



Legislation Details (With Text)

File #: 18-1057 **Version:** 1 **Name:** CA-Settlement_Flatiron Electric Group
Type: Agenda Item **Status:** Approved
File created: 11/26/2018 **In control:** City Council
On agenda: 12/4/2018 **Final action:** 12/4/2018
Title: 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.
Sponsors: City Attorney
Indexes: Settlement
Code sections:
Attachments: 1. 120418-C-4sr.pdf

Date	Ver.	Action By	Action	Result
12/4/2018	1	City Council	approve recommendation	Pass

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.

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.

Approve recommendation.

CHARLES PARKIN
CITY ATTORNEY

BY:

HOWARD D. RUSSELL
PRINCIPAL DEPUTY