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March 6, 2001

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To the Honorable Members of the
Judiciary & Legislation Committee
of the Common Council

Attn: Ronald D. Leonhardt

**Re: Resolution authorizing the settlement of *Dillingham Construction*
N.A., Inc. v. City of Milwaukee, Case No. 00-CV-010377**

Dear Committee Members:

Attached is a resolution and fiscal note settling the lawsuit of *Dillingham Construction N.A., Inc. v. City of Milwaukee*, to fill the file already opened by title only.

This case involves the performance of Department of Public Works Contract C930106 for the construction of a sewer under North 30th Street between West McKinley Boulevard and West Lisbon Avenue. The contract amount was nearly \$4 million.

This resolution authorizes the payment of an additional \$750,000 for work performed as a result of alleged changed conditions at three shaft sites, leading to the collapse of the existing sewer and other problems during the construction.

Although the City is not admitting liability, it is difficult for us to predict the outcome of a trial. In addition, the City, in trying this case, would spend considerable sums for expert

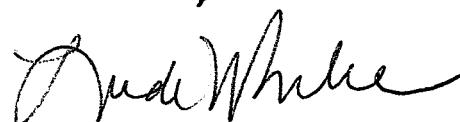
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witnesses. Therefore, this office recommends the settlement of this matter in the amount of \$750,000. We understand that \$24,586.91 still remains in the contract account and can be used to partially fund this settlement.

Very truly yours,



GRANT E. LANGLEY
City Attorney



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Assistant City Attorney

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Enclosures
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