

APPROVE SETTLEMENT AGREEMENT WITH INDIGO CONSTRUCTION COMPANY

THE GENERAL COUNSEL RECOMMENDS THE FOLLOWING:

Approve a settlement agreement and release between the Board and Indigo Construction Company ("Indigo") regarding payment for services provided for various emergency and priority repairs citywide to school facilities for the years 2010 through 2012.

Information pertinent to this settlement agreement is as follows:

ENTITIES: **Indigo Construction Services, Inc.**
c/o Evelyn Difilippo - Manager
1016 Industry Road
New Lenox, Illinois 60451

HISTORY: For the years 2010-2012, Indigo Construction Services provided electrical and mechanical maintenance and repair services citywide to various school facilities pursuant to a contract with the Board. In 2013, Indigo claimed it was owed \$660,162.11 for unpaid invoices. Although the work was performed, said invoices remained unpaid either due to uninitiated purchase orders or incomplete or missing approvals. It is undisputed that most, if not all, of Indigo's services were provided to the Board and back-up documentation has been provided.

DESCRIPTION OF SETTLEMENT: The Board asserts that certain billings were either not authorized, authorized but with uninitiated purchase orders, or defective as to CPS billing protocols. CPS proposes to offer the sum of \$426,418.98 which represents those invoices which did not violated billing protocols and for which all documentation for services has been confirmed as true.

AUTHORIZATION: Authorize the General Counsel to execute a settlement agreement as to legal form between the Board and Indigo Construction Services.

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

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: Charge \$426,418.98 to Operations
Budget Classification Fiscal Year 2014..... 11880-230-56105-254101-000000

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 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 May 25, 2011 (11-0525-PO2), 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,

A handwritten signature in black ink, appearing to read "J. Bebley", written in a cursive style.

JAMES L. BEBLEY
General Counsel *WLLH*