

December 17, 2008

**APPROVE SETTLEMENT FOR INTERIM PAYMENT TO MARSTECH SOLUTIONS INC. FOR
TECHNICAL CONSULTING SERVICES**

THE GENERAL COUNSEL RECOMMENDS THE FOLLOWING:

Approve a settlement with Marstech Solutions Inc. ("Marstech" or "Vendor") regarding technical consulting services provided by two key resource personnel to the Board of Education ("the Board" or "CPS") Information & Technology Services from July 1, 2008, through September 30, 2008 ("Interim Period"). These services were rendered without prior Board approval and all services have been completed. The settlement involves payment by the Board to Vendor of funds previously appropriated the services and Vendor's agreement to relate its contract obligations to the Board back to July 1, 2008 and cover the Interim Period.

HISTORY: Vendor provided two key professional resource personnel ("Key Resources") to the Board to perform technical consulting and services with regards to the improvement, support, and maintenance of the Board's database architecture and maintenance behind its student information system under contract renewal authorized by B.R. 08-0123-PR5. The contract expired June 30, 2008. Certain work-related contract issues arose between the Key Resources and Vendor around the expiration date. The Key Resources continued to provide services to the Board during the Interim Period in order to realize significant cost savings. Neither the Key Resources nor any vendor (including Marstech) received payment for those services.

Board Report #08-0602-PR28 authorized renewal of a contract with Vendor; however, amended Board Report (Board Report #08-0924-PR9) indicated that Vendor would be providing services only from October 1, 2008 through December 31, 2008. Litigation has not been initiated at this time.

DESCRIPTION OF SETTLEMENT: This settlement will provide for payment to Vendor for the services provided by the Key Resources during the Interim Period; resolution of any issues claimed by Vendor or its subcontractors against the Board for the Key Resources's services during the Interim Period; and for the Vendor's contractual obligations to the Board relative to the services provided by the Key Resources to relate back to July 1, 2008. No additional funds are required to be appropriated in connection with this settlement.

VENDOR: Marstech Solutions Inc.
850 W. Jackson Blvd.
Chicago, IL 60607
Contact: Hema Gajjela
Phone #: (773) 582-0819
Vendor #: 32056

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.

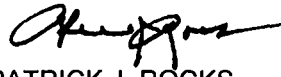
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.1 which restricts the employment of, or the letting of contracts to, former Board Members during the one year period following expiration or other termination of their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

WITHIN APPROPRIATION:



PEDRO MARTINEZ
Chief Financial Officer