

STATE BOARD OF EDUCATION

SYNOPSIS AGENDA/EXECUTIVE SUMMARY

CODE: IF-04
COMMITTEE: Innovation and Finance
DATE: June 14, 2016

SUBJECT/TITLE

Schedule of Liquidated Damages

PURPOSE OF REPORT/REGULATION/ITEM

The Instructional Materials Contract requires that publishers are to provide a sufficient number of instructional materials to the State Depository to allow for prompt delivery of materials to schools or pay liquidated damages.

The South Carolina Department of Education (SCDE) completed an investigation of the late instructional materials shipments to schools during School Year 2015–16.

CRITICAL FACTS

Section 4 of the South Carolina Instructional Materials Contract states, “Upon failure to supply the central depository with a sufficient number of instructional materials to promptly fill all orders received from the Board, any school district, or agency approved by the Board, the vendor agrees to pay to the State Treasury for the use of the instructional materials fund, liquidated damages in the amount equal to 5% of the contract price of the late order for each initial late order; and 10% of the contract price of each subsequent late order until stock is replenished. The damage period begins fifteen calendar days after the date the unfilled order is delivered to the central depository, unless the order designates a later date for delivery, at which time the damage period begins.”

The SCDE determined that several publishers were responsible for late shipments to schools. Publishers were billed as specified in the Instructional Materials Contract.

TIMELINE/REVIEW PROCESS

- June 14, 2016 Report presented to the Innovation and Finance Committee

ECONOMIC IMPACT

COST: N/A
FUND/SOURCE: N/A

ATTACHMENTS

Attachments: yes no
(attachments must be submitted with synopsis)

Name of Attachments: 2015–16 Schedule of Liquidated Damages Report—Publisher’s Listing

RECOMMENDATION

The report is presented as information.

ACTION REQUEST

FOR APPROVAL:

FOR INFORMATION ONLY: