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Title: CONSIDER APPROVAL OF SETTLEMENT AGREEMENT BETWEEN CITY OF CARSON AND 360CIVIC IN COMPROMISE OF CONTRACT DISPUTE

Sponsors: Robert Lennox

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Attachments: 1. Exhibit 1 - C-22-007 - 360 CIVIC 2022 FEB 10.pdf, 2. Exhibit 2 - Settlement Agreement 360CIVIC.pdf

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, September 05, 2023

Consent

SUBJECT:

CONSIDER APPROVAL OF SETTLEMENT AGREEMENT BETWEEN CITY OF CARSON AND 360CIVIC IN COMPROMISE OF CONTRACT DISPUTE

I. SUMMARY

This report concerns settlement of a contract dispute between the City of Carson and 360CIVIC. Through a contract dated March 1, 2022, 360CIVIC was retained by City to develop, redesign, host and maintain City’s websites for a term of five years.

Staff is now reporting back to the City Council with the written settlement agreement for final City Council approval to resolve a contract dispute by City’s payment of \$5,000 to 360CIVIC. The settlement is consistent with what the City Council authorized in a closed session meeting held on July 18, 2023.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the Settlement Agreement Between City of Carson and 360CIVIC; and
2. AUTHORIZE the City Manager to execute the Settlement Agreement and any related

documents necessary to fully and resolve the contract dispute.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate, consistent with the requirements of the law.

IV. BACKGROUND

360CIVIC and the City of Carson entered into a Contract Services Agreement dated March 1, 2022 ("Agreement"), for 360CIVIC to develop, redesign, host and maintain City's websites for a term of five years (Exhibit No. 1). The Agreement provides for 360CIVIC to be paid for the first year of the Agreement term by City advancing \$30,387.50 upon issuance of a Notice to Proceed, which the City did advance, then making another \$30,387.50 payment only upon 360CIVIC's completion of the website redesign CMS Implementation that was a critical and material part of the services. After the City concluded that the design, navigation, and content layout of the website redesign CMS Implementation were essentially devoid of all practical functionality, on January 23, 2023, the City terminated the Agreement and directed 360CIVIC to immediately cease rendering all services.

Now there is a dispute between the parties as to their rights and obligations and each party claims it is owed monies by the other party. Staff is now reporting back to City Council with a written settlement agreement (Exhibit No. 2) providing for City to pay 360CIVIC \$5,000 in full settlement of all disputes in exchange for mutual releases, requesting approval of the settlement agreement and authorization for the City Manager to execute the agreement and any related documents to resolve the contract dispute. 360CIVIC has signed the settlement agreement.

The settlement is consistent with what the City Council authorized in a closed session meeting held on July 18, 2023.

V. FISCAL IMPACT

There is no fiscal impact for this action as the proposed settlement payment of \$5,000 is currently allocated in the Fiscal Year 2023/24 Information Technology and Security Department operating budget.

VI. EXHIBITS

1. Exhibit 1 - Contract Services Agreement Between City of Carson and 360CIVIC dated March 1, 2022. (pgs. 3-49)
2. Exhibit 2 - Settlement Agreement Between City of Carson and 360CIVIC (pgs. 50-56)

1.

Prepared by: City Attorney's Office and Dr. Robert Lennox, Assistant City Manager