

**CITY OF HOLLYWOOD
INTEROFFICE MEMORANDUM**

TO: Mayor and Commissioners

DATE: August 8, 2018

FROM: Douglas Gonzales, City Attorney

SUBJECT: Tender and Release Agreement with Great American Insurance Company ("Surety") for settlement under Payment and Performance Bond relating to Structural Integrity Contractors, Inc. for Van Buren Street Garage

I have discussed the above Agreement with the participating Department/Office, and the proposed general business terms and other significant provisions are as follows:

- 1) Department/Division involved – Development Services/Engineering Division
- 2) Type of Agreement – Tender and Release Agreement
- 3) Method of Procurement (RFP, bid, etc.) – n/a
- 4) Term of Contract
 - a) initial – Surety will pay City within 14 days of this Agreement.
 - b) renewals (if any) – n/a
 - c) who exercises option to renew – n/a
- 5) Contract Amount – Surety will remit payment to the City in the amount of \$85,855.23 which represents the difference between the Contract Balance (\$52,121.27) and the Completion Contractor's lump sum price (\$137,976.50) as a cash settlement of the City's claim asserted against the Performance Bond.
- 6) Termination rights – n/a
- 7) Indemnity/Insurance Requirements – n/a
- 8) Scope of Services – n/a
- 9) City's prior experience with Vendor –no
- 10) Other significant provisions – In consideration of receiving the cash settlement from the Surety the City will release, acquit and forever discharge the Surety pursuant to Paragraph 6 of the Agreement. The release does not release the Surety from the Surety's obligations for any latent defects in Structural Integrity's labor, services, or materials (but not Completion Contractor's labor, services or materials) discovered after the date of this Agreement. Nor does it release the Surety's obligations for any timely and proper claims against the Payment Bond.

Further, City assigns its claims against Structural Integrity to the Surety (See Paragraph 8).

cc: Wazir A. Ismael, Ph.D., City Manager