

1 [Settlement of Lawsuit]

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4 **Ordinance authorizing settlement of the lawsuit filed by Schram Construction, Inc.**

5 **("Schram") against the City and County of San Francisco (the "City") seeking**

6 **\$1,000,000; the lawsuit was filed on June 23, 2006 in the Superior Court of the City and**

7 **County of San Francisco, Case No.CGC-06-453479, entitled Schram Construction, Inc.,**

8 **v. City and County of San Francisco; other material terms of said settlement are: 1) The**

9 **City will pay a total of \$722,104.09 to Schram; 2) Schram will indemnify the City against**

10 **potential legal claims and/or lawsuits from subcontractors and suppliers; 3) All**

11 **warranties not yet expired will remain in full force and effect; and 4) The City reserves**

12 **all rights relating to latent defects.**

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14 Be it ordained by the People of the City and County of San Francisco:

15 Section 1. The City Attorney is hereby authorized to settle the action entitled Schram

16 Construction, Inc. v. City and County of San Francisco, Superior Court of San Francisco,

17 Court No. CGC 06-453479, as follows:

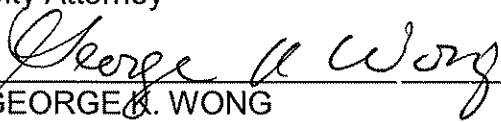
- 18 1) The City will release to Schram \$722,104.09 broken down as follows:
- 19 a) The contract balance and retention of \$586,235.09;
- 20 b) \$58,000 in settlement of change order claims; and
- 21 c) Assignment to Schram of \$77,869 of insurance reimbursement insurance
- 22 money from AIG;
- 23 2) Schram will indemnify the City against any potential claims by subcontractors and
- 24 suppliers;
- 25 3) All unexpired warranties shall remain in full force and effect; and

1 4) The City reserves all rights relating to latent defects.

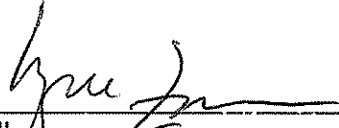
2 Section 2. The above-named action was filed in the San Francisco Superior Court on
3 June 23, 2006, and the following parties were named in the lawsuit: 1) Schram Construction,
4 Inc. (plaintiff and cross-defendant) and 2) the City and County of San Francisco (defendant
5 and cross-complainant).

6 APPROVED AS TO FORM AND
7 RECOMMENDED:

8 DENNIS J. HERRERA
9 City Attorney

10 
11 GEORGE K. WONG
Supervising Deputy City Attorney

12 FUNDS AVAILABLE:

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15 _____
16 Controller

16 Ben Rosenfield

17 Index Code: CWP600PU291X Project: CENMSC TP0740

18 Subobject: 05312
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RECOMMENDED:

SAN FRANCISCO PUBLIC UTILITIES
COMMISSION

10 
11 Edward Harrington
General Manager

APPROVED:

13
14 
15 _____
16 SECRETARY

17 SAN FRANCISCO PUBLIC UTILITIES
COMMISSION



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Ordinance

File Number: 080897

Date Passed:

Ordinance authorizing settlement of the lawsuit filed by Schram Construction, Inc. ("Schram") against the City and County of San Francisco (the "City") seeking \$1,000,000; the lawsuit was filed on June 23, 2006 in the Superior Court of the City and County of San Francisco, Case No.CGC-06-453479, entitled Schram Construction, Inc., v. City and County of San Francisco; other material terms of said settlement are: 1) The City will pay a total of \$722,104.09 to Schram; 2) Schram will indemnify the City against potential legal claims and/or lawsuits from subcontractors and suppliers; 3) All warranties not yet expired will remain in full force and effect; and 4) The City reserves all rights relating to latent defects.

July 29, 2008 Board of Supervisors — PASSED ON FIRST READING

Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

August 5, 2008 Board of Supervisors — FINALLY PASSED

Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 080897

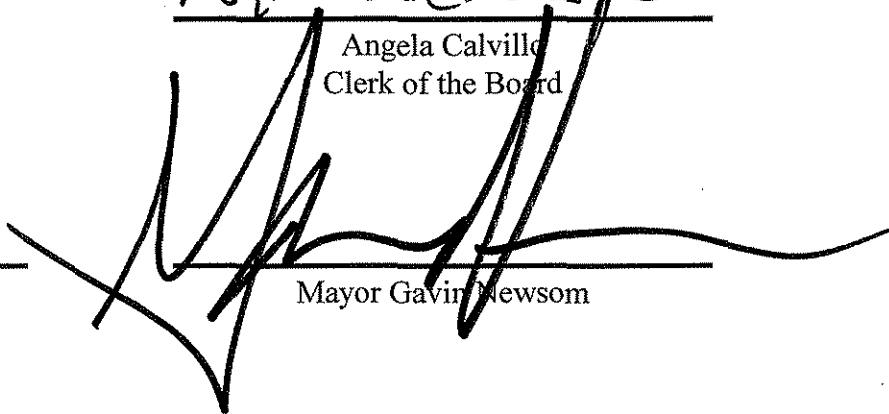
I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on August 5, 2008
by the Board of Supervisors of the City and
County of San Francisco.



Angela Calville
Clerk of the Board

8.7.08

Date Approved



Mayor Gavin Newsom