REPORT OF GENERAL MANAGER

DATE December 8, 2010

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LAFAYETTE PARK – RECREATION CENTER (W.O. #E170317F) – BOND TO RELEASE STOP NOTICE

Approved (Signature)

RECOMMENDATIONS:

That the Board:

1. Accept the Bond to Release Stop Notice, filed by Western Alta Construction, Inc., general contractor for the Lafayette Park – Recreation Center Project (W.O. #E170317F); and

2. Direct the Board Secretary to notify the contractor, surety, and other appropriate parties.

SUMMARY:

The Department received a Stop Notice filed by Arc Accucon Construction, Inc., in the amount of $201,187.05 for the subject project.

On December 3, 2010, the Department received the following Bond to Release Stop Notice, filed by Western Alta Construction, Inc.:

Contract 3237, CD 10
General Contractor: Western Alta Construction, Inc.
Stop Notice Claimant: Arc Accucon Construction, Inc.
Project Status: 98% Complete
Project Impact: None

Surety: International Fidelity Insurance Company
Amount of Bond: $251,483.85
The Bond was filed in accordance with California Civil Code Section 3196, which states, if the original contractor or subcontractor disputes the correctness or validity or enforceability of any stop notice, the public entity may, in its discretion, permit the original contractor to file with the public entity a bond executed by a corporate surety, in an amount equal to 125 percent of the claim stated in the stop notice conditioned for the payment of any sum which the stop notice claimant may recover on the claim together with his costs of suit in the action, if he recovers therein. Upon the filing of such bond with the public entity, the public entity shall not withhold any money or bonds (where bonds are to be issued in payment for the work of improvement) from the original contractor on account of the stop notice.

FISCAL IMPACT STATEMENT:

Acceptance of the Bond and release of the funds will have no impact on the Department’s General Fund, as monies were previously appropriated for this project.

This report was prepared by LaTonya D. Dean, Commission Executive Assistant.