



City of San Antonio

Agenda Memorandum

File Number: 22-185223

Agenda Item Number: 34

Agenda Date: June 16, 2022

In Control: City Council A Session

DEPARTMENTS: Office of the City Attorney and Public Works Department

DEPARTMENT HEADS: Andy Segovia, City Attorney;
Roderick Sanchez, Assistant City Manager

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Resolving outstanding construction claims between the City of San Antonio and Guido Construction concerning renovation work at City Hall.

SUMMARY:

This item will resolve outstanding claims between the City of San Antonio and Guido Construction concerning the contract for renovation of City Hall. At the completion of the renovation project Guido Construction submitted claims for additional work tied to delays related to the COVID-19 pandemic. The City questioned the amount and also asserted Liquidated Damages claims. Both parties agreed to settle the matter without starting costly litigation. Under the settlement, the City of San Antonio will pay Guido Construction \$3,000,000.00 for work done pursuant to change orders and will waive claims for liquidated damages related to delay claims. Funding for this item shall be made available from reallocation of funding from the FY 2023 Capital Reserve to the City Hall Project.

BACKGROUND INFORMATION:

In May 2018, the City of San Antonio executed a contract with Guido Construction to serve as general contractor for the renovation of City Hall. Construction work began in August 2018 and was completed in June 2021. In July 2021, Guido submitted a claim for \$6,366,174 for work

performed above the contract price. The City asserted claims of \$1,692,000.00 in liquidated damages for delays in the project. After negotiations, the parties have agreed to resolve this claim for \$3,000,000 payable to Guido for the additional work and a waiver of the City's liquidated damages. Funding for this item shall be made available from reallocation of funding from the FY 2023 Capital Reserve to the City Hall Project.

ISSUE:

Release of funds to pay this claim require City Council approval.

ALTERNATIVES:

If this settlement is not approved by the City Council, this case will likely result in protracted and expensive litigation. It is in the best interest of the City to settle this matter to avoid the uncertainties and risks associated with litigation.

FISCAL IMPACT:

If approved, the \$3,000,000.00 will be made payable to Guido Construction to resolve outstanding construction claims concerning renovation work at City Hall. Funding for this item shall be made available from reallocation of funding from the FY 2023 Capital Reserve to the City Hall Project.

RECOMMENDATION:

The City Attorney's Office and the Public Works Department recommend approval of this item.