

November 19, 2008

APPROVE SETTLEMENT OF DISPUTED INVOICES WITH CHERRYROAD TECHNOLOGIES**THE GENERAL COUNSEL RECOMMENDS THE FOLLOWING:**

Approve a settlement of disputed invoices with CherryRoad Technologies ("CRT") regarding partially completed deliverables under the implementation services agreement dated January 1, 2006, as amended, between the Board and CRT for CPS@Work PeopleSoft services (the "Contract") (Contract No. 05-250024). This settlement involves payment by the Board to CRT of funds previously appropriated for the Contract. Information pertinent to this settlement is as follows:

CONSULTANT: CherryRoad Technologies, Inc.,
2809 Butterfield Road
Oakbrook, Illinois 60523
Jeremy Gulban, President
Vendor No.: 98920

HISTORY: The Board terminated for convenience the contract with CRT on January 11, 2008, effective February 9, 2008. A dispute arose between CRT and the Board regarding invoices issued by CRT for partially completed deliverables under the agreement. Litigation has not been initiated at this time. This settlement will provide for a resolution of the outstanding monetary issues claimed by CRT.

DESCRIPTION OF SETTLEMENT: CRT issued a series of invoices to the Board totaling about \$3.4 million for completed and partially completed deliverables. The Board paid for undisputed completed deliverables already appropriated for the contract. An issue arose as to partially completed deliverables disputed by Board personnel. Under the settlement, CRT will accept, as final payment under the contract, the sum of \$700,000 to be paid from funds previously appropriated by the Board to CRT by Board Report No. 05-1116-PR16. CRT will give a limited release to the Board relating to the disputed invoices, and the Board will provide a negotiated letter of reference.

CRT is not released from its contractual obligations under the contract. CRT agrees to release its claims for monies owed by the Board, subject to payment of the settlement amount and a reference.

No additional funds are required to be appropriated in connection with this settlement.

AUTHORIZATION: Authorize the Chief Information Officer and General Counsel to execute a settlement agreement and other documents necessary to complete the above-described settlement.

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

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: No additional appropriation required.

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.

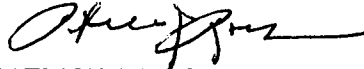
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.1 which restricts the employment of, or the letting of contracts to, former Board Members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, is hereby 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, 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,



PATRICK J. ROCKS
General Counsel *WR*

Within Appropriation:



PEDRO MARTINEZ
Chief Financial Officer