



## Legislation Text

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File #: 2020-734, Version: 1

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### Report to Mayor and City Council

Tuesday, October 20, 2020

Consent

#### **SUBJECT:**

**CONSIDER APPROVAL OF A SETTLEMENT AGREEMENT BY AND BETWEEN THE CITY OF CARSON & AMERICAN GUARD SERVICES, INC. (CITY COUNCIL)**

#### **I. SUMMARY**

Presented for City Council consideration is a Settlement Agreement between the City and American Guard Services, Inc., (AGS) addressing and resolving certain issues with respect to unauthorized services performed as well as disputed amounts performed at the City's Corporate Yard. In addition, the Settlement Agreement advises that the City will pay AGS \$32,861.91 less \$10,000.00 as agreed upon.

#### **II. RECOMMENDATION**

APPROVE that certain SETTLEMENT AGREEMENT by and between the City of Carson and American Guard Services, Inc., and AUTHORIZE THE MAYOR TO EXECUTE the same following approval as to form by the City Attorney.

#### **III. ALTERNATIVES**

TAKE another action that Council deems appropriate.

#### **IV. BACKGROUND**

On May 1, 2018, the City Council awarded a three-year contract to American Guard Services, Inc. (AGS) to provide City building security services for the period of June 1, 2018 through May 31, 2021, with two additional one-year extensions at the City's sole election.

In the initial year of the contract, it was learned that AGS was performing and invoicing the City for services outside the scope of the original contract presumptively approved by City

Staff but not the City Council.

AGS contends that because City staff authorized the services, they are entitled to full payment. City contends that AGS should have known under the contract that City staff does not have authority to authorize additional services without the proper authorization provided by the City Council. A balance of \$48,486.39 has not been paid to AGS for services provided to date (\$26,989.53 in FY 19-20 and \$21,496.86 in FY 20-21) while the parties negotiated.

To avoid litigation costs, the parties have reached a settlement where \$10,000 will be deducted from the amount which will be paid to AGS.

## **V. FISCAL IMPACT**

All parties to the Settlement Agreement agree to bear their own costs and attorneys' fees in negotiating the settlement summarized above. The City saves \$10,000 in its general fund.

## **VI. EXHIBITS**

1. Settlement Agreement

1.

Prepared by: City Attorney's Office