

AMEND BOARD REPORT 03-0723-PR11
APPROVE ENTERING INTO AGREEMENTS WITH SWISS VALLEY FARMS AND C & M JV1
COMPANY, LTD. FOR MILK AND MILK PRODUCTS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into agreements with Swiss Valley Farms and C & M JVI Company, LTD. to provide Milk and Milk Products to the Chicago Public Schools at a cost not to exceed \$8,497,278.00 in the aggregate. Vendors were selected pursuant to a duly advertised Request for Proposals (# 03-250066). A written agreement for each Vendor's services is currently being negotiated. No payment shall be made to either 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 for such Vendor is not executed within 90 days of the date of this Board Report. Information pertinent to these agreements is stated below.

This amended Board Report is necessary to terminate Swiss Valley Farms as a vendor for these services effective November 30, 2003, and to award Regions 1,2 and 3 to vendor C&M JVI Company, LTD ("C&M") effective December 1, 2003, and to revise the compensation amounts accordingly. On an emergency basis, the Chief Purchasing Officer entered into an interim agreement with C&M to provide services to Regions 1,2&3 through January 28, 2004. After further negotiation, C&M has agreed to continue to provide these services through August 31, 2005, at the prices to be incorporated into a written amendment to C&M's current contract with the Board. The authority granted herein shall automatically rescind in the event a written amendment to C&M's agreement is not executed within 90 days of the date of this amended Board Report.

SPECIFICATION NO.: 03-250066

Contract Administrator: Doris Williams
773-553-2257

- VENDOR:**
1. Swiss Valley Farms
4201 West Chicago Avenue
Chicago, IL 60651
Contact Person: Donald Y. Downing
Vendor # 34048
Regions To Be Served: 1,2,3
Amount: \$4,689,205.00 - \$2,895,701.00=\$1,793,504.00
 2. C & M JV1 Company, LTD.
16408 South Pulaski Road
Markham, Illinois 60426
Contract Person: Christine Stajszczak
Vendor # 39550
Regions To Be Served: 4,5,6
Amount: \$3,808,073.00 + \$2,895,701.00 = \$6,703,774.00

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 September 1, 2003 and shall end August 31, 2005 with the Board having the option to extend each agreement for two (2) additional one (1) year periods.

SCOPE OF SERVICES/DELIVERABLES: Vendors shall provide the delivery of milk and milk products to Chicago Public Schools.

COMPENSATION: Vendors shall be paid an amount not to exceed the amounts shown above, with the total amount to both vendors not to exceed \$8,497,278.00.

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

AFFIRMATIVE ACTION: The M/WBE goals for this contract include:
26% Total MBE and 5% Total WBE.

However, the Waiver Review Committee recommends that a partial waiver of the participation goals for these contracts as required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE PLAN) be granted as these contracts are not further divisible.

The vendors have identified and scheduled the following firms and percentages:

Swiss Valley Farms

Total WBE: 4.9%

Krystal Dairy	\$ 229,771.00 or 4.9%
18121 Highland Homewood, IL 60402	certified until August 31, 2003

C & M JV1 Company, Ltd.

Total WBE: 34.05%

C & C Dairy	\$1,294,744.82 or 34.05%
16408 South Pulaski Rd. Markham, IL 60424	certified until August 31, 2003

Total Hispanic .23%

Petromex	\$10,000.00 or .23%
14702 So. Hamlin Midlothian, ILL. 60445	

Total African American .06%

World Printing	\$2,500.00 or .06%
235 North Michigan Chicago, IL 60601	Certified 12/31/07

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

FINANCIAL: Charge to Operations-Food Services: \$8,497,278.00 Fiscal Year: FY04
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.

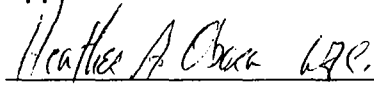
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

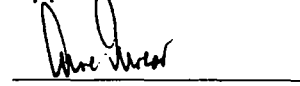
Approved for Consideration:


Heather A. Obora
Chief Purchasing Officer

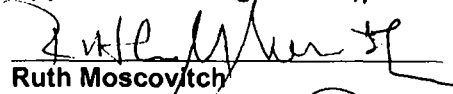
Within Appropriation:


John Maiorca
Chief Financial Officer

Approved:


Arne Duncan
Chief Executive Officer

Approved as to legal form:)


Ruth Moscovitch
General Counsel

