Chicago Department of Procurement Services certifies each identified firm. The identified firms are subject to change upon approval from the Procurement and Contract's Division of Compliance and Vendor Services without further Board approval.

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

FINANCIAL: Charge to Food Services & Warehousing: \$26,142,478.00
Fiscal Year: FY03
Budget Classification: 0941-270-000-7050-5340
Source of Funds: Lunchroom Fund

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:

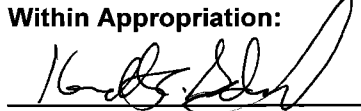


Anita Rocha
Acting Chief Purchasing Officer

Approved:

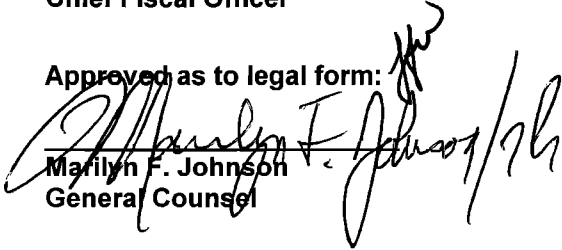

Arne Duncan *by PAD*
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel