

September 28, 2022

AUTHORIZE SETTLEMENT AGREEMENT WITH PEOPLES GAS

THE GENERAL COUNSEL REPORTS THE FOLLOWING SETTLEMENT:

Authorize settlement agreement with The Peoples Gas Light and Coke Company aka Peoples Gas ("PG") to fully write off certain transportation account numbers through 2016, with no balance due from Chicago Public Schools ("CPS") and no reimbursement due from PG. The authority granted herein shall automatically rescind in the event a written settlement agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

VENDOR:

Vendor No. 62248
Peoples Gas
130 E. Randolph St.
Chicago, IL 60601

USER INFORMATION:

Contact: Law Department
42 W. Madison St.
Chicago, IL 60602
773-553-1700

DESCRIPTION: CPS and PG have uncovered certain billing disputes related to payments due to PG and/or received by PG between 2009 and 2016. PG has alleged, and CPS has denied, that CPS owes PG an outstanding balance totaling \$1,226,527.27, related to transportation account numbers 613677002-629, 613677002-619, 613677002-632, 613677002-247, 613677002-330, and 613677002-639. CPS has alleged, and PG has denied, that CPS paid PG \$66.467 million between 2009 and 2016 (including \$396 thousand for construction), with PG alleging that it only received \$62.096 million for the same period. The Parties wish to enter into a settlement agreement to resolve this dispute, with no balance due from CPS and no reimbursement due from PG. This agreement is expressly conditioned upon each party's covenant and affirmative promise not to pursue any claims arising from or related to, nor take any additional action to collect payment for, services or products rendered by PG to CPS or billing disputes by CPS to PG billings and charges up to and prior to 2017 for the above referenced accounts.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: The Remedial Program for Minority and Women-Owned Business Enterprise Participation in Goods and Services contracts, (M/WBE Program) is not applicable to the agreement.

LSC REVIEW: Local School Council approval is not applicable to this report.

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,

DocuSigned by:
Joseph T. Moriarty DS
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JOSEPH T. MORIARTY
General Counsel