

AUTHORIZE A NO COST EXTENSION OF THE AGREEMENT WITH HEARTLAND PAYMENT SYSTEMS, LLC, AS SUCCESSOR-IN-INTEREST TO HEARTLAND PAYMENT SYSTEMS, INC. TO PROVIDE MEAL MANAGEMENT POINT OF SERVICE (POS) SYSTEM TO THE DEPARTMENT OF NUTRITIONAL SUPPORT

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a no cost extension of the agreement with Heartland Payment Systems, LLC, as successor-in-interest to Heartland Payment Systems, Inc. to provide Meal Management Point of Service (POS) System to the Department of Nutritional Support Services at an estimated annual cost set forth in the Compensation Section of this report. A written extension document is currently being negotiated. No payment shall be made to Heartland Payment Systems, LLC, as successor-in-interest to Heartland Payment Systems, Inc. during this extension period prior to execution of their 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 extension is stated below..

Vendor was selected on a non-competitive basis. This item was presented to the Single/Sole Source Committee on November 2, 2021 and approved by the Chief Procurement Officer. Prior to approval as a Single Source, the item was published on the Procurement website on November 2, 2021, found here: cps.edu/procurement. The item will remain on the Procurement website until the January 26, 2022 Board Meeting. This process complies with the independent consultant's recommendations for sole source procurements and the Board's "Single/Sole Source Committee Charter.

Contract Administrator : Nash, Wayne C. / 773-553-2280

VENDOR:

- 1) Vendor # 18911
GLOBAL PAYMENT INC DBA HEARTLAND
PAYMENT SYSTEMS LLC DBA
HEARTLAND SCHOOL SOLUTIONS
1620 W. FOUNTAINHEAD PARKWAY,
SUITE 501
TEMPE, AZ 85282
Terry Roberts
480 289-2929
Ownership: Multiple Shareholders all less
than 10% ownership

USER INFORMATION :

Project 12010 - Nutrition Support Services
Manager: 42 West Madison Street
Chicago, IL 60602
Cooper, Ms. Crystal T
773-553-2830

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 13-0424-PR12) in the amount of \$14,000,000.00 was for a five year term commencing on June 5, 2013 and ending June 4, 2018 with the Board having 3 options to renew for periods of 1 year each. A renewal agreement (authorized by Board Report 17-1206-PR9) for all three years was approved commencing on June 5, 2018 and ending June 4, 2021. The Chief Procurement Office approved a no cost extension for one year commencing from June 5, 2021 and ending June 4, 2022. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

EXTENSION PERIOD:

The term of this agreement is being extended for one (1) year commencing on June 5, 2022 and ending June 4, 2023.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

The vendor shall continue to provide meal management software, hardware, training and support for all Chicago Public Schools, charter schools, departments, and area offices on all modules listed below.

DELIVERABLES:

The vendor shall continue to provide at a minimum the following modules; specific requirements for each section are detailed further in this scope of service.

Priority 1 Modules

- a. Section 1: Point of Service (POS)
- b. Section 2: Free and Reduced Application Management, Online and Scanning
- c. Section 3: Online Payment/Account Management and Parent Portal Site Integration
- d. Section 4: Menu Planning/Nutrition Analysis
- e. Section 5: Central /Back Office Reporting and Claim Reimbursement Management

Priority 2 Modules

- a. Section 6: Temp/Pool Staff Management
- b. Section 7: Inventory Management
- c. Section 8: Production Logs.
- d. Section 9: Sending and Receiving Schools Food Management
- e. Section 10: Catering Management
- f. Section 11: E-Controls/Asset Management

The vendor will provide hardware for the project in year 1 and year 2, and will provide software licenses and support services for the term of the contract on an annual basis.

OUTCOMES:

Vendor's services will result in providing a Meal Management - Point of Service (POS) System for the district. The system will provide accurate meal transaction records of school meals served, in compliance with USDA rules and regulations, as well as keeping track of all food inventory at school sites, helping in the process of tracking and collecting funds for unpaid student meals and providing valuable performances-based reporting on food service, participation rates, labor, etc., thus increasing department efficiency overall. The system will also help identify students with food allergies at the time of meal service, will allow parents/guardians to submit online Free and Reduced-Price Meal Applications and deposit money online for their students' future meals, as well as parent access to view healthy menus and nutrition information.

COMPENSATION:

This is a no cost extension. Vendor shall be paid as follows: Upon invoicing and satisfactory completion of tasks detailed in the contract scope, based upon the price assigned each deliverable. In addition, the vendor shall be also paid an annual fee for software license and support services. The total compensation payable to Heartland Payment Systems, Inc. shall not exceed the sum of \$6,000,000 from the three (3) year renewal period authorized under Board Report 17-1206-PR9.

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 Procurement Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services projects, (M/WBE Program), due to the nature of this contract dealing with proprietary software, this agreement is not further divisible.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

This is a no cost extension. Funds noted below were authorized under Board Report 17-1206-PR9.

Parent unit: 12000 (Nutrition Support Services)
Charge to Nutrition Support Services \$6,000,000
FY19 \$2,000,000.00
FY20 \$2,000,000.00
FY21 \$2,000,000.00

Future year funding is contingent upon budget appropriation and approval.

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.

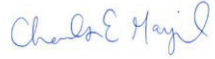
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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 May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

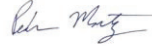
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:




CHARLES E. MAYFIELD
Interim Chief Procurement Officer

Approved:



PEDRO MARTINEZ
Chief Executive Officer

Approved as to Legal Form: 



JOSEPH T. MORIARTY
General Counsel