



OFFICE OF THE CITY ATTORNEY  
Long Beach, California

C-4

CHARLES PARKIN  
City Attorney

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December 4, 2018

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach,  
California

RECOMMENDATION:

Recommendation to authorize City Attorney to pay sum of \$250,000 in full settlement of lawsuit entitled *Flatiron Electric Group, Inc. v. City of Long Beach*; Los Angeles Superior Court Case No. NC060688.

DISCUSSION

This lawsuit alleges breach of contract and statutory violations related to improper retention of funds owed to a City contractor. The City signed two contracts for installation of traffic signal equipment and other work at thirty intersections. For both projects, it was claimed that the plans provided by the City were inaccurate and misleading causing delay and disruption in performing the work and requiring extra work to be performed. Also, prior to completion of the projects, two Stop Notices were served on the City related to the projects. The City failed to promptly release withheld funds leading to "prompt payment" penalties and attorney's fees.

Following a half day mediation with a specialist in construction cases, plaintiff agreed to accept \$250,000.00, inclusive of attorney's fees and costs, in full and final resolution of this matter.

The settlement was discussed in closed session, and approved, by the Economic Development and Finance Committee on November 20, 2018.

SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

CHARLES PARKIN, City Attorney

By: 

Howard D. Russell, Principal Deputy

TBZ:mmc

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