

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. (415) 554-5184  
Fax No. (415) 554-5163  
TDD/TTY No. (415) 554-5227

## MEMORANDUM

GOVERNMENT AUDIT AND OVERSIGHT COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Dean Preston, Chair  
Government Audit and Oversight Committee

FROM: Monique Crayton, Assistant Clerk

DATE: September 6, 2024

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**  
Tuesday, September 10, 2024

The following file should be presented as COMMITTEE REPORT at the regular Board meeting on Tuesday, September 10, 2024. This ordinance was acted upon at the regular Government Audit and Oversight Committee meeting on Thursday, September 5, 2024, at 10:00 a.m., by the votes indicated.

**Item No. 9                      File No. 240762**

**Ordinance authorizing settlement of the lawsuit filed by David M. Schmitt. against Build Group, Inc., which then filed a cross-complaint against the City and County of San Francisco, for \$350,000; the lawsuit was filed on August 30, 2022, in San Francisco Superior Court, Case No. CGC-22-601503, entitled David M. Schmitt v. Build Group, Inc. et al.; the lawsuit involves allegations of breach of contract arising from cost overruns and delay on the Zuckerberg San Francisco General Hospital Building 5 Rehabilitation Department Relocation Project; other material terms of the settlement are a complete release of claims relating to the project, including any pass through claims from David M. Schmitt or other subcontractors of Build Group, Inc.**

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Dean Preston - Aye  
Supervisor Catherine Stefani - Aye  
Supervisor Connie Chan - Aye

Cc: Board of Supervisors  
Angela Calvillo, Clerk of the Board  
Alisa Somera, Legislative Deputy  
Brad Russi, Deputy City Attorney

File No. 240762

Committee Item No. 1

Board Item No. 9

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight  
Board of Supervisors Meeting:

Date: September 5, 2024  
Date: September 10, 2024

#### Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU - FY2022-2024 - Clean
- MOU - FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract / DRAFT Mills Act Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

#### OTHER

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Prepared by: Monique Crayton  
Prepared by: Monique Crayton  
Prepared by: \_\_\_\_\_

Date: August 29, 2024  
Date: September 6, 2024  
Date: \_\_\_\_\_

1 [Settlement of Lawsuit - Build Group, Inc. - \$350,000]

2  
3 **Ordinance authorizing settlement of the lawsuit filed by David M. Schmitt. against Build**  
4 **Group, Inc., which then filed a cross-complaint against the City and County of San**  
5 **Francisco, for \$350,000; the lawsuit was filed on August 30, 2022, in San Francisco**  
6 **Superior Court, Case No. CGC-22-601503, entitled David M. Schmitt v. Build Group, Inc.**  
7 **et al.; the lawsuit involves allegations of breach of contract arising from cost overruns**  
8 **and delay on the Zuckerberg San Francisco General Hospital Building 5 Rehabilitation**  
9 **Department Relocation Project; other material terms of the settlement are a complete**  
10 **release of claims relating to the project, including any pass through claims from David**  
11 **M. Schmitt or other subcontractors of Build Group, Inc.**

12  
13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby  
15 authorizes the City Attorney to settle the action entitled David M. Schmitt v. Build Group, Inc.  
16 et al, San Francisco Superior Court, Case No. CGC-22-601503 by the payment of \$350,000.  
17 The lawsuit involves allegations of breach of contract arising from cost overruns and delay on  
18 the Zuckerberg San Francisco General Hospital Building 5 Rehabilitation Department  
19 Relocation Project.

20 Section 2. The above-named action was filed in San Francisco Superior Court on  
21 August 30, 2022, and the following parties were named in the lawsuit: plaintiff David M.  
22 Schmitt, Defendant and cross-complainant Build Group, Inc. and cross-defendant City and  
23 County of San Francisco.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

APPROVED AS TO FORM AND  
RECOMMENDED:

DAVID CHIU  
City Attorney

/s/  
ELAINE M. O'NEIL  
Team Leader, Construction and Public  
Contracting

FUNDS AVAILABLE:

/s/ Michelle Allersma for Greg Wagner  
GREG WAGNER  
Controller

RECOMMENDED:  
DEPARTMENT OF PUBLIC HEALTH

/s/  
DR. GRANT COLFAX  
Department Head

RECOMMENDED:  
DEPARTMENT OF PUBLIC WORKS

/s/  
CARLA SHORT  
Department Head

RECOMMENDED:

/s/  
BOB FULLER  
Commission Affairs Manager  
Public Works Commission