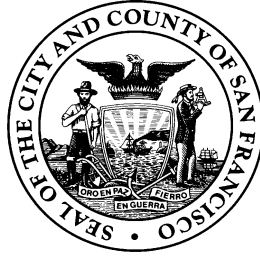


BOARD of SUPERVISORS



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

MEMORANDUM

GOVERNMENT AUDIT AND OVERSIGHT COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Gordon Mar, Chair
Government Audit and Oversight Committee

FROM: John Carroll, Assistant Clerk

DATE: April 19, 2019

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, April 23, 2019

The following file should be presented as a COMMITTEE REPORT at the Board meeting, Tuesday, April 23, 2019. This item was acted upon at the regular Government Audit and Oversight Committee meeting on Thursday, April 18, 2019, at 10:00 a.m., by the votes indicated.

Item No. 22 **File No. 190323**

Ordinance authorizing settlement of the lawsuit filed by Webcor Construction, L.P. ("Webcor") against the City and County of San Francisco for \$9,750,000; the action against the City and County of San Francisco was filed on August 15, 2017, in the Superior Court of California, County of San Francisco, Case No. CGC-16-555423, entitled Keenan Hopkins Suder & Stowell Contractors, Inc. vs. Webcor Construction LP et al.; the lawsuit involves an alleged failure to provide complete and accurate designs under the terms of a construction contract related to the San Francisco General Hospital Rebuild Program; material terms of the settlement are that the City will pay Keenan Hopkins Suder & Stowell Contractors, Inc. ("Keenan") \$9,750,000 and Webcor will pay Keenan \$5,500,000.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Gordon Mar - Aye
Supervisor Vallie Brown - Absent
Supervisor Aaron Peskin - Absent
Supervisor Sandra Lee Fewer - Aye

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

File No. 190323

Committee Item No. 10

Board Item No. 22

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: April 18, 2019

Board of Supervisors Meeting:

Date: April 23, 2019

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

- | | | |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Committee Report Request Memo - April 11, 2019</u> |
| <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: John Carroll

Date: April 11, 2019

Prepared by: John Carroll

Date: April 19, 2019

1 [Settlement of Lawsuit - Webcor Construction, L.P. and Keenan Hopkins Suder & Stowell
2 Contractors, Inc. - \$9,750,000]

3 **Ordinance authorizing settlement of the lawsuit filed by Webcor Construction, L.P.**
4 **(“Webcor”) against the City and County of San Francisco for \$9,750,000; the action**
5 **against the City and County of San Francisco was filed on August 15, 2017, in the**
6 **Superior Court of California, County of San Francisco, Case No. CGC-16-555423,**
7 **entitled Keenan Hopkins Suder & Stowell Contractors, Inc. vs. Webcor Construction LP**
8 **et al.; the lawsuit involves an alleged failure to provide complete and accurate designs**
9 **under the terms of a construction contract related to the San Francisco General**
10 **Hospital Rebuild Program; material terms of the settlement are that the City will pay**
11 **Keenan Hopkins Suder & Stowell Contractors, Inc. (“Keenan”) \$9,750,000 and Webcor**
12 **will pay Keenan \$5,500,000.**

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

15 Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby
16 authorizes the City Attorney to settle the action entitled Keenan Hopkins Suder & Stowell
17 Contractors, Inc. vs. Webcor Construction LP et al., Superior Court of California, County of
18 San Francisco, Case No. CGC-16-555423 by the payment of \$9,750,000. The lawsuit
19 involves an alleged failure to provide complete and accurate designs under the terms of a
20 construction contract related to the San Francisco General Hospital Rebuild Program. Under
21 the terms of the agreement, (1) the City will pay Keenan Hopkins Suder & Stowell
22 Contractors, Inc. (“Keenan”) \$9,750,000; (2) Webcor Construction, L.P. (“Webcor”) will pay
23 Keenan \$5,500,000; (3) within five days of payment of the settlement sum, Keenan and
24 Webcor will file with the Court a request for the dismissal of the entire legal action with
25 prejudice; and (4) the parties agree to certain specified releases.

1 Section 2. The above-named action was filed in the Superior Court of California,
2 County of San Francisco on August 15, 2017, and the following parties were named in the
3 lawsuit: plaintiff and cross-defendant Keenan Hopkins Suder & Stowell Contractors, Inc.;
4 defendant and cross-complainant Webcor Construction, L.P.; defendants Fidelity and Deposit
5 Company of Maryland, Zurich America Insurance Company, Safeco Insurance Company of
6 America, and Liberty Mutual Insurance Company; and cross-defendant City and County of
7 San Francisco.

