[Settlement of Lawsuit - John Russo Industrial Sheetmetal, Inc., dba JRI, Inc. - \$2,100,000]

Ordinance authorizing settlement of the lawsuit filed by John Russo Industrial Sheetmetal, Inc., a California corporation, dba JRI, Inc. ("JRI") against the City and County of San Francisco for \$2,100,000 and other material terms; the lawsuit was filed on June 17, 2010, in Alameda County Superior Court Case No. HG10520625, entitled JRI, Inc. v. City and County of San Francisco, et al., related to the contract for the manufacture and delivery of two Aircraft Rescue Fire Fighting vehicles for use at San Francisco International Airport ("Airport"); other material terms of said settlement include that the City will convert the prior termination of JRI's contract for default to a termination for convenience; for five years, JRI will not bid on any Airport contracts, including as a subcontractor, or challenge any Airport procurements; and the parties mutually release all claims relating to the contract or the lawsuit.

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

Section 1. Pursuant to Charter section 6.102(5), the Board of Supervisors hereby authorizes the City Attorney to settle the action entitled <u>JRI, Inc. v. City and County of San Francisco, et al.</u>, Alameda County Superior Court Case No. HG10520625, by the payment of \$2,100,000. As detailed in the settlement agreement, the other material terms of the settlement include:

- a. The City will convert the prior termination of JRI's contract for default to a termination for convenience.
- b. For five years, JRI will not bid on any Airport contracts, including as a subcontractor, or challenge any Airport procurements.

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c. During that five-year period, except as otherwise required by law or court order, the parties will direct their employees and agents to respond, if asked, about the contract, litigation, or its resolution, by stating only, "The City and County of San Francisco and John Russo Industrial Sheetmetal, Inc. agree that they have amicably resolved their dispute regarding Contract No. 72271 and this contract is terminated for convenience and not for default."

d. The parties mutually release all claims relating to the Contract or the Action.

Section 2. The above-named action was filed in Alameda County Superior Court on June 17, 2010 by plaintiff John Russo Industrial Sheetmetal, Inc., a California corporation, d/b/a JRI, Inc. against defendants the City and County of San Francisco and the San Francisco International Airport.

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1 APPROVED AS TO FORM AND RECOMMENDED: RECOMMENDED: 2 SAN FRANÇISCO AIRPORT COMMISSION 3 DENNIS J. HERRERA City Attorney 4 5 JOHN L\MARTIN **ELAINE O'NEIL** Airport Director 6 Deputy City Attorney 7 Construction and Public Contracting Team Leader 8 9 FUNDS AVAILABLE: APPROVED: 10 11 BEN ROSENFIELD Secretary, Airport Commission Controller 12 n:\constr\li2015\130383\010145571.docx 13 14 15 16 17 18 19 20 21 22

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City and County of San Francisco Tails

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

Ordinance

File Number: 150985

Date Passed: December 15, 2015

Ordinance authorizing settlement of the lawsuit filed by John Russo Industrial Sheetmetal, Inc., a California corporation, dba JRI, Inc. ("JRI") against the City and County of San Francisco for \$2,100,000 and other material terms; the lawsuit was filed on June 17, 2010, in Alameda County Superior Court Case No. HG10520625, entitled JRI, Inc. v. City and County of San Francisco, et al., related to the contract for the manufacture and delivery of two Aircraft Rescue Fire Fighting vehicles for use at San Francisco International Airport ("Airport"); other material terms of said settlement include that the City will convert the prior termination of JRI's contract for default to a termination for convenience; for five years, JRI will not bid on any Airport contracts, including as a subcontractor, or challenge any Airport procurements; and the parties mutually release all claims relating to the contract or the lawsuit.

November 12, 2015 Government Audit and Oversight Committee - CONTINUED

December 03, 2015 Government Audit and Oversight Committee - RECOMMENDED AS COMMITTEE REPORT

December 08, 2015 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang, Wiener, Yee and Peskin

December 15, 2015 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 150985

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 12/15/2015 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Mayor (

Date Approved