BOARD REPORT

DATE _______________ C.D. 8

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ALGIN SUTTON RECREATION CENTER - POOL REPLACEMENT AND BATHHOUSE RENOVATION (PRJ21117) (W.O. #E170293F) PROJECT - PUBLIC HEARING ON SUBCONTRACTOR SUBSTITUTION REQUEST PURSUANT TO LOS ANGELES ADMINISTRATIVE CODE SECTION 10.14.3

AP Diaz _______ S. Piña-Cortez _______
H. Fujita _______ C. Santo Domingo _______
V. Israel _______ N. Williams _______

General Manager

Approved ____________ Disapproved ____________ Withdrawn X

RECOMMENDATIONS

1. Approve the subcontractor substitution request of USS Cal Builders (USS Cal), dated April 22, 2020, requesting that KSJV3, Inc., DBA Five Star Fence (FSF) be substituted with Melvin Wrought Iron, Inc. (MWII), as summarized in the Summary of this Report;

2. Direct USS Cal to instruct MWII to start the fabrication process of the gates and fence panels within one week of the adoption of these Recommendations by the Board of Recreation and Park Commissioners (Board);

3. Authorize the Department of Public Works, Bureau of Contract Administration (BCA) to process the requested subcontractor substitution of FSF with MWII, and if all requirements are met, approve the substitution request; and,

4. Authorize the Department of Recreation and Parks' (RAP) General Manager, or designee, to make technical corrections as necessary to carry out the intent of this Report.

SUMMARY

On January 9, 2018, the Board awarded Contract No. 3610 to USS Cal Builders, Inc. (Report No. 18-006), in the amount of $6,388,000 for the Algin Sutton Recreation Center - Pool Replacement and Bathhouse Renovation (PRJ21117) (W.O. #E170293F) Project (Project), located at 8800 S. Hoover St., Los Angeles, California 90044.
The Project’s scope of work includes the renovation of the existing bathhouse; replacing the existing pool with a new pool, construction of a new splash pad and splash pad equipment room, perimeter fencing and gates*, stadium light poles, shade structure, landscape and irrigation.

On April 22, 2020, USS Cal submitted a request to substitute its bid listed subcontractor, FSF, with MWII (Exhibit A). The Project plans and specifications included three (3) gates and fence panels to be installed at 88th Street. Per USS Cal, FSF has refused to construct and install the fence and gates. FSF insists that such work is not within the subcontractor’s scope of work under its original contract with USS Cal, and that such work should be subject to a change order with additional compensation payable to FSF. USS Cal disputes that this work is outside FSF’s scope of work for the Project.

On April 28, 2020, BCA sent a certified letter to FSF advising it of USS Cal’s request to substitute FSF as the fence and gate subcontractor for the Project and advising FSF that it has five days to file a written objection to such substitution (Exhibit B).

On May 7, 2020, USS Cal submitted a supplemental letter to its request for substitution. This correspondence included the subcontract agreement with FSF pertaining to the disputed work detailing the scope as follows (Exhibit C page 1 section 2 Scope of work):

"Section 2 - Scope of Work
Subcontractor agrees to furnish, to the satisfaction of the contractor, all equipment, materials, supplies, services, including cost of all applicable sales or use taxes, fees, permits, move-ins, etc. and labor and do all work necessary to complete the following:

Specifications:  To furnish and install: ALL Base Bid 10-foot high perimeter fence and gates per plans and specifications including but not limited to the General Requirements/Conditions, Supplementary /Special Conditions, Special provisions and Specifications. Scope includes all applicable and necessary move-ins, materials, labor and taxes to complete the work.”

Addendum: 1
Exclusions: None

On May 8, 2020, FSF emailed Art Gomez of BCA, Special Research and Investigation, protesting the substitution. The email included a copy of a prior correspondence from FSF’s attorney, the Office of Phillip H. Kwon, to USS Cal Builders stating that all subcontract work had been completed per plans and specifications, and that the disputed work is not in its subcontract. The letter also stated that payment for the remaining balance of the original contract work valued at $21,185.21 was owed to FSF (Exhibit D).
On May 12, 2020, BCA sent USS Cal and FSF certified letters advising them that a date and time for a hearing with the Board to resolve the subcontractor substitution protest would be scheduled (Exhibit E). Subsequently, RAP staff advised both USS Cal and FSF of the date and time of this public hearing before the Board.

BCA, Bureau of Engineering, and RAP staff have reviewed the documentation related to the disputed work which is the subject of USS Cal’s subcontractor substitution request. Based on this review, BCA, Bureau of Engineering, and RAP staff recommend that the Board approve USS Cal’s request to substitute FSF with MWII and that the Board adopt staff’s recommendations as set forth in this Report.

This Report was prepared by Alex Ngo, Project Manager, Department of Public Works, Bureau of Engineering, Architectural Division; Seffy Wiles, Chief Construction Inspector, Bureau of Contract Administration, Neil Drucker, Assistant Division Head/Proposition K Program Manager, Architectural Division; and Darryl Ford, Superintendent, Planning, Maintenance and Construction Branch.

