

APPROVE SETTLEMENT AGREEMENT WITH JOHNSON CONTROLS, INC.**THE GENERAL COUNSEL REPORTS THE FOLLOWING SETTLEMENT:**

DESCRIPTION: A former Board employee solicited and accepted a proposal from Johnson Controls, Incorporated, for temporary cooling equipment for use at certain of the Board's schools during the school of 2008—ostensibly as an emergency purchase—at a total cost of \$1,569,177.00. Johnson Controls satisfactorily completed this project. In the fall of 2008, the Board's Office of the Inspector General (OIG) investigated the circumstances of the cooling project, and determined that the emergency-purchase policy did not apply and that competitive bidding should have been used. OIG recommended that, because a bidding process may have resulted in a lower price for the project, the Board should seek the recovery of some portion of the amount paid to Johnson Controls. The Law Department made a demand on Johnson Controls for a partial refund, and Johnson Controls disputed the Board's entitlement to same. The Law Department and Chief Administrative Officer have negotiated a settlement, subject to Board approval, to accept payment of the sum of \$250,000.00 from Johnson Controls, in exchange for a release of all claims relating to the project.

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

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

FINANCIAL: Johnson Controls, Inc. will pay the Board \$250,000.00 in settlement of this claim.

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

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge, in accordance with 105 ILCS 5/24-13.1, 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 restrict 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 June 23, 2004 (04-0623-PO4) as amended from time to time, is hereby incorporated in to and made a part of the agreement.

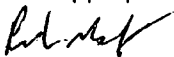
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved,



PATRICK J. ROCKS
General Counsel

Within Appropriation:



PEDRO MARTINEZ
Chief Financial Officer