



# Oak Park Elementary School District 97

260 W, Madison ▪ Oak Park ▪ Illinois ▪ 60302 ▪ ph: 708.524.3000 ▪ fax: 708.524.3019 ▪ www.op97.org

---

TO: Dr. Carol E. Kelley, Superintendent of Schools  
Board of Education

FROM: Dr. Alicia Evans, Assistant Superintendent for Finance and Operations

RE: PING Narrative

DATE: January 23, 2018

## ***General Information***

PING is an organization that provides musical instruments to D97 students. The relationship between D97 and PING has existed since 1998. Sometime during 2007, PING became incorporated and received its 501c3 status. In 2008, a ten year agreement was executed to formalize the relationship between the parties.

When the agreement was created, it was understood that the school district's insurance would cover the instruments in instances of theft, loss or damage. This was specified in the agreement. Therefore, the district's insurance obligation was limited to the instruments. Since then, the needs of PING changed; private lessons, mentoring, other services and fundraising were also added to their list of activities. As a result, PING is requesting that the district expand its coverage beyond instruments to include automobile insurance for off-campus activities and liability insurance for PING's activities that mirror the insurance coverage afforded to the group by D90. In addition, PING wants to be considered a partner organization in order to have additional rights.

## ***Insurance Summary***

Last year, PING was asked to provide a certificate of insurance because it was believed that the group was not covered under the District's liability coverage. An officer of PING contacted the District's insurance carrier directly in August 2017 and was told the group was covered. Based on this information, PING was added to the sponsored organizations and approved by the Board, which is a requirement of the insurance carrier. Subsequently, in November 2017, the insurance carrier emailed PING to inform the group that an error was made when they were told they were covered under the District's plan. At that time, CLIC suggested that PING acquire insurance. The limits are as follows:

### Commercial General Liability Coverage

- \$1,000,000 Per Occurrence
- \$50,000 Damage to Rented Premises
- \$1,000,000 Personal & Advertising Injury
- \$2,000,000 General Aggregate
- \$2,000,000 Products/Completed Operations Aggregate

- Coverage must be included for Sexual Misconduct
- District should be named as an additional insured on a primary & non-contributory basis

Workers Compensation Coverage (Only Applicable if PING! has employees)

- Statutory limits
- Employers Liability Limits of \$500,000/\$500,000/\$500,000

The above coverages shall be from a company authorized to do business in Illinois and with at least an “A VII” rating from A.M. Best Company.

After PING received the information, they searched for the coverage and determined that it was cost prohibitive to their organization. The insurance representative cautioned against D97 providing the same level of coverage that D90 included in PINGs contract.

### ***Broad Decisions for the Board***

1. Should the Board take action to terminate the agreement after February 28, 2018?
2. Should the Board create a new agreement and modify the terms?
3. Should the Board change the insurance coverage for PING?

The following information is being provided to the Board as reference upon which to make an informed decision.

### ***PINGs D97 Agreement***

#### **TERM**

*The term if this Agreement shall be for a period of ten (10) years, commencing of February 27, 2008 and terminating on February 27, 2018. Thereafter, the Agreement shall automatically renew for two (2) successive ten (10) year periods. Any Party hereto, however, may terminate this Agreement after February 27, 2018 by delivering notice of such termination to all other Parties no later than on (1) year prior to the effective date of the termination.*

#### **INSTRUMENT LIABILITY**

*The School District will continue to assume liability, including but not limited for damage, loss or theft for the PING! Corporation musical instruments stored on the property of the School District or used in connection with any activity in the property of the School District, as provided in the June 20, 2007 Agreement between PING!! and the School District, incorporated by reference herein as Exhibit B.*

### ***PINGs D90 Agreement***

#### **INSURANCE COVERAGE**

*(a) Liability Insurance. The School District shall provide general liability insurance for PING!’s activities identified in Section 4.*

*(b) Property Insurance. The School District shall provide property insurance for the PING! musical instruments that are stored at the School District’s facilities. The School District shall have no duty to assume any liability for damage, loss, or theft if PING! is in breach of any part of this Agreement.*

*(c) Automobile Insurance for Off-Campus Activities. PING! shall provide a certificate of insurance for any contracted automobile that will be used to transport PING! students to any off-campus activity. The certificate of insurance shall name the School District as an additional insured under the policy unless the School District waives this requirement in writing.*

*(d) Exclusion for Breach of Agreement. The School District shall have no duty to assume any liability for damage, loss, or theft, or to provide any insurance coverage required herein, if PING! is in breach of any part of this Agreement.*

*(e) Notice Upon Supplemental Coverage. In the event that PING! procures or obtains any general liability insurance, or other insurance that is applicable to this Agreement, PING! shall provide the School District with notice of said coverage within seven (7) days from the date that PING! obtained coverage and shall provide a certificate of insurance reflecting PING!'s coverage. Upon receipt of PING!'s certificate of insurance, the School District shall have the right to terminate any insurance that it procured pursuant to this Agreement for which PING! has obtained coverage.*

#### PING! ACTIVITIES [Section 4]

*(a) Mentoring Sessions. PING! shall provide its musical instruments for mentoring sessions for the PING! students at the School District's facilities. Only PING! students from the School District shall be allowed to participate in the mentoring sessions. No later than September 30 of each year, PING! shall submit a list of its mentors who will be assisting with the mentoring sessions. In the event that new mentors are added throughout the year, PING! shall provide notice to the School District as soon as reasonably possible.*

*(b) Instrument Storage. PING! shall provide the School District with a list of the musical instruments that will be stored at the School District's facilities, and shall store the instruments only in the location(s) designated by the School District. PING! shall consult with the School District to ensure that the location(s) for storage is secured and suitable for the storage of the instruments.*

*(c) Off-Campus Activities. In the event that PING! seeks to sponsor activities for PING! students at a location other than at the School District's facilities, PING! shall provide written notice of the proposed activity to the School District no later than seven (7) days before said activity, including a description of the activity, the transportation plans, a certificate of insurance for any contracted transportation, and the number of adult supervisors present. The School District shall have complete discretion whether to approve the proposed off-campus activity.*

*(d) School District Approval of PING! Activity Schedule. No later than September 30 of each year, PING! shall provide the School District with a written proposed schedule of all mentoring sessions and, if known, any off-campus activities. The schedule shall include the proposed dates, times, and locations of each activity. The School District shall have complete discretion whether to approve the proposed schedule or to modify the schedule as necessary in the School District's best interests. The School District shall provide written notice to PING! of proposed modifications to the schedule ten (10) days before the first modified date. If the School District approves the schedule, the School District shall assign specific locations for the mentoring sessions and locations to secure the musical instruments.*

*(e) Adult Supervisor(s). PING! shall have at least one (1) supervisor over the age of eighteen (18) for all PING! activities. The supervisor shall be responsible for ensuring that the PING! mentors follow all School District policies and that PING! complies with all duties required by this Agreement and under law. PING! shall provide a criminal background report for each supervisor to the School District and the School District shall have the absolute right and discretion to reject the supervisor as necessary in the School*