LIST OF ATTACHMENT(S):

1. Exhibit A – Copy of USS Cal’s Substitution Request dated April 22, 2020
2. Exhibit B – Copy of 5-day Certified Letter to FSF dated April 28, 2020
3. Exhibit C – Copy of USS Cal’s supplemental letter dated May 7, 2020
4. Exhibit D – Copy FSF Email dated May 8, 2020 protesting the substitution and its attorney’s letter dated January 16, 2020, respectively.
5. Exhibit E – Copies of letters dated May 12, 2020 advising USS and FSF of hearing date.
REQUEST APPROVAL OF SUBCONTRACTOR SUBSTITUTION

April 22nd, 2020

John L. Reamer, Jr.
Inspector of Public Works
1149 S. Broadway Street, Suite 300
Los Angeles, CA 90015

Attention: Chris Smith, Assistant Director
Bureau of Contract administration

Reference: City of Los Angeles
Algin Sutton Recreation Center (PRJ 2117)
W.O. #E170293F

Subject: Request for Consent to Substitution of Five Star Fence

Dear Chris,

We are requesting the City’s approval on the subcontractor substitution per below information.

1. Project Name: Algin Sutton Recreation Center
2. Project Work Order Number: E170293F
3. Original Subcontractor’s Name: Five Star Fence
4. Original Subcontractor’s Business Address: 13477 Louvre Street, Pacoima, CA 91331
5. Original Subcontractor’s Business Phone Number: (818) 890-0500
6. Original Subcontractor’s State of California Contractor License Number: 1022201
7. Original Subcontractor’s Status: SBE
8. Original Subcontractor’s City of Los Angeles BTRC No.: 3000973-0001-5
9. Original Subcontractor remaining scope: Fences and Gates
10. Dollar Amount of Work to be Performed by Original Subcontractor: disputed scope approx. $59,000.00
11. Letter of Withdrawal from Original Subcontractor: see attached notices, Exhibits “B” and “C”
12. Letter of Explanation from the Prime Contractor stating reason(s) for request: Exhibit “A”
13. Substitute Subcontractor’s Name: Melvin Wrought Iron Inc.
14. Substitute Subcontractor’s Business Address: 10803 Fremont Avenue, Ontario, CA 91762
15. Substitute Subcontractor’s Business Phone Number: (909) 364-0892
16. Substitute Subcontractor’s State of California Contractor License Number: 1036078
17. Substitute Subcontractor’s Status: None
18. Substitute Subcontractor’s City of Los Angeles BTRC No. 0003191745-0001-7
19. Dollar Amount of Work to be Performed by Substitute Subcontractor: $59,000.00
20. Description of Work to be Performed by Substitute Subcontractor: Fence & Gate along 88th Street

Thank you.

Sincerely yours,

Sharon Espinosa Sweeney
Project Controls Manager

cc: Rabih El Zein, Senior Vice President
J304@usscalbuilders.com
April 22nd, 2020

John L. Reamer, Jr.
Inspector of Public Works
1149 S. Broadway Street, Suite 300
Los Angeles, CA 90015

Attention: Chris Smith, Assistant Director
Bureau of Contract administration

Reference: City of Los Angeles
Algin Sutton Recreation Center (PRJ 2117)
W.O. #E170293F

Subject: Request for Consent to Substitution of Five Star Fence

Dear Chris,

The purpose of this correspondence is to request the substitution of Five Star Fence ("FSF") out of Algin Sutton Recreation Center Project (the "Project") on the disputed scope of work i.e. fence and gate along 88th Street.

Pursuant to Public Contract Code Section 4107(a)(3), When the listed subcontractor fails or refuses to perform his or her subcontract.

Please note that FSF is being nonresponsive and is in default per 48-hour notice (Exhibit "B") and 24-hour notice (Exhibit "C"), due to this and so as to not delay the Project, USS Cal Builders therefore requests that the Awarding Agency consent to the substitution of FSF with Melvin Wrought Iron Inc., find attached GFE (Exhibit "D").

Please be informed that USS CAL Builders Inc. has evaluated this matter thoroughly and we believe that the decision was made for the benefit of everyone at the Project especially the City. As an agent of the City of Los Angeles, please forward this request to the appropriate party so as to effectively procure their consent.

Thank you.

Sincerely yours,

__________________________
Sharon Espinosa Sweeney
Project Controls Manager

cc: Rabih El Zein, Senior VP of Operations
J304@usscalbuilders.com
48-HOUR NOTICE

January 14th, 2020

Sent via email: yushiengx@shewnterprise.com

Five Star Fence
13477 Louvre Street
Pacoima, CA 91331
License no. 1022201

Attention: Yusheng Shew

Project: City of Los Angeles
Algin Sutton Recreation Center (PRJ 2117)
W.O. #E170293F

Re: Fence and Gates at 88th Street

Gentlemen,

Since Five Star Fence ("Five Star") had failed to install the fence and gates along 88th Street called out per plans scope, Five Star is hereby directed to do so within forty-eight (48) hours for the above-referenced project (i.e. Algin Sutton Recreation Center). Failure by Five Star to accomplish this directive will translate to a breach in the Contract agreement terms and conditions for not adequately performing the work in a manner that would most expeditiously facilitate the completion of the project. Be advised that Five Star has forty-eight (48) hours from the receipt of this letter to complete work in pursuant to Public Contract Code Section 4107.

