

APPROVED  
SEP 03 2020

BOARD OF RECREATION  
AND PARK COMMISSIONERS

BOARD REPORT

NO. 20-171

DATE September 3, 2020

C.D. 5

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ROBERTSON RECREATION CENTER - (PRJ20021) (W.O. #E170266F)  
PROJECT - ACCEPTANCE OF STOP PAYMENT NOTICE AND ACCEPTANCE  
OF BOND FOR RELEASE OF STOP PAYMENT NOTICE ON CONSTRUCTION  
CONTRACT NO. 3595 FOR FORD E.C., INC.

AP Diaz	_____	S. Piña-Cortez	_____
H. Fujita	_____	*C. Santo Domingo	<u>DF</u>
V. Israel	_____	N. Williams	_____



General Manager

Approved   X  

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Direct staff to withhold the amounts claimed in the Stop Payment Notice against Ford E.C., Inc., as detailed in this Report and which is attached as Attachment 1 to this Report, plus an additional sum equal to 25% thereof, to defray any costs of litigation in the event of court action, if said amount of said funds are available, and to notify contractors, sureties, and other interested parties that the amount of said claims plus 25% will be withheld;
2. Accept the Bond for Release of Stop Payment Notice, filed by Ford E.C., Inc., general contractor for the Robertson Recreation Center - (PRJ20021) (W.O. #E170266F) (W.O. #E1907454) Project, which is attached hereto as Attachment 2 (Stop Payment Bond); and,
3. Direct the Board of Recreation and Park Commissioners (Board) Secretary to notify the contractor, surety, and other appropriate parties that the Stop Payment Bond was accepted.

SUMMARY

STOP PAYMENT NOTICE:

The Department of Recreation and Parks (RAP) is in receipt of a legal notice to withhold construction funds, pursuant to California Civil Code Section 8044 on the following contract (Attachment 1):

BOARD REPORT

PG. 2 NO. 20-171

Contract 3595 CD 5

Robertson Recreation Center - (PRJ20021) (W.O. #E170266F) Project	General Contractor: Claimant: Amount:	Ford E.C., Inc. R & J Sheet Metal, Inc. \$31,048.56
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BOND FOR RELEASE OF STOP PAYMENT NOTICE

On August 25, 2020, the Department of Recreation and Parks (RAP) received the following Bond for Release of Stop Payment Notice (Attachment 2) from Ford E.C., Inc. (Bond), which will pay amounts recovered by the Claimant under the claim specified in Claimant's Stop Payment Notice:

Contract 3595 CD 5

Robertson Recreation Center - (PRJ20021) (W.O. #E170266F) Project	General Contractor: Claimant: Amount:	Ford E.C., Inc. R & J Sheet Metal, Inc. \$38,811.00
Project Impact: None		

The Bond was filed in accordance with California Civil Code Section 9364, which states, in part, the following: "(a) A public entity may, in its discretion, permit the direct contractor to give the public entity a release bond. The bond shall be executed by an admitted surety insurer, in an amount equal to 125 percent of the claim stated in the stop payment notice, conditioned for the payment of any amount the claimant recovers in an action on the claim, together with court costs if the claimant prevails. (b) On receipt of a release bond, the public entity shall not withhold funds from the direct contractor pursuant to the stop payment notice."

FISCAL IMPACT STATEMENT

Acceptance of the Stop Payment Notice and the Bond for Release of Stop Payment Notice has no impact on the RAP's General Fund.

This Report was prepared by Harold Arrivillaga, Commission Executive Assistant II, Board Office.

LIST OF ATTACHMENT(S)

- 1.) Stop Payment Notice
- 2.) Bond for Release of Stop Payment Notice

# STOP NOTICE

## NOTICE TO WITHHOLD TO HOLDER OF FUNDS

TO: City of Los Angeles, Department of Recreation and Parks  
(Name of owner, construction lender or public officer)

221 N. Figueroa St., 5th Floor, Los Angeles, CA 90012 HOLDER OF FUNDS.  
(Address of owner or construction lender)

YOU ARE HEREBY NOTIFIED THAT the undersigned claimant,  
R & J Sheet Metal, Inc., 11614 Martens River Circle, Fountain Valley, CA 92708  
(Name and address)

has furnished or has agreed to furnish material & labor  
(labor, services, equipment, materials)

of the following kind Wall Panels, Soffit Panels, Sheet Metal Flashing & Trim, Gutters, Downspouts, Scuppers, Leaderheads  
(general description of labor, services, equipment or materials)

to or for Ford Engineering & Construction, Inc. for the work improvement, located at, or known as,  
(name of person to or for whom furnished)

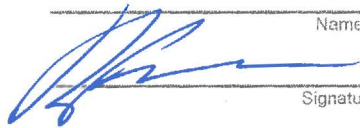
Robertson Recreation Center  
(address, legal description, description of site or project identification)

The amount in value of the whole agreed to be done or furnished by claimant is \$ 377,307.93  
 The amount in value of that already done or furnished by claimant is \$ 377,307.93  
 Claimant has been paid the sum of \$ 346,259.37, and there remains due and unpaid the sum of \$ 31,048.56  
 plus interest thereon at the rate of 5% per cent per annum from November 4th 2019

YOU ARE HEREBY NOTIFIED TO WITHHOLD SUFFICIENT FUNDS TO SATISFY THIS CLAIM WITH INTEREST.

