

**APPROVE EXERCISING THE FIRST AND SECOND OPTIONS TO RENEW  
THE AGREEMENT WITH OCE BUSINESS SERVICES  
FOR MAIL AND PRE-SORT MAIL SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve exercising the first and second options to renew the agreement with OCE Business Services to provide mail and pre-sort mail services for the 125 South Clark Street Building and the Medill Building at a cost not to exceed \$1,075,967.16 for a 2-year renewal term. A written renewal agreement for Vendor's services is currently being negotiated. No payment shall be made to Vendor during the renewal term prior to execution of the 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:** OCE Business Services  
300 S. Wacker Drive, Suite 2200  
Chicago, IL 60606  
Kristin Ekdahl  
(312) 855-0900 ext.313  
Vendor #46698

**USER:** Department of Operations/Real Estate  
125 South Clark- 16<sup>th</sup> Floor  
Chicago, IL 60603  
Lori J. Woodman  
773-553-2922

**ORIGINAL AGREEMENT:** The original agreement (authorized by Board Report No. 04-0922-PR5) is for a term commencing October 1, 2004 and ending September 30, 2006, with the Board having two (2) options to renew for periods of twelve (12) months each with pricing to be negotiated between the parties for each renewal term. The original agreement was awarded pursuant to a duly advertised request for proposals (Specification No. 04-250010).

**RENEWAL TERM:** The term of this agreement shall be renewed for the period commencing October 1, 2006 and ending September 30, 2008. By exercising both 1-year options to renew at this time, the Vendor has agreed to set pricing for the next 2-years based on 2% annual increases.

**OPTIONS REMAINING:** There are no options to renew remaining.

**SCOPE OF SERVICES:** Vendor shall continue to provide mailroom, receiving room and pre-sort mail services as fully described in the original agreement.

**DELIVERABLES:** Vendor will continue to provide state-of-the art mailroom and receiving room operations for 125 South Clark Street Building and Medill Building.

**OUTCOMES:** Vendor's services will result in quality services, accountability and reduction of expenses.

**COMPENSATION:** Vendor shall be paid during the Renewal Term as follows:

	<u>Renewal Year 1</u>	<u>Renewal Year 2</u>
Staffing	\$422,094.36	\$430,536.24
Equipment	\$ 17,608.20	\$ 17,960.40
Mover	\$ 24,928.68	\$ 25,427.28
Pre-sort and Non-automated Mail	\$ 31,109.88	\$ 31,732.08
Miscellaneous Costs	\$ 20,765.16	\$ 21,180.48
Machinery	<u>\$ 16,150.68</u>	<u>\$ 16,473.72</u>
<b>Total:</b>	\$532,656.96	\$543,310.20

Total compensation for the 2-year renewal term not to exceed \$1,075,967.16.

**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 to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:** The M/WBE goals for this contract include: 35% total MBE & 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 – 10.4%

All Printing & Graphics, Inc. (AA)  
1812 West Roosevelt Road  
Broadview, Illinois 60155

certified through 12/01/2006

Automated Presort, Inc. (A)  
1400 Centre Circle Drive  
Downers Grove, Illinois 60515

certified through 04/30/2007

Total WBE – 3%

Arrow Messenger Services  
1322 W. Walton Street  
Chicago, Illinois 60622

certified through 09/01/2006

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

<b>FINANCIAL:</b>	Charge to Operations:	\$399,492.72	FY-06/07
		\$540,646.89	FY-07/08
		\$135,827.55	FY-08/09
	Budget Classification:	0643-210-000-4462-5400	
	Source of Funds:	Operation of Plant Corporate Headquarters	

**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.

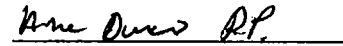
Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

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

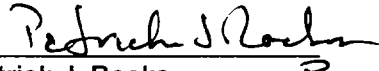
Approved:

  
Arne Duncan  
Chief Executive Officer

Within Appropriation:

  
John Maiorca  
Chief Financial Officer

Approved as to legal form: 

  
Patrick J. Rocks  
General Counsel 