If Five Star fails to cure its default within the above-specified forty-eight (48) hours, Five Star will be considered non-responsive, and USS Cal Builders will move forward per the requirements as set forth in the subcontract agreement and as allowed by law to mitigate the damages including any and all delays caused by Five Star. Moreover, Five Star will be liable for all delays and damages caused by ignoring our requests, and USS Cal will proceed notifying your bonding company to complete the said scope of work as part of your contractual obligations.

USS Cal Builders, Inc. will withdraw the forty-eight (48) hour notice only if within that period of time Five Star has cured the default.

Sincerely,

Rabih El Zein
Senior Vice President
24-HOUR NOTICE

January 16th, 2020

Five Star Fence
13477 Louvre Street
Pacoima, CA 91331
License no. 1022201

Attention: Yusheng Shew

Project: City of Los Angeles
Algin Sutton Recreation Center (PRJ 2117)
W.O. #E170293F

Re: Fence and Gates at 88th Street

Gentlemen,

Since Five Star Fence ("Five Star") had failed to install the fence and gates along 88th Street called out per plans scope, Five Star is hereby directed to do so within twenty-four (24) hours for the above-referenced project (i.e. Algin Sutton Recreation Center). Failure by Five Star to accomplish this directive will translate to a breach in the Contract agreement terms and conditions for not adequately performing the work in a manner that would most expeditiously facilitate the completion of the project. Be advised that Five Star has twenty-four (24) hours from the receipt of this letter to complete work in pursuant to Public Contract Code Section 4107.

If Five Star fails to cure its default within the above-specified twenty-four (24) hours, Five Star will be considered non-responsive, and USS Cal Builders will move forward per the requirements as set forth in the subcontract agreement and as allowed by law to mitigate the damages including any and all delays caused by Five Star. Moreover, Five Star will be liable for all delays and damages caused by ignoring our requests, and USS Cal will proceed notifying your bonding company to complete the said scope of work as part of your contractual obligations.

USS Cal Builders, Inc. will withdraw the twenty-four (24) hour notice only if within that period of time Five Star has cured the default.

Sincerely,

[Signature]

Rabih El Zein
Senior Vice President

cc: Ted Lee, Tutton Insurance Services
Ref. Bond No. J00405740
2913 S. Pullman Street
Santa Ana, CA 92706
<table>
<thead>
<tr>
<th>NAME</th>
<th>ADDRESS</th>
<th>PHONE</th>
<th>CERTIFICATION</th>
<th>EMAIL ADDRESS</th>
<th>EMAIL OUTREACH</th>
<th>FOLLOW UP EMAIL</th>
<th>REMARKS</th>
<th>FINAL STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>IN-LINE FENCE AND RAIL CO INC</td>
<td>P O BOX 2637 RAMONA, CA</td>
<td>(760) 789-0282</td>
<td>DBE</td>
<td><a href="mailto:estimating@inlinerail.com">estimating@inlinerail.com</a></td>
<td>Initial Invt. 04.14.20</td>
<td>WOW! You guys are still in business?</td>
<td>Not interested</td>
<td>Not interested</td>
</tr>
<tr>
<td>TROY'S ORNAMENTAL IRON FABRIC INC</td>
<td>8150 ELECTRIC AVE. STANTON, CA</td>
<td>(949) 587-9604</td>
<td>SBE</td>
<td><a href="mailto:eikla@troyironcraft.com">eikla@troyironcraft.com</a></td>
<td>Initial Invt. 04.14.20</td>
<td>No response</td>
<td>Sent a follow up email 04.16.20</td>
<td>Elica Called 04/16/20, might be interested, will get back shortly to confirm.</td>
</tr>
<tr>
<td>ACE FENCE CO</td>
<td>15135 SALT LAKE AVE. CITY OF INDUSTRY, CA</td>
<td>(626) 315-0717</td>
<td>DBE</td>
<td><a href="mailto:estimating@acefencecompany.com">estimating@acefencecompany.com</a></td>
<td>Initial Invt. 04.14.20</td>
<td>No response</td>
<td>Sent a follow up email 04.16.20</td>
<td>Not interested</td>
</tr>
<tr>
<td>TEAM WEST CONTRACTING CORP</td>
<td>2733 VISTA AVE. BLOOMINGTON, CA</td>
<td>(951) 340-3426</td>
<td>SBE, DVBE</td>
<td><a href="mailto:joseph@twc-corp.com">joseph@twc-corp.com</a></td>
<td>Initial Invt. 04.14.20</td>
<td>No response</td>
<td>Sent a follow up email 04.16.20</td>
<td>Not interested</td>
</tr>
<tr>
<td>GOLD STAR FENCE INC</td>
<td>1422 SAGEBRUSH AVE. SAN JACINTO, CA</td>
<td>(951) 426-9402</td>
<td>SBE</td>
<td><a href="mailto:luis@goldstarfence.net">luis@goldstarfence.net</a></td>
<td>Initial Invt. 04.14.20</td>
<td>No response</td>
<td>Sent a follow up email 04.16.20</td>
<td>Not interested</td>
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<tr>
<td>QUALITY FENCE CO INC</td>
<td>14929 GARFIELD AVE. Paramount, CA</td>
<td>(626) 585-8585</td>
<td>SBE</td>
<td><a href="mailto:maria.m@qualityfencesocal.com">maria.m@qualityfencesocal.com</a></td>
<td>Initial Invt. 04.14.20</td>
<td>No response</td>
<td>Sent a follow up email 04.16.20</td>
<td>Not interested</td>
</tr>
<tr>
<td>DEFENCE COMPANY</td>
<td>14528 LOS ANGELES ST. BALBOA PARK, CA</td>
<td>(626) 338-2288</td>
<td>SBE</td>
<td><a href="mailto:defenceco@gmail.com">defenceco@gmail.com</a></td>
<td>Initial Invt. 04.14.20</td>
<td>No response</td>
<td>Sent a follow up email 04.16.20</td>
<td>No response</td>
</tr>
<tr>
<td>FENCECORP INC</td>
<td>111 N MAIN ST. RIVERSIDE, CA</td>
<td>(951) 685-4170</td>
<td>NONE</td>
<td><a href="mailto:a.said@fencecorp.us">a.said@fencecorp.us</a></td>
<td>Initial Invt. 04.14.20</td>
<td>No response</td>
<td>Sent a follow up email 04.16.20</td>
<td>Not At This Time per Al Said (Email) 04.16.20</td>
</tr>
<tr>
<td>MELVIN WROUGHT IRON INC</td>
<td>10803 Freeport Avenue, Ontario, CA 91762</td>
<td>(909) 364-6892</td>
<td>NONE</td>
<td><a href="mailto:melviniron@hotmail.com">melviniron@hotmail.com</a></td>
<td>Initial Invt. 04.14.20</td>
<td>Interested</td>
<td>Sent a follow up email 04.16.20</td>
<td>Interested</td>
</tr>
<tr>
<td>CROWN FENCE</td>
<td>12118 BLOOMFIELD AVE. SANTA FE SPRINGS, CA</td>
<td>(562) 824-0729</td>
<td>NONE</td>
<td><a href="mailto:pgarcia@crownfence.com">pgarcia@crownfence.com</a></td>
<td>Initial Invt. 04.14.20</td>
<td>No response</td>
<td>Sent a follow up email 04.16.20</td>
<td>No response</td>
</tr>
</tbody>
</table>
KSJV3, Inc. dba Five Star Fence  
Attention: Yusheng Shew  
13477 Louvre Street  
Pacoima, CA  91331

