

February 24, 2016

**COMMERCIAL DISPUTE – AUTHORIZE SETTLEMENT IN
BOARD v. ACT, INC.**

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Authorize settlement of the dispute with ACT, Inc. ("ACT") regarding administration of the PLAN and EXPLORE tests in 2015. As full and final settlement, ACT will withdraw and waive all demands for payment related to the testing in 2015, including its invoice of \$576,000. In addition, ACT will offer testing in 2016 at reduced rates and will issue a credit to the Board in the amount of \$592,000 to be utilized towards payment for its planned administration of the ACT examination in 2016 to students of the Chicago Public Schools.

DESCRIPTION: The General Counsel has determined that this settlement is in the Board's best interests.

LSC REVIEW: Local school council approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: Board will receive a financial benefit in excess of \$1,168,000 through a waiver, credit, and reduced rates for ACT testing in 2016

PERSONNEL IMPLICATIONS: None

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,


RONALD L. MARMER
General Counsel *RM*