

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2021-886

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: December 16, 2021

Committee(s) of Reference: F

Date of Analysis: December 16, 2021

Type of Action: Approval of legal settlement; authorization to execute settlement and release documents

Bill Summary: The bill authorizes execution of a legal settlement agreement among the City, VRL Architects, Inc., M.V. Cummings Engineers, Inc., and Trane U.S. Inc. to settle a lawsuit filed by the City and a counterclaim filed by Trane regarding the design and installation of heating, ventilation and air conditioning (HVAC) equipment at the Animal Care and Protective Services facility in 2016/17.

Background Information: VRL and M.V. Cummings designed and Trane installed a new HVAC system in the Animal Care and Protective Services building on Forrest Street which did not work properly, resulting in excessive air pressure, humidity and ammonia levels. Several modifications were attempted over the course of several years which failed to remedy the issues. The City eventually filed suit against the three companies seeking to recover damages. Because the City had not completed payments to Trane for installation of the equipment, the company countersued. Following a mediation process, all parties have agreed to a settlement under which the companies will pay the City a total of \$750,000 (\$50,000 from VRL, \$425,000 from M.V. Cummings, and \$275,000 from Trane) which will go toward the replacement of the HVAC equipment and other necessary humidity remediation steps and the parties will drop their litigation.

Policy Impact Area: Legal settlement; public building operations

Fiscal Impact: The City will receive \$750,000 from the three parties involved in the litigation.

Analyst: Clements