Dear Mr. Shew:

ALGIN SUTTON RECREATION CENTER - POOL REPLACEMENT AND BATHHOUSE RENOVATION (PRJ21117) PROJECT  
W.O. E170293F

In a letter received by this office on April 22, 2020, USS Cal Builders, Inc., the prime contractor on the above referenced project, requested approval to substitute your company as the fence and gate subcontractor for this project. According to USS Cal Builders, Inc., your company has been non-responsive to their attempts to contact you and this substitution is necessary to prevent further delays.

You have five (5) working days to file a written objection to this substitution with this office. If no such objection is filed, the substitution will be recommended for approval to the Board of Recreation and Parks.

If you have any questions please contact Arturo Gomez at (213) 847-2409.

Sincerely,

JOHN L. REAMER, JR.  
Inspector of Public Works  
By

SEFFY WILES, Chief Construction Inspector  
General Services Division

AG-lg  
ProjCoot\algin Sutton Five Star Fence 5 Day.ltr
cc: Bureau of Engineering, EED, MS 623
KSJV3, Inc. dba Five Star Fence  
Attention: Yusheng Shew  
13477 Louvre Street  
Pacoima, CA 91331

Dear Mr. Shew:

ALGIN SUTTON RECREATION CENTER - POOL REPLACEMENT AND BATHHOUSE RENOVATION (PRJ21117) PROJECT  

This office has received your written objection to the proposal submitted by USS Cal Builders, Inc. to substitute your company as the fences and gates subcontractor for the above reference projects. You will be advised of the date and time of a hearing with the Board of Recreation and Parks Commissioners to resolve this matter.

If you have any questions please contact Arturo Gomez at (213) 847-2409.

Sincerely,

JOHN L. REAMER, JR.  
Inspector of Public Works  
By

SEFFY WILES, Chief Construction Inspector  
General Services Division
May 7th, 2020

John L. Reamer, Jr.
Inspector of Public Works
1149 S. Broadway Street, Suite 300
Los Angeles, CA 90015

Attention:  Chris Smith, Assistant Director
Bureau of Contract administration

Reference:  City of Los Angeles
Algin Sutton Recreation Center (PRJ 2117)
W.O. #E170293F

Subject:  Five Star Fence

Dear Chris,

As a supplement to our correspondence dated April, 22nd, 2020 RE: Request for Consent to Substitution of Five Star Fence, this is to further assert our position that the scope that Five Star Fence is disputing is in fact part of the contract that they signed.

Please see attached and reference the Signed subcontractor agreement as it pertains to the scope of work wherein it says per plans and specs. See attached Exhibit A

Aside from any other part of the contract documents including but not limited to the plans and specifications, in addendum 1, you will find reference to the following which will take you to the work that Five Star Fence is refusing to perform.

