

APPROVE SETTLEMENT AGREEMENT WITH CASTLE CONSTRUCTION CORPORATION

THE GENERAL COUNSEL RECOMMENDS THE FOLLOWING:

Approve settlement agreement between the Board and Castle Construction Corporation releasing Castle's claims related the addition at the Grant Campus School.

Information pertinent to this settlement agreement is as follows:

ENTITIES: **Castle Construction Corporation**
 3062 W. 167th St.
 Markham, IL 60428
 Vendor No.: 27806

HISTORY: Castle Construction was awarded a contract for construction of a gymnasium addition to the Grant Elementary School in June 2008. Castle alleges that heating issues arising during construction resulted in delays to the placement of the flooring (from November 2009 to March 2010) and delayed the project, causing it to incur additional costs in order to finalize the project. This is a disputed claim.

DESCRIPTION OF SETTLEMENT: Castle presented a claim in the amount of \$182,814.47 for Extended General Conditions (January 28, 2010) and another claim for labor and Material Escalation charges for \$109,303.59 (November 4, 2009) due to changes to the heating issues. CPS has negotiated a final settlement in the amount of \$65,000 for full extinguishment of these claims.

AUTHORIZATION: Authorize the General Counsel to execute a settlement agreement between the Board and Castle Construction Corporation.

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

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: Charge to Operations, Capital Funds: Account #31091-477-56310-009531-610000-2010
.....\$65,000.00

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.

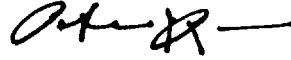
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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



PATRICK J. ROCKS
General Counsel *WR*

WITHIN APPROPRIATION:



DIANA FERGUSON
Chief Financial Officer