

REPORT OF GENERAL MANAGER

NO. 03-71

DATE March 5, 2003

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: Release of Money Withheld Under Contract No. 2898, Downey Recreation Center - Childcare Center (#1633D)

J. Combs ___ H. Fujita ___
A. Coroalles ___ J. Kolb ___
J. Duggan ___ * B. Lukehart 1964



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

1. That the following "Conditional Waiver, Release and Assignment Forms" listed below be accepted, and that the Surety be provided a credit against funds due the City from the Surety; and
2. Provide a credit to the Surety against funds due the City from the Surety in the amount of funds previously withheld pursuant to stop notices filed by MTC Engineering, Inc. and Russell Back Hoe that have expired without being perfected.

SUMMARY:

On June 3, 1999, Gamma Constructors, Inc. was awarded Contract No. 2898 for the construction of the Downey Recreation Center - Childcare Center (#1633D). On October 4, 2000, the Department canceled its contract with Gamma Constructors, Inc., and the bonding company, Fidelity and Guaranty Insurance Company, was notified of its obligation to complete this project. During construction, Notices to Withhold Funds were filed by the claimants listed below:

<u>Claimant</u>	<u>Amount Claimed</u>
American Land Surveys	\$ 2,315.00
RIP's Backhoe Service	5,260.00
R.J. Land Associates Construction, Co.	49,209.00
United Rentals Inc.	6,760.03
Canoga Rebar, Inc.	4,141.11
Angelus Block Co., Inc.	10,730.36
Coast Concrete Cutting, Inc.	1,615.00

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MTC Engineering, Inc.	10,289.00
Russell Backhoe	2,520.00

Pursuant to the California Code of Civil Procedure, these claimants were required to perfect their Stop Notices. On October 23, 2002, the Department issued letters requesting that they advise us whether their stop notices had been perfected. On October 28, 2002, the Department received "Conditional Waiver, Release and Assignment upon Final Payment Forms" from Fidelity and Guaranty Insurance. Staff has confirmed that the following claimants have been paid.

<u>Claimants</u>	<u>Amount Paid by Surety</u>
American Land Surveys	\$ 2,315.00
Coast Concrete Cutting, Inc	1,615.00
United Rentals, Inc.	6,760.03
R.J. Land & Assoc. Const. Co.	49,209.00
RIP's Backhoe	5,260.00
Canoga Rebar, Inc.	4,141.11
Angelus Block Co., Inc.	10,730.36

MTC Engineering, Inc. and Russell Backhoe failed to perfect their stop notices as required by Civil Code Sections 3184 and 3210.

Upon the advice of the City Attorney, it is in order to release the stop notices, which releases the Board from any and all liability from withholding any monies from the surety, and credit the Surety accordingly.

Prepared by Petrona Johnson