- G-0.0  See attached "Exhibit B"
- A-0.1  See attached "Exhibit C"
- A-8.04 See attached "Exhibit D"
- S5.1/details 10 and 13 as noted on G-0.0  See attached "Exhibit E"

Addendum 1 items that are relevant (attached is the snip of all items including the below):

- Item 1- where it states to replace G-0-0- where it states under description of the work Bid Alternates: “PROVIDE CUSTOM CANTILEVER TUBE STEEL FENCE (A-8.03, AND 14, 15/S5.1), IN LIEU OF CUSTOM PICKETT STEEL FENCE (10, 13/S5.1).” See attached “Exhibit B1”
- Item 9- where it states to replace A-01 & A-02  See attached "Exhibit F"
• Item 11- Replace A-8.01,03,04,05, see attached highlighted page. Again, PROVIDE CUSTOM CANTILEVER TUBE STEEL FENCE (A-8.03, AND 14, 15/S5.1), IN LIEU OF CUSTOM PICKETT STEEL FENCE (10, 13/S5.1). See attached "Exhibit F"

• Item 12- Replace S5.1- the details noted on the above reference, you will see that the two details noted above (10 and 13) and specifically for the base bid, it is noted right on the drawings. Attached a snip of the page for reference. See attached "Exhibit G"

We hope that the City finds a resolution to this dispute soon as we are trying to complete the work on site and demobilize.

Thank you.

Sincerely yours,

__________________________
Rabih El Zein
Sr. Vice President

cc: J304@usscalbuilders.com
GENERAL CONTRACTOR'S - SUBCONTRACT AGREEMENT

This SUBCONTRACT AGREEMENT is made this 21st day of February, 2018, by and between Five Star Fence located at 13477 Louvre Street, Pacoima, CA 91331, hereinafter called the "Subcontractor", and USS Cal Builders, Inc. located at 8051 Main Street, Stanton, California 90680, hereinafter called the "Contractor".

Section 1 - General Contract

Contractor entered into a General Contract with Department of Recreation and Parks, Los Angeles City, Department of Public Works, Bureau of Engineering (the "General Contract"), located at 1149 South Broadway, Suite 830, Los Angeles, CA 90015, hereinafter called the "Owner", for the construction of:

PROJECT: ALGIN SUTTON RECREATION CENTER
Bid Package #PRJ 21117 (W.O. #E1702938)

in accordance with the Drawings, Specifications and Conditions prepared by LEHRER ARCHITECTS LA, INC. located at 2140 Hyperion Avenue, Los Angeles, CA 90027, hereinafter called the "Architect/Engineer". The General Contract is incorporated into this Agreement by reference. It is Subcontractor's obligation to review and make copies of all pertinent sections of the General Contract and any changes to or directives concerning the General Contract. It is Contractor's obligation to provide access to the General Contract and any and all changes to or directives concerning the General Contract received from the Owner or Architect. With respect to the subcontract work, the rights and obligations of Subcontractor to the Contractor are identical to the rights and obligations of the Contractor to the Owner and the rights and obligations of the Subcontractor are identical to the rights and obligations of the Owner to the Contractor. If there is a conflict between the terms of the General Contract and the terms of this Subcontract, the Subcontract prevails.

Section 2 - Scope of Work

Subcontractor agrees to furnish, to the satisfaction of the Contractor, all equipment, materials, supplies, services, including cost of all applicable sales or use taxes, fees, permits, move-ins, etc., and labor and do all work necessary to complete the following:

SPECIFICATIONS: To Furnish and Install: ALL Base Bid 10-foot high perimeter fence and gates per plans and specifications including but not limited to the General requirements/Conditions, Supplementary/ Special Conditions, Special Provisions and Specifications. Scope includes all applicable and necessary move-ins, materials, labor and taxes to complete the work.

ADDENDUM: 1
EXCLUSIONS: None.

Subcontractor will perform the work of this subcontract within the time frames outlined in the schedule prepared by the Contractor. Subcontractor shall be responsible for the quality control and timely submission of Shop Drawings. Subcontractor shall submit a list of all of their suppliers and any other sub-tier contractors utilized in this project, if any.

Section 3 - Extra Work

The right of the Contractor to change adds to and delete from the subcontract work, the Subcontractor's duty to perform such changed or extra work, and the modification, if any in the contract price, as a result thereof, shall be governed by the applicable provisions of the General Contract. If the provisions of the General Contract require Contractor to file, within a specified time period, notices, claims or other documents with the Owner is order to receive compensation for extra or changed work, the Subcontractor shall supply these to the General Contractor so as to allow Contractor to timely file them.

Subcontractor agrees not to perform any extra or change order work without written authorization from the Contractor, specifically the Senior Project Manager of said project, and not the Project Manager or Superintendent of said project, and further agrees that it shall be entitled to no compensation for extra or change order work performed without such written authority.

If the method or amount of payment cannot be agreed prior to performing the changed/extra work, the Contractor may unilaterally issue a change order in the amount determined reasonable by the Contractor for the changed/extra work and direct the Subcontractor to proceed immediately. The Contractor also has the option to issue a change order directing the work be done on a time and materials basis with the Subcontractor providing all labor, equipment, and materials necessary to complete the work in a satisfactory manner and within a reasonable period of time. Any dispute shall be resolved pursuant to this Section and Section 5.

If the Contractor contends that work is within the Subcontract work and the Subcontractor contends it is not, Subcontractor shall perform the work upon the Contractor's written order to do so and the dispute shall be resolved.
pursuant to this Section and Section 5.

