

**APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT WITH C AND M JV1
COMPANY, LTD FOR MILK SUPPLY AND DELIVERY SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to extend the agreement with C&M JV1 Company, Ltd. to provide milk supply and delivery to Chicago Public Schools at cost for the option period not to exceed \$21,000,000. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 09-250053
Contract Administrator : Patricia Hernandez / 773-553-2256

VENDOR:

- 1) Vendor # 39550
C & M JV1 COMPANY, LTD.
16408 S. PULASKI ROAD
MARKHAM, IL 60426
Christine Stajaczak
708-596-3436

USER:

Citywide Food Services
125 South Clark Street 16th Floor
Chicago, IL 60603

Contact : Louise Esaian
Phone: 773-553-2830

ORIGINAL AGREEMENT:

The original agreement (authorized by Board Report 09-0826-PR5) in the amount of \$20,163,001.00 is for a term commencing September 1, 2009 and ending June 18, 2010 with the Board having four (4) options to extend for one-year each. The original agreement was awarded on a competitive basis pursuant to a duly advertised Bid Solicitation (Specification No. 09-250053).

OPTION PERIOD:

The term of this agreement is being extended for one-year commencing June 19, 2010 and ending June 18, 2011.

OPTION PERIODS REMAINING:

There are 3 option periods for one year each remaining.

SCOPE OF SERVICES:

Vendor shall continue to supply and deliver milk to Chicago Public Schools as set forth in the original agreement.

DELIVERABLES:

Vendor will continue to supply and deliver milk as set forth in the agreement.

OUTCOMES:

Vendor's services shall continue to result in the delivery of quality milk products for consumption by Chicago Public Schools students.

COMPENSATION:

Vendor shall be paid during this option period in accordance with the terms and rates set forth in the original agreement; total cost for the option period not to exceed \$21,000,000.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize Chief Purchasing Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

The M/WBE goals for this contract include: 10% MBE and 15% WBE. However, pursuant to section 9.5 of the Remedial Program for Minority and Women Owned Business Enterprise Participation in Good and Services Contracts, the Waiver Review Committee recommends that a partial waiver of the MBE goal be granted as the vendor has demonstrated reasonable good faith efforts in achieving participation.

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

Total MBE - 1%

Petromex - 1%

14702 S. Hamlin

Markham, IL 60426

Contact: Felipe Estrada

Total WBE 99%

C & C Dairy, Inc.

16408 S. Pulaski Rd.

Markham, IL 60453

Contact Person: Christine Stajszczak

McMahon Food Corp.

2110 S. Marshall Blvd

Chicago, IL 60623

Contact Person: Bridget McMahon

Krystal Dairy Services, Inc.

18121 Highwood Ave.

Homewood, IL 60430

Contact: Mary Catherine Hrascinski

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to Food Services: \$21,000,000

Source of Funds: Lunchroom Funds

12050-312-53205-256009-000000-2011

\$21,000,000.00

CFDA# : Not Applicable

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.

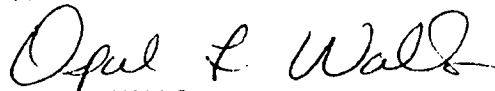
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



OPAL L. WALLS
Chief Purchasing Officer

Approved:



RON HUBERMAN
Chief Executive Officer

Within Appropriation:



DIANA S. FERGUSON
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel