

SUBJECT

BOARD RESOLUTION NO. 18-1913

Pertaining to a Settlement of a claim by American Blue Ribbon Holdings as subrogee regarding a loss at Bakers Square Restaurant at 2239 Ford Parkway in the City of Saint Paul, MN.

BACKGROUND INFORMATION

Staff and the Office of Risk Management is recommending that \$35,385.20 be paid to American Blue Ribbon Holdings as final settlement of a claim for property damages resulting from a directional bore excavation in July 2017 (Work Order 1700225) resulting in a claim received on September 12, 2018 of a sewer failure at 2239 Ford Parkway.

Summary of Incident and Claim

Our contractor, Quam Construction, performed the pipe installation via a trenchless method of pipe bursting that caused the damage to the sewer service at 2239 Ford Parkway in 2017. At that time, it was not known that sewer damage had been done and that a repair was needed.

On August 22, 2018 sewage backed up in the restaurant and a private sewer and water excavator was called in to investigate. Upon excavation, it was noted that the work performed in 2017 caused damage to the sewer and needed repair. The claim includes cost of repair, sewer clean out multiple times throughout year, and loss of sales.

At this time, Saint Paul Office of Risk Management recommends \$35,385.20 be paid to American Blue Ribbon Holdings as final settlement of a claim for property damage related to this incident.

RECOMMENDATION

Board approval is recommended.