Section 4 - Independent Investigation

Subcontractor represents that it is best qualified to analyze the plans and specifications and inspect the job site with respect to physical conditions impacting its work and that it has entered into this Subcontract based upon such analysis and inspection and not based upon any representations or statements of Contractor concerning those conditions.

It is clearly understood and specifically agreed that no estimate or bid of Subcontractor preceding this Subcontract, and no verbal agreement or conversation with any representative of Owner, Architect or Contractor, either before or after the execution of this Subcontract, shall affect or modify any of the terms or obligations contained herein.

Section 5 - Claim Procedure

5.A. Subcontractor’s Claims:

Requirements for Notice and Backup

Subcontractor must immediately notify Contractor in writing of any and all claims within ten (10) calendar days of the discovery of such claims. Contractor will not be liable for any claim made by Subcontractor including, but not limited to, any loss of efficiency, loss of productivity, delay, disruption or the like, unless Subcontractor has submitted either (a) a formal change order request, or (b) given written notice of a potential claim, no more than ten (10) calendar days after either (a) the first day upon the discovery of an actual claim, or (b) the happening of any event giving rise to such claim or potential claim. Contractor agrees to respond to the change order request within a reasonable amount of time. If subcontractor fails to reduce its notice of potential claim to an actual change order request within 10 days of the time it has completed its work, Subcontractor waives its right to pursue that claim.

Continued Notice Required

After submitting a change order request or notice of potential claim as required above, Subcontractor must continue to give written notice to Contractor of its desire to continue to pursue any change order request or potential claim every thirty (30) days until the issue is resolved. If the 30-day notice is not provided, the Subcontractor will waive its claim.

Content of Claims

The change order request or potential claim notice must contain all backup documentation, which supports and quantifies the claim, to the satisfaction of the contractor and client. Subcontractor agrees that failure to supply the backup will relieve Contractor of any obligation to respond or approve the claim, and the claim will be considered waived.

5.B. Claims by Subcontractor Involving the Owner

If Subcontractor claims that it is entitled to any additional payment or compensation arising out of acts or omissions by the Owner, or Owner’s representatives, or if Subcontractor disputes any determination made by Owner or Owner’s representatives, Subcontractor must comply with the claim procedures or dispute resolution requirements contained in the Prime Contract, at Subcontractor’s sole cost and expense. Subcontractor must also comply with all claim and notice requirements required under this Subcontract Agreement’s claim procedures, including those under section 5.a.

Subcontractor must prepare and prosecute a claim on Contractor’s behalf, naming Contractor as the Claimant, in the format required under the Prime Contract. Subcontractor must comply with any applicable Government Code Sections or Public Contract Code Sections.

Subcontractor’s Presentation of Owner-Related Claims

Subcontractor at its sole cost and expense will retain a claims consultant, attorney, or other qualified person, who will prepare the claim on behalf of Contractor and present the claim to the Owner. Such person, together with a representative of Contractor, will act jointly as Contractor’s representative in all dealings with the Owner relative to such claim. The Owner’s determination of any such claims will be binding on the Subcontractor.

Subcontractor Claims

Contractor is under no obligation to resolve Subcontractor’s claims that relate to the Owner until the time that Owner renders a determination on those claims. Subcontractor agrees that the Contractor has the option to stay any legal action (whether in court or arbitration) that Subcontractor pursues to enforce its claims until both of the following have occurred: (a) the Owner has made a decision on the claim, and (b) all claim procedures that apply to the Subcontractor’s claims involving the Owner have been reasonably exhausted.

Disputes by the Subcontractor with Acts, Omissions, or Decisions of the Owner

If Subcontractor disputes the decision or disposition of its claims by Owner, Subcontractor will comply with any and all applicable claim procedures as outlined above. To pursue any such dispute if it chooses, Subcontractor must retain a qualified attorney to either (a) prepare a request for arbitration on behalf of Contractor in accordance with the provisions of the Prime Contract, if permissible under the Prime Contract, or (b) prepare and file an action on
behalf of Contractor. Such attorney will jointly represent Contractor and Subcontractor and be charged with prosecuting the arbitration or action. Such arbitration or court action shall indicate Contractor as the Plaintiff because of the lack of privity of contract between Subcontractor and Owner. All such proceedings shall be conducted by Subcontractor’s attorney with cooperation of contractor and at the sole cost and expense of Subcontractor. If during the course of representation, it becomes reasonably apparent that Subcontractor’s attorney is not adequately representing the interests of either Subcontractor or Contractor, Contractor, under its sole discretion, may request a substitution of counsel or retain independent counsel to represent Contractor’s interests, at the expense of the Subcontractor. Subcontractor shall hold harmless and indemnify Contractor against all costs of arbitration, suit, attorney’s fees, adverse judgments, and other items of expense, including expert fees, connected with such proceedings, and Contractor shall have the right to demand that Subcontractor deposit with Contractor, as security against any loss of damage by Contractor in connection with any portion of the claim procedure, a reasonable amount which Contractor deems sufficient for such purpose. Failure of Subcontractor to post such security shall give Contractor the right to terminate any proceedings then pending upon such terms as Contractor deems proper, and Subcontractor waives any and all claims against Contractor by reason of such termination of proceedings.

Recovery by Subcontractor
Subcontractor will pay to Contractor 15% of any amount approved or allowed by Owner, or recovered through arbitration or court, in connection with any such claim or contention presented on behalf of Subcontractor. That amount is for Contractor’s overhead, bond premium, profit and work performed by Contractor in processing or presenting the Subcontractor’s claims. That amount, if not directly paid by Subcontractor, may be withheld by Contractor from the Subcontractor. If Subcontractor, for any reason, chooses not to, or fails to pursue a claim against the Owner, or fails to follow the claim procedures outlined under this Subcontract, then Contractor may pursue the claim on Contractor’s own behalf and for Contractor’s sole benefit.

5.C. Arbitration and Court Action for Claims or Breach of the Agreement:

Mediation Required
Prior to the initiation of any court action or arbitration, the parties will first attend mediation. The parties agree that mediation is a condition precedent to filing any court action or arbitration under this agreement unless both parties consent in writing to waive the requirement to attend mediation.

If an action is initiated by or against a third-party (other than the Owner), and also involves the Owner, Contractor, or any of its sureties, then the Contractor shall have the exclusive option to seek mediation as required above so that it can file a cross-complaint or cross-claim against the Subcontractor if necessary. Subcontractor, however, will not retain the option to seek mediation.

Option to Compel Arbitration is Held Only by Contractor
If any dispute arises between Contractor and Subcontractor pertaining in any manner to the construction or interpretation of this Agreement, or to the rights or obligations of the parties under this Agreement, or to the breach of the Agreement, which the parties are unable to settle by mutual agreement, Contractor shall have the exclusive option to have the dispute determined either by court action, or by arbitration. Contractor shall exercise that option by commencing a court action or by commencing an arbitration proceeding. If Subcontractor first commences a court action with respect to the dispute which contractor desires to have determined through arbitration, Contractor shall have the right to compel Arbitration and have the Subcontractor-initiated court action stayed for such reasonable time as is required for either Party to commence and complete the arbitration proceeding. Subcontractor may not first commence an Arbitration proceeding without the clear written consent of Contractor. If that written consent from Contractor is not provided, then no arbitration service may initiate a case pursuant only to the Subcontractor’s request for arbitration.

Right to Attorneys’ Fees
The prevailing party (as determined by the court or arbitrator(s)) will be entitled to reasonable attorney fees and costs from the other party in an amount to be fixed by the court or arbitrator(s). The arbitrator(s) or court in any proceeding shall have the right to allocate fees and costs between the parties or to charge all of such fees and costs to one party, as the court or arbitrator(s) shall deem just.

Judgment upon the award in any arbitration proceeding may be entered in any court having jurisdiction over either party.

Section 6 - Performance
Subcontract performance shall start, continue and be completed in accordance with schedules of work furnished by Contractor as amended from time to time. Time is of the essence of the Subcontract. The starting date of the work as established by the General Contract is 7th day of March, 2018, and the allotted time for completion of this contract is FOUR HUNDRED FIFTY (450) CALENDAR DAYS. The Subcontractor’s work will commence upon notice of the General Contractor and shall proceed so as not to delay the progress of the General Contractor or any other Subcontractor, this includes but not limited to Subcontractor sub-tier scheduling and coordination. Subcontractor supplier coordination, Subcontractors’ man power coordination, Subcontractor caused delays due to submittals, Subcontractors’ non-payment due to Subcontractor not providing required contract documents and noncompliance, etc.
Should the Subcontractor, by his negligence or his failure to properly expedite his work, be entirely or partially responsible for the Owner taking over the work or a portion of the work or the assessment of damages, including but not limited to liquidated damages, as provided under the terms of the General Contract, Subcontractor hereby agrees to repay the Contractor his proportionate share of any additional expense occasioned by the Contractor by such action. Subcontractor shall cause no hindrance or delays to other contractors or subcontractors on said construction work and will bear all damage done to the work of such other contractors by his employees. If the material herein called for is not delivered promptly, thereby causing or threatening to cause delay in general progress of the work, the Contractor shall have the right to investigate the cause of said delay and expedite deliveries, and all expense thus incurred by the Contractor shall be charged to and paid by the said Subcontractor.

Subcontractor’s right to an extension of time or damages for delays caused by Owner are governed by and limited by General Contract. If the provisions of the General Contract require Contractor to file within specified time periods, notices, claims or other documents with the Owner, in order to receive compensation or an extension of time for delay, the Subcontractor shall supply these to the Contractor so as to allow Contractor to timely file them with the Owner. Subcontractor shall pay all costs and expenses, including attorney’s fees, related to the presentation and prosecution of such claims. Subcontractor’s sole remedy shall be to receive the dollar amount or time extension received by the Contractor from the Owner with respect to such claims.

Section 7 - Guarantee

The Subcontractor agrees to guarantee its work in accordance with and for the period of the Contractor’s guarantee to the Owner for the Subcontract work as provided for in the General Contract and as established by law.

Section 8 - Indemnity

To the fullest extent permitted by law, Subcontractor agrees to indemnify, defend and save harmless Contractor and Owner from and against any and all claims, debts, demands, damages, judgments, awards, losses, liabilities, interest, attorneys’ fees, costs and expenses of any kind at any time arising out of or in any way connected with the Subcontractor’s scope of work under this Subcontract Agreement including transportation of men and equipment and/or materials to and from the site of the work. This clause will apply, but not be limited, to the following:

i. Claims relating to the infringement or violation of patent rights;

ii. Claims relating to personal injury and wrongful death including claims by Subcontractor employees or their heirs and representatives;

iii. Claims for destruction of, injury to or loss of use of real or personal property including property of the Owner or Contractor;

iv. Mechanic’s lien claims, stop notice claims and claims against any bond furnished with respect to the contract work with Contractor as principal;

v. Claims for taxes, permits, license fees, fines, penalties, and/or union contributions, allowances or deductions;

However, this section shall not indemnify Contractor or Owner from loss, damage or expense attributable to a finding of active negligence, Sole Negligence or Willful Misconduct of Contractor or Owner. The indemnity obligations of Subcontractor hereunder shall be for the portion or percentage of liability not attributable to the active negligence or willful misconduct of the Contractor or Owner. The indemnity set forth in this Section shall not be limited by insurance requirements or by any other provision of this Agreement to the fullest extent allowed by applicable law.

Reference is made to CA civil code 2782 for all work performed in the State of California.

Section 9 - Assignment

Subcontractor shall not assign any rights under this Agreement or subcontract any part of the subcontract work without Contractor’s written consent. Any such assignment or subcontract consented to shall impose on the assignee or sub-subcontractor all obligations imposed on the Subcontractor hereunder.

Section 10 - Insurance

Prior to start of work, Subcontractor and its subcontractors shall each, at their own expense, purchase, carry, provide evidence of and maintain at all times (except for O.C.I.P as described below) on the Subcontract work, insurance of the following types of coverage and limits of liability with insurers rated “A-VII or better by A.M. Best Co.” However, if the current project is subject to an Owner Controlled Insurance Program (O.C.I.P.), then subcontractor shall, at its own expense, purchase, carry and maintain for purposes of protecting from liabilities arising from operations performed away from the project or by excluded parties, the following types of coverage and limits of liability with insurers rated “A-VII or better by A.M. Best Co,” in the form and manner required under the General Contract.

A. Commercial General Liability: with limits of Insurance not less than:

$2,000,000.00 General Aggregate

Initialed: Subcontractor [signature]

[Signature]
$2,000,000.00  Products / Completed Operations Aggregate

$1,000,000.00  Each Occurrence

$1,000,000.00  Personal & Advertising Injury

1.1 The Aggregate Limit shall apply separately to this project. Occurrence-based form of policy is required. Claims-made form is unacceptable.

1.2 CGL coverage shall be written on ISO Occurrence form CG00011001 or a substitute from providing equivalent coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations, and personal and advertising injury. Use of any CGL form covering defense costs within the limits of insurance requires the prior written consent of the contractor.

1.3 General Contractor, Owner and all other parties required of the General Contractor, shall be included as insured on the CGL, using ISO Additional Insured Endorsement CG20101185 or an endorsement providing equivalent coverage to the additional insured(s). This contract requires that coverage afforded the additional insured(s) under any form other than CG20101185 must be as broad as the coverage provided under CG20101185 or equivalent (i.e. CG2010 10-01 + CG2037 10-01)

1.4 Claims Made/Self-Insurance Provisions. Subcontractor shall not provide general liability insurance under any claims-made General Liability form without express prior written consent of Contractor. Any self-insurance program providing coverage in excess of $25,000 per occurrence requires the prior written consent of the contractor.

1.5 The Subcontractor agrees to name the Contractor and the Owners as additional insured on all General Liability Insurance Policies. The Additional Insured endorsement must be a CG2010 11/85 or its equivalent, and be attached to the Certificate of Insurance. The policy shall stipulate that the insurance afforded the additional insured shall apply as primary insurance and that any other insurance carried by the Contractor or Owner will be excess only and will not contribute with this insurance. A waiver of Subrogation in favor of the Contractors shall apply.

1.6 Subcontractor shall maintain CGL coverage for itself and all additional insured(s) for the duration of the project and maintain Completed Operations coverage for itself and each additional insured for at least 10 years after completion of the Work or the length of the state statute of repose, whichever is greater. Completed Operations coverage shall be maintained for at least ten (10) years if the project is residential or habitational.

1.7 If Subcontractor’s Scope of Work includes work within 50 feet of any railroad, Subcontractor’s Commercial General Liability policy shall be endorsed to delete the Contractual Liability exclusion for work performed within 50 feet of a railroad. A copy of such endorsement shall be provided to Contractor prior to commencement of such work.

B. Business Auto Liability:

1.1 $1,000,000.00  Combined Single Limit for bodily injury and property damage.

1.2 The policy shall include Owned, Leased, Hired Auto Liability and Non-Owned Auto Liability coverage for the amount listed above.

1.3 General Contractor, Owner and all other parties required of the General Contractor, shall be included as insured on the auto policy.

C. Commercial Umbrella:

1.1 Umbrella limits must be at least $5,000,000.00.

1.2 Umbrella coverage must include as insureds all entities that are additional insureds on the CGL.

1.3 Umbrella coverage for such additional insureds shall apply as primary before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the additional insured other than the CGL, Auto Liability and Employers Liability coverage maintained by the Subcontractor.

D. Workers’ Compensation and Employers Liability Insurance:

Workers’ Compensation Insurance shