

**APPROVE EXERCISING THE OPTION TO RENEW THE AGREEMENT
WITH DUNBAR ARMORED, INC FOR COURIER SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the option to renew the agreement with Dunbar Armored, Inc. ("Vendor") to provide armored car courier services to the Department of Operations, Food Services & Warehousing, and the Office of School Financial Services at a cost not to exceed \$820,000.00 for a two (2) year term. A written agreement exercising this option is currently being negotiated. No payment during the option period shall be made to Vendor prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this renewal agreement is stated below.

VENDOR: Dunbar Armored, Inc. **Contract Administrator: Felicia Carwell (773) 553-2289**
50 Schilling Road
Hunt Valley, MD 21031
Contact Person: Russ Daniels
(773) 888-2129 ext 1920
Vendor # 37755

USERS: Operations, Food Services & Warehousing
125 South Clark, 16th Floor
Chicago, IL 60603
Sue Susanke
(773) 553-2833

Office of School Financial Services, Bureau of Treasury
125 South Clark, 13th Floor
Chicago, IL 60603
David Bryant
(773) 553-2790

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report 02-0626-PR40), in the amount of \$750,000.00 for a two (2) year period, is for a term commencing August 1, 2002 and ending July 31, 2004, with the Board having the option to renew the agreement for one (1) additional 24-month period. The original agreement was awarded on competitive basis pursuant to a duly advertised Request For Proposal (Specification No. 01-250250.)

OPTION PERIOD: This agreement is being extended for a term commencing August 1, 2004 and ending July 31, 2006.

OPTION PERIODS REMAINING: There are no option periods remaining.

SCOPE OF SERVICES: Upon request, Vendor will continue to provide (i) armored car transportation of coin, currency, checks, and money orders between schools and depository bank(s) designated by the Board to accept receipts from lunchroom collections and Preschool tuition based daycare collections per schedules periodically provided by the Board; (ii) armored car change delivery, (iii) reconciliation reporting, (iv) change consisting of both coin and currency, (v) bags for transporting collections, and other related services as requested by Operations or School Financial Services.

Vendor shall also continue, upon request, to pick up additional collections from school unrelated to the lunchroom or preschool. Such collections may include, but are not limited too, collections generally referred to as "Internal Accounts". Schools may utilize Vendor for their Internal Account pickups whether from the lunchroom or main office. These collections will be delivered to the depository institution of the school's choice.

DELIVERABLES: Vendor will continue to provide, statements, reconciliation reports, electronic information, electronic access to information, and other written and electronic reports as requested.

OUTCOMES: Vendor's services shall result in the timely, reliable, reconcilable transportation of collections and change orders to and from schools.

COMPENSATION: Vendor shall be paid during the option period a sum not to exceed \$410,000.00 per year, total compensation not to exceed \$820,000 for the term of this renewal.

REIMBURSABLE EXPENSES: Vendor may be reimbursed for certain expenses as detailed in the written renewal agreement. The total compensation amount reflected herein is inclusive of all reimbursable expense.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize the Chief Operating Officer or the Chief Financial Officer to engage Vendor to provide related services hereunder provided the maximum compensation amount is not exceeded.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% total WBE.

However the Waiver Review Committee recommends that a partial waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the contract scope is not further divisible.

The vendor has, however, identified and scheduled the following firms and percentages

Total MBE 7.5%

Total Hispanic 7.5%

Chicago United Industries \$61,500 7.5%
53 W. Jackson Blvd.
Chicago, Il. 60604

Total WBE 3%

B&L Distributors \$24,600 3%
7808 College Drive,
Palos Heights, ILL. 60463

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

FINANCIAL:	Charge to: Food Services & Warehousing: \$390,000.00	Fiscal Year 2005
	Budget Classification: 0941-270-000-7050-5550	Source of Funds Lunchroom Fund
	Charge to: Bureau of Treasury \$20,000.00	Fiscal Year: 2005
	Budget Classification: 0230-210-000-1135-5410	Source of Funds: Operating Fund
	Charge to: Food Services & Warehousing: \$390,000.00	Fiscal Year 2006
	Budget Classification: 0941-270-000-7050-5550	Source of Funds Lunchroom Fund
	Charge to: Bureau of Treasury \$20,000.00	Fiscal Year: 2006
	Budget Classification: 0230-210-000-1135-5410	Source of Funds: Operating 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.

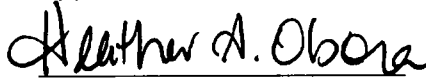
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

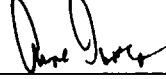
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:



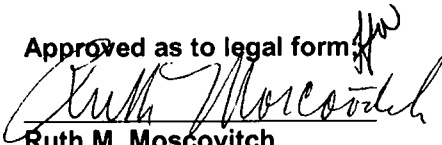
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form:



Ruth M. Moscovitch
General Counsel