



# City of Sacramento City Council

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**Meeting Date:** 1/11/2011

**Report Type:** Consent

**Title:** Appropriation of Funds for Settlement Agreement Related to Fire Stations 20 and 30

**Report ID:** 2011-00023

**Location:** District 1 and 2

**Recommendation:** Adopt a Resolution amending the FY2010/11 Capital Improvement Program (CIP) budget by appropriating \$200,000 in 2002 CIP Bond Funds (Fund 3002) contingency to the North Sacramento Fire Station Project (Fire Station 20, F13000600).

**Contact:** Reina J. Schwartz, Director, (916) 808-7195, Department of General Services

**Presenter:**

**Department:** General Services Dept

**Division:** Facility & Real Property Mgmt

**Dept ID:** 13001511

**Attachments:**

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1-Description/Analysis  
2-Resolution

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### **City Attorney Review**

Approved as to Form  
Jerry Hicks  
1/6/2011 3:23:49 PM

### **City Treasurer Review**

Prior Council Financial Policy Approval or  
Outside City Treasurer Scope  
Russell Fehr  
12/27/2010 12:02:38 PM

### **Approvals/Acknowledgements**

Department Director or Designee: Reina Schwartz - 1/4/2011 10:27:39 AM

Assistant City Manager: Patti Bisharat - 1/6/2011 9:25:38 AM

Title: **Appropriation of Funds for Settlement Agreement Related to Fire Stations 20 and 30 (F13000600)**



**Description/Analysis**

**Issue:** On January 13, 2004, City Council adopted Resolution No. 2004-021 accepting the bid and awarding a construction contract to Clark & Sullivan Builders, Inc. for construction of Fire Stations 20 and 30. Construction of both fire stations was planned to be completed by December 2004. A number of delays occurred during the course of the project and it was actually completed by July 2005. As a result, the City has been involved in legal action with Clark & Sullivan Builders, Inc. for monetary damages related to construction delays. A settlement agreement has now been reached and appropriating funds to the Fire Station 20 project will provide sufficient funding to comply with the terms of the settlement agreement.

**Policy Considerations:** Construction of Fire Stations 20 and 30 was consistent with the City's Strategic Plan Goal to improve public safety.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** This report concerns administrative activities that do not constitute a "project" as defined by CEQA guidelines, Section 15378. The recommended action involves no physical construction and has no potential to cause a significant impact to the environment.

**Sustainability Considerations:** Not applicable

**Commission/Committee Action:** None

**Rationale for Recommendation:** Appropriating funds to the Fire Station 20 and 30 projects will provide sufficient funding to comply with the terms of the settlement agreement between the City and Clark & Sullivan Builders, Inc.

**Financial Considerations:** The 2002 CIP Bond Fund (Fund 3002) has sufficient contingency funding to appropriate \$200,000 to the Fire Station 20 project (F13000600). Upon completion of this appropriation sufficient funding will exist between the Fire Station 20 and 30 projects to comply with the terms of the settlement agreement between the City and Clark & Sullivan Builders, Inc. related to construction of the fire stations.

**Emerging Small Business Development (ESBD):** No goods or services are being purchased as a result of this report.

## **RESOLUTION NO. 2011-XXXX**

**Adopted by the Sacramento City Council**

**January 11, 2011**

### **APPROPRIATING FUNDS FOR SETTLEMENT AGREEMENT RELATED TO FIRE STATIONS 20 AND 30 (F13000600)**

#### **BACKGROUND**

- A. On January 13, 2004, City Council adopted Resolution No. 2004-021 accepting the bid and awarding a construction contract to Clark & Sullivan Builders, Inc. for construction of Fire Stations 20 and 30.
- B. The City has been involved in legal action with Clark & Sullivan Builders, Inc. for monetary damages related to construction delays. A settlement agreement has now been reached and appropriating funds to the Fire Station 20 project will provide sufficient funding to comply with the terms of the settlement agreement.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The FY2010/11 Capital Improvement Program (CIP) budget is hereby amended by appropriating \$200,000 in 2002 CIP Bond Funds (Fund 3002) contingency to the North Sacramento Fire Station Project (Fire Station 20, F13000600).