



City of South Gate

PRESS RELEASE

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CITY AND PSOMAS SETTLE LITIGATION

The City of South Gate and Psomas have announced a settlement of their litigation involving a contracting dispute.

“This was not a dispute over the quality of the work performed by Psomas or concerning over billing, but dealt solely with the process used for selection and payment of a subcontractor,” said City Manager Gary Milliman.

As a part of the settlement, Psomas will repay the City \$828,158 in professional fees paid in connection with a sewer system rehabilitation project which took place from 2001-2005. The City paid Psomas a total of \$4,424,721 in fees in connection with the project. In addition to the payment, Psomas will also “forgive” payment of another \$46,842 due from the City.

“Psomas did a good job for the City on this project, which involved a new technology for relining old sewer mains,” Milliman said. The total project cost was \$19 million.

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