

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	9323	Agenda Number	14.
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Meeting Date:	8/25/2011	Department:	Legal
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Subject

Approve a settlement of claims with Rodman LLC, Pacific Indemnity Company, and Traveler's Insurance Company, in connection with construction of Robert Mueller Municipal Airport, Section 5, Phases 1 and 2.

Amount and Source of Funding

Fiscal Note

Purchasing
Language:

Prior Council
Action:

For More
Information:

Boards and
Commission
Action:

MBE / WBE:

Related Items:

Additional Backup Information

In 2010, the City became aware of defective work and damage in Section 5 of Robert Mueller Municipal Airport Development with the discovery of a broken water main and the subsidence of the intersection at Threadgill and McCloskey Streets. Catellus, the City's third party development consultant for the Project, had contracted for the work on RMMA Section 5 with Rodman, LLC, a general contractor. When the City accepted the streets and utility infrastructure in Section 5, Rodman supplied the City with a Warranty and Maintenance Bond issued by Pacific Indemnity Company and the City had been named as an additional insured on Rodman's general liability coverage with Travelers Insurance Company. The City demanded that Rodman repair the defective work and damage and, when Rodman failed to do so, completed the repairs itself and initiated claims against the bonding and insurance companies. Pacific Indemnity and Travelers have offered to settle the claims and reimburse the City a portion of its costs.