File No.	150005	Committee Item No.	9
		Board Item No	

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

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Committee: Rules Committee	Date January 15, 2015			
Board of Supervisors Meeting Date				
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Motion Resolution Ordinance Legislative Digest Budget and Legislative Youth Commission Reg Introduction Form Department/Agency Co Memorandum of Under Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Form 126 - Ethics Command Letter Application Form 700 Vacancy Notice Information Sheet Public Correspondence	ver Letter and/or Report standing (MOU) I			
OTHER (Use back side if additional space is needed)				
Completed by: Alisa Somera Date January 9, 2015 Completed by: Date				
Completed by Date				

[Settlement or Policy Limits Demand of Unlitigated Claim - Precision Engineering, Inc. - City to Demand or Receive \$11,000,000]

Resolution approving settlement of the unlitigated claim of the City and County of San Francisco against Precision Engineering, Inc., and its carriers for \$11,000,000; or alternatively authorizing the City Attorney to make a binding policy limits demand.

WHEREAS, The City has a potential cause of action and claim against Precision Engineering, Inc. ("Precision") for damages arising from a City water main break that discharged water in the area of the 2600 and 2700 blocks of 15th Avenue and the 300 and 400 blocks of Wawona Street on February 27, 2013 ("Wawona Incident"); and

WHEREAS, The City Attorney has proposed settlement of the claim, calling for the payment of \$11,000,000 from Precision to the City, representing payment of Precision's insurance policy limits; and

WHEREAS, Should Precision reject that proposed settlement, the City Attorney seeks authority to make a policy limits demand against Precision, which would result in a binding settlement agreement if accepted by Precision; now, therefore, be it

RESOLVED, That pursuant to Section 10.24(b) of the Administrative Code, the City Attorney is hereby authorized to settle this unlitigated claim against Precision with Precision's payment of \$11,000,000 to the City; or alternatively, if Precision rejects the settlement demand, the City Attorney is authorized to make a policy limits demand of \$11,000,000 against Precision. If either the currently proposed settlement or the alternative policy limits demand is accepted, settlement of the unlitigated claim will include the following terms:

 Precision shall pay the City all reasonable attorney's fees and costs incurred defending and/or prosecuting matters arising from the Wawona Incident through the date of settlement;

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- The City shall defend, indemnify, and hold Precision harmless from all remaining third-party claims arising from the Wawona Incident;
- Precision shall cooperate fully with the City in all remaining claims and litigation arising from the Wawona Incident;
- The City reserves all rights to pursue claims against Precision for latent defects and remaining warranties in Precision's construction project work.

APPROVED AS TO FORM AND RECOMMENDED:

RECOMMENDED:

DENNIS J. HERRERA City Attorney

JOHN G.WHITE Deputy City Attorney SAN FRANCISCO PUBLIC UTILITIES COMMISSION

HARLAN L. KELLY AR.

General Manager, San Francisco Public Utilities Commission

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SGISLATION RECEIVED CHECKL'T File Number (if applicable) Legislation for Introduction (NEW) ▶▶ ► Legislation Clerk Legislation Pending in Committee (AMENDED) **▶▶▶** Committee Clerk Legislation for Board Agenda (AMENDED) ▶▶▶ Dep Clerk, Legislative Div Supervisor, Mayor, and Departmental Submittals **Grant Ordinance** [] Legislation: Original and 2 hard copies and 1 electronic copy in word format [] Signature: Department Head, Mayor or the Mayor's designee, plus the Controller Back-up materials: 2 full sets (see below) and 1 electronic copy in pdf format* [] Cover letter (original and 1 hard copy) [] Grant budget/application [] Grant information form, including disability checklist [] Letter of Intent or grant award letter from funding agency [] Contract, Leases/Agreements (if applicable) [] Ethics Form 126 (if applicable)*Word format [] E-Copy of legislation/back-up materials: Sent to BOS.Legislation@sfgov.org Ordinance [] Legislation: Original and 2 hard copies and 1 electronic copy in word format [] Signature: City Attorney (For Settlement of Lawsuits - City Attorney, Department Head, Controller, Commission Secretary) [] Back-up materials: 2 hard copies (see below) and 1 electronic copy in pdf format [] Cover letter (original and 1 hard copy) [] Settlement Report/Agreement (for settlements) [] Other (Explain) [] E-Copy of legislation/back-up materials: Sent to BOS.Legislation@sfgov.org **Grant Resolution** [] Legislation: Original and 2 hard copies and 1 electronic copy in word format [] Signature: Department Head, Mayor or the Mayor's designee, plus the Controller [] Back-up materials: 2 hard copies (see below) and 1 electronic copy in pdf format* [] Cover letter (original and 1 hard copy) [] Grant budget/application [] Grant information form, including disability checklist [] Letter of Intent or grant award letter from funding agency [] Contract, Leases/Agreements (if applicable) [] Ethics Form 126 (if applicable)*Word format [] E-Copy of legislation/back-up materials: Sent to BOS.Legislation@sfgov.org Resolution Legislation: Original and 2 hard copies and 1 electronic copy in word format None (Required for Settlement of Claims - City Attorney, Department **™** Signature: Head, Controller, Commission Secretary) Back-up materials: 2 full sets (see below) and 1 electronic copy in pdf format Cover letter (original and 1 hard copy) Settlement Report/Agreement (for settlements) [] Other (Explain) ☐ E-Copy of legislation/back-up materials: Sent to BOS.Legislation@sfgov.org

Clerk's Office/Forms/Legislation Received Checklist (6/2013) for more help go to: sfbos.org/about the board/general/legislative process handbook

Name and Telephone Number