



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: City Council Regular Session

MEETING DATE: June 3, 2025

FROM: Scott Schultz, Asst. Water Utilities Director

SUBJECT: City Council approval of, and authorization for the Mayor or City Manager to execute, the Agreement between The City of Green Cove Springs and Lexon Insurance Company, in the amount of \$300,000.00, which settles the Liquidated Damages and **existing** Latent Defects, associated with the Williams Bankruptcy, for completion of the construction of the Harbor Road Wastewater Treatment Facility (HRWWTF). *Scott Schultz*

BACKGROUND

Williams Industrial Services, LLC, was the original contractor for construction of the new HRWWTF. Williams abandoned the site and filed bankruptcy on 7/19/2023. As part of the construction contract Williams Industrial provided a Performance Bond which was underwritten by Lexon Insurance Company.

Lexon Insurance company and the City executed a Tender & Release Agreement which outlined the terms for the project construction to be assumed by Sawcross and to pass the project back to the City. At the time of the execution of the Tender & Release Agreement Liquidated Damages were to be addressed before the completion of the Project. City staff, the City Attorney, and outside counsel Albert Franson have been working on this issue since May of 2024.

On 5-27-2025, pursuant to the terms of the Tender and Release Agreement, City staff (Kennedy, Null, Schultz), the City Attorney, Jason Shepler (Mittauer) and outside counsel Albert Franson participated in Pre-Suit Mediation with Lexon representatives mediated by Chip Bachara of Bachara Construction Law Group. After over six hours of discussions the parties agreed to settle Liquidated Damages and Latent Defects to date for the sum of \$300,000.00. Any additional latent Defects that may be discovered as the project closes are not a part of the Agreement.

This settlement is dependent upon City Council approval, and final review and approval of the Agreement by City Attorney Arnold.

FISCAL IMPACT

\$300,000.00 to be placed in the appropriate Fund.

RECOMMENDATION

Approve of, and authorize the Mayor or City Manager to execute the Agreement between The City of Green Cove Springs and Lexon Insurance Company, in the amount of \$300,000.00, which settles the Liquidated Damages and **existing** Latent Defects, associated with the Williams Bankruptcy, for completion of the construction of the Harbor Road Wastewater Treatment Facility

