

**APPROVE SETTLEMENT AGREEMENT
WITH FIDELITY & GUARANTY INSURANCE CO.**

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

That the Chicago Board of Education approve the Settlement Agreement with Fidelity & Guaranty Insurance Co. which provides for a \$94,554.24 payment to the Board. At issue in the settlement was payment of the delay costs and damages the Board incurred on several construction and renovation projects bonded by Fidelity & Guaranty Insurance Co.

DESCRIPTION: Fidelity & Guaranty Insurance Co. issued performance and payment bonds on a number of construction and renovation projects the Board awarded to dr/Balti Construction Co. ("dr/Balti"). dr/Balti became unable to complete several of these projects, resulting in the Board incurring delay costs and damages in the form of judgments in favor of dr/Balti's subcontractors against the Board. This settlement resolves the Board's claims against Fidelity & Guaranty Insurance Co. in connection with those delay costs and damages.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE

ACTION STATUS: Affirmative Action review is not applicable to this report.

FINANCIAL: Total Payment of \$94,554.24 credited to
Budget Classification Fiscal Year 2007.....12150-474-54105-009524-000000

AUTHORIZATION: Authorize the General Counsel to execute the Settlement Agreement, and all ancillary documents related thereto.

GENERAL CONDITIONS: None

Approved,



PATRICK J. ROCKS
General Counsel

Within Appropriation:


JOHN MAIORCA
Chief Financial Officer