



STAFF REPORT ACTION REQUIRED

Authority for City Solicitor to Recover Unpaid Amounts Owing for Contracted Road Work

Date:	March 14, 2008
To:	Government Management Committee
From:	City Solicitor
Wards:	All
Reference Number:	

SUMMARY

This report is to obtain ratification of all steps taken to date to initiate litigation against Bell Canada (the "Company") to recover unpaid amounts originally totalling \$296,378.70, but currently totalling \$126,787.45 as explained below, plus interest and costs owing for contracted road work.

RECOMMENDATIONS

The City Solicitor recommends that:

1. Council ratify all steps taken to date in the litigation commenced against the Company to recover unpaid amounts originally totalling \$296,378.70 owing for contracted road work, and grant authority to the City Solicitor, or her designate, to continue the litigation, to appeal any decision where warranted, to discontinue or to settle the action or claim where it is concluded that it is reasonable to do so (including authority to effect a write off of any amounts as necessary), and to execute any documents in furtherance hereto; and
2. the appropriate City Officials be authorized and directed to take the necessary action to give effect hereto.

FINANCIAL IMPACT

The Recommendations will have no financial impact beyond what has already been approved in the current year's budget.

ISSUE BACKGROUND

Between the years of 2000 and 2004, the Company contracted with the City on various occasions to have the City perform or cause to be performed certain road work on the City's roads, such as curb cut repairs, utility cut repairs and/or road restoration, the cost of which work was to be reimbursed by the Company to the City.

The contracted road work was performed. The corresponding invoices were issued but were not paid.

An action was commenced against the Company on December 15, 2006. At that time, the amount owing on the invoices by the Company was \$296,378.70, which was the amount of the claim. However, since the litigation was commenced, negotiations and further discussions have resulted in payment by the Company of all but one of the outstanding invoices that were the subject of the lawsuit. Although, when the lawsuit was commenced, \$296,378.70 was owing, the balance remaining is currently \$126,787.45. Negotiations with respect to the remaining invoice also appear fruitful. However, at this stage, that invoice and the \$126,787.45 amount have not been paid. It is recommended that Council ratify the commencement of the action and the steps taken to date, and grant authority to take such further steps as are considered necessary in the interests of the City with respect to this claim.

CONTACT

Glenn K. L. Chu, Solicitor, Legal Services Division, Tel: (416) 397-5407
Fax: (416) 397-1765, e-mail: gchu2@toronto.ca.

SIGNATURE

Anna Kinastowski
City Solicitor