Dated: 8-28-2020  
11614 Martens River Circle  
Fountain Valley, CA 92708  
Address of Claimant

R & J Sheet Metal, Inc.  
Name of Claimant

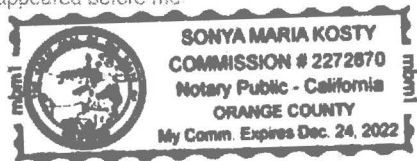
  
Signature of Claimant

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
 County of Orange

Subscribed and sworn to (or affirmed) before me on this 17th day of August,  
 20 2020 by Rocky Fleeman  
 proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me

  
Signature (Seal)



BOND NO. 7664082  
Premium: \$349.00

**BOND FOR RELEASE OF STOP NOTICE**  
**CALIFORNIA**

KNOW ALL BY THESE PRESENTS:

That we, Ford E.C., Inc.  
Zurich American INSURANCE COMPANY, a New York as Principal(s), and  
corporation authorized to transact surety business in the State of California, as Surety, are held and firmly bound unto  
City of Los Angeles, Department of Recreation and Parks  
, as Obligees, in the penal sum of  
Thirty-Eight Thousand Eight Hundred Eleven and 00/100  
(\$ 38,811.00 ) DOLLARS, lawful money of the United States of America, for the payment of which,  
well and truly to be made, we bind ourselves, our heirs, legal representatives, successors and assigns, jointly and severally, firmly  
by these presents.

WHEREAS, Principal entered into a written contract to furnish labor and/or materials or both to City of Los Angeles ,  
Department of Recreation and Parks  
in connection with the construction of certain improvements located at Robertson Recreation Center  
1641 Preuss Road, Los Angeles, CA 90035  
, and,

WHEREAS, a certain Stop Notice dated August 17, 2020 has been filed against certain funds which  
are due said Principal in connection with said contract in the amount of  
Thirty-One thousand Forty-Eight and 56/100  
(\$ 31,048.56 ) DOLLARS, by R & J Sheet Metal, Inc.  
, and,

WHEREAS, Principal disputes the correctness or validity of said Stop Notice and desires that the funds now due Principal under the provisions of said contract shall be delivered to Principal notwithstanding said Stop Notice, and,

WHEREAS, Section  3171 /  3196 of the California Civil Code requires that a bond in a penal sum equal to one and one quarter (1 1/4) times the amount of such Stop Notice be filed to secure the release of said funds.

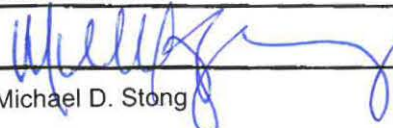
NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the Principal shall fully protect the Obligees against any loss by reason of or arising out of the acceptance of this bond, or the release of said monies, or the payment thereof to Principal, and shall pay any sum which said Stop Notice Claimant may recover on the verified claim, together with the cost of suit in the action, not exceeding the penal sum of this bond, then this obligation shall be void, otherwise to remain in full force and effect.

SIGNED AND SEALED this 17th day of August, 2020 .

Ford E.C., Inc.

By \_\_\_\_\_ Principal

Zurich American INSURANCE COMPANY

By  \_\_\_\_\_ Attorney-in-Fact  
Michael D. Stong

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Riverside )

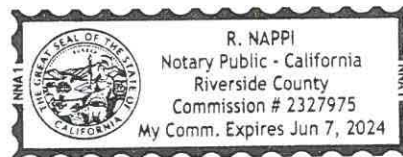
On August 21, 2020 before me, R. Nappi, Notary Public  
(insert name and title of the officer)

personally appeared Michael D. Stong,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature R. Nappi (Seal)



**ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by Robert D. Murray, Vice President, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint **Daniel HUCKABAY, Dwight REILLY, Arturo AYALA, Shaunna ROZELLE OSTROM, Frank MORONES, Ben STONG, Michael D. STONG and R. NAPPI, all of Orange, California**, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 15th day of January, A.D. 2020.



**ATTEST:**  
ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND

By: *Robert D. Murray*  
Vice President

By: *Dawn E. Brown*  
Secretary

**State of Maryland  
County of Baltimore**

On this 15th day of January, A.D. 2020, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Robert D. Murray, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn, Notary Public  
My Commission Expires: July 9, 2023