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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:

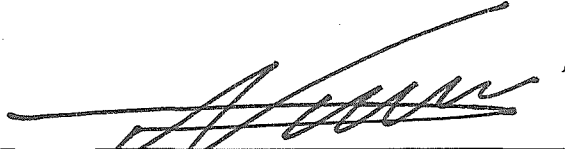
DENNIS J. HERRERA
City Attorney

 for

ELAINE M. O'NEIL
Deputy City Attorney

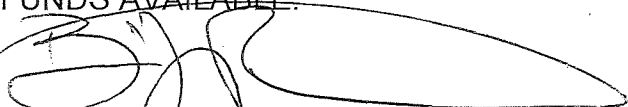
RECOMMENDED:

SAN FRANCISCO PUBLIC WORKS



MOHAMMED NURU
Director

FUNDS AVAILABLE:



BEN ROSENFELD
Controller

n:\constr\li2019\170731\01342822.docx

Member, Board of Supervisors
District 4



City and County of San Francisco


COB Dep
Leg Clerk

GORDON MAR

馬兆明

DATE: April 10, 2019

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Mar 
Chairperson

RE: Government Audit and Oversight Committee
COMMITTEE REPORT

2019 APR 11 AM 9:55
BOARD OF SUPERVISORS
SAN FRANCISCO

Pursuant to Board Rule 4.20, as Chair of the Government Audit and Oversight Committee, I have deemed the following matter is of an urgent nature and request it be considered by the full Board on Tuesday, April 23, 2019, as a Committee Report:

File No. 190323 [Settlement of Lawsuit - Webcor Construction, L.P. and Keenan Hopkins Suder & Stowell Contractors, Inc. - \$9,750,000]
Ordinance authorizing settlement of the lawsuit filed by Webcor Construction, L.P. ("Webcor") against the City and County of San Francisco for \$9,750,000; the action against the City and County of San Francisco was filed on August 15, 2017, in the Superior Court of California, County of San Francisco, Case No. CGC-16-555423, entitled Keenan Hopkins Suder & Stowell Contractors, Inc. vs. Webcor Construction LP et al.; the lawsuit involves an alleged failure to provide complete and accurate designs under the terms of a construction contract related to the San Francisco General Hospital Rebuild Program; material terms of the settlement are that the City will pay Keenan Hopkins Suder & Stowell Contractors, Inc. ("Keenan") \$9,750,000 and Webcor will pay Keenan \$5,500,000.

This matter will be heard in the Government Audit and Oversight Committee on April 18, 2019, at 10:00 a.m.

LEGISLATION RECEIVED CHECKLIST

Date 3/18/19 File Number (if applicable) _____

- Legislation for Introduction (NEW) ▶▶▶ Legislative Clerk
- Legislation Pending in Committee (AMENDED) ▶▶▶ Committee Clerk
- Legislation for Board Agenda (AMENDED) ▶▶▶ Deputy Clerk

Supervisor, Mayor, and Departmental Submittals

Grant Ordinance

- Legislation: Original, 1 hard copy, and 1 electronic copy in **Word** format
- Signature: Department Head, Mayor or the Mayor's designee, plus the Controller
- Supporting documents: 1 full set, and separate **pdf** copies of each in email
 - Cover letter (original)
 - Grant budget/application
 - Grant information form, including signed disability checklist
 - Letter of Intent or grant award letter from funding agency
 - Contract, Leases/Agreements (if applicable)
 - Ethics Form 126 (if applicable) in **Word** format
 - Other support documents as identified in the cover letter and legislation
- E-Copy of legislation/supporting documents: Sent to BOS.Legislation@sfgov.org

RECEIVED
 BOARD OF SUPERVISORS
 SAN FRANCISCO
 20 MAR 18 AM 11:56
 BY MW

Ordinance

- Legislation: Original, 1 hard copy, and 1 electronic copy in **Word** format
- Signature: City Attorney (For Settlement of Lawsuits - City Attorney, Department Head, Controller, Commission Secretary)
- Supporting documents: 1 full set, and separate **pdf** copies of each in email
 - Cover letter (original)
 - Settlement Report/Agreement (for settlements)
 - Other support documents as identified in the cover letter and legislation
- E-Copy of legislation/supporting documents: Sent to BOS.Legislation@sfgov.org

Grant Resolution

- Legislation: Original, 1 hard copy, and 1 electronic copy in **Word** format
- Signature: Department Head, Mayor or the Mayor's designee, plus the Controller
- Supporting documents: 1 full set, and separate **pdf** copies of each in email
 - Cover letter (original)
 - Grant budget/application
 - Grant information form, including signed disability checklist
 - Letter of Intent or grant award letter from funding agency
 - Contract, Leases/Agreements (if applicable)
 - Ethics Form 126 (if applicable) in **Word** format
 - Other support documents as identified in the cover letter and legislation
- E-Copy of legislation/supporting documents: Sent to BOS.Legislation@sfgov.org

Resolution

- Legislation: Original, 1 hard copy, and 1 electronic copy in **Word** format
- Signature: None (Note: Required for Settlement of Claims - City Attorney, Department Head, Controller, Commission Secretary)
- Supporting documents: 1 full set, and separate **pdf** copies of each in email
 - Cover letter (original)
 - Settlement Report/Agreement (for settlements)
 - Other support documents as identified in the cover letter and legislation
- E-Copy of legislation/supporting documents: Sent to BOS.Legislation@sfgov.org

Joy Perez 554-3869 City Attorney
 Name and Telephone Number Department