

**APPROVE SETTLEMENT AND MUTUAL RELEASE AGREEMENT
WITH DALE SMITH, d/b/a DOVER TELECOMMUNICATIONS**

THE GENERAL COUNSEL RECOMMENDS THE FOLLOWING:

Approve a settlement and mutual release agreement between the Chicago Board of Education (the "Board") and Dale Smith, d/b/a Dover Telecommunications ("Smith") regarding Smith's termination from two Chicago Public Schools ("CPS") construction projects. Information pertinent to this settlement is as follows:

ENTITY: Dale Smith, d/b/a Dover Telecommunications
c/o Robert A. Habib
Suite 516
134 North LaSalle Street
Chicago, IL 60602

HISTORY: The proposed settlement resolves a dispute between the Board and Smith concerning Smith's termination from two CPS construction projects. In 2000, Smith was a subcontractor for construction projects at Harlan High School and Roberson High School. Smith was terminated from both projects because he allegedly failed to comply with the requirements of the Multi-Project Labor Agreement (the "PLA"), an agreement between the Board and the Cook County Building and Construction Trade Council. The PLA states that all contractors and subcontractors working on CPS projects involving more than \$10,000.00 must be signatory to, or be willing to be signatory to, a collective bargaining agreement.

Following the termination from the Harlan and Roberson projects, Smith sued the Board seeking a declaration that the Board did not have the authority to enter into the PLA and seeking \$150,000.00 in damages. The Board subsequently learned that Smith was signatory to a collective bargaining agreement. Smith has agreed to dismiss the lawsuit and waive all claims for \$50,000.00.

RECOMMENDED SETTLEMENT: The General Counsel recommends settlement of the claims as follows:

1. The Board should pay Smith the lump sum payment of \$50,000.00
2. The Board should sign, through the General Counsel, a Settlement and Mutual Release Agreement with Smith, mutually releasing each other from any and all claims which have been raised or could have been raised in connection with the PLA and the Harlan and Roberson projects.

AUTHORIZATION: Authorize the General Counsel to execute a Settlement and Mutual Release Agreement pursuant to the above-referenced terms.

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

AFFIRMATIVE ACTION STATUS: None.

FINANCIAL:	Charge \$50,000.00 to the Capital Improvement Program	
	Budget Classifications	1320-492-000-9301-5400 1350-492-000-9301-5400

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.

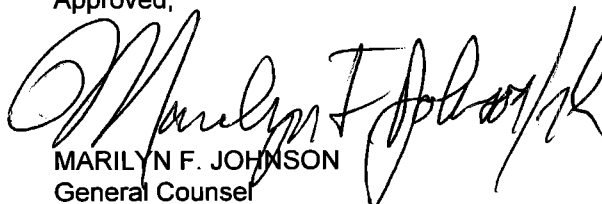
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board Members during the one year period following expiration or other termination of their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

Indebtedness - The Board's Indebtedness Policy adopted July 26, 1995, (95-0726-EX3), as amended from time to time, is hereby incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted September 27, 1995, (95-0927-RU3), as amended from time to time, is hereby incorporated into and made a part of the agreement.

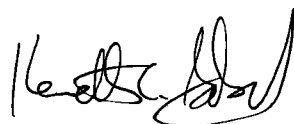
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved,



MARILYN F. JOHNSON
General Counsel

Within Appropriation:



KENNETH C. GOTSCH
Chief Fiscal Officer