

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

RECOMMENDED:

SAN FRANCISCO PUBLIC UTILITIES
COMMISSION

10 _____
11 GEORGE K. WONG
Supervising Deputy City Attorney

Edward Harrington
General Manager

12 FUNDS AVAILABLE:

APPROVED:

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16 Controller

17 SECRETARY
18 SAN FRANCISCO PUBLIC UTILITIES
19 COMMISSION

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