

ADMINISTRATIVE REPORT

DATE: August 22, 2024

TOPIC: 7.3 – Settlement & Release of Claims with Commercial Kitchen Services Corp. & Merchants Bonding Company

PRESENTER: Abby Baker – Executive Director of Human Resources and Operations

REFERENCE TO POLICY/STATUTE: 701 – School District Budget

A. PURPOSE OF REPORT

- a. As included in school nutrition's capital plan, new cooler/freezers were installed at East Ridge High School and Valley Crossing Elementary School.
- b. The contractor of the project was Commercial Kitchen Services Corp.
- c. The School District has determined that the cooler/freezer installation does not meet project specification and requirements.
- d. School District staff and consultants have attempted to work with Commercial Kitchen Services Corp. to correct the cooler/freezers, however no resolution was achieved.
- e. The District put Commercial Kitchen Services Corp. performance bond surety, Merchants Bonding Company on notice of the problem.
- f. The School District under its agreement with Commercial Kitchen Services Corp. and Merchants Bonding Company must declare Commercial Kitchen Service Services Corp. in default, terminate the contract with Commercial Kitchen Services Corp. and notify Merchants Bonding Company of the termination.
- g. A Resolution declaring contractor default and authorization of pursuit of claims approved at the February 22, 2024 business meeting.



- h. The District presently owes Commercial Kitchen Services Corp. \$43,997.25 on the balance of the High School project, and \$22,311.25 on the balance of the Elementary project.
- i. Settlement and release of claims was reached with Commercial Kitchen Services Corp. and Merchants Bonding Company. The District shall retain and keep payment on the balance of both projects totaling \$66,308.50.
- j. No further payments shall be made by the District to Commercial Kitchen Services Corp. under either the High School or Elementary project.

B. RECOMMENDATION

- a. Approve Settlement & Release of Claims with Commercial Kitchen Services Corp. and Merchants Bonding Company.

C. CONNECTION TO STRATEGIC PRIORITY

- a. Student Experience
- b. Student Pathways and Systemic Supports
- c. Operations, Staffing, and Finance
- d. Engagement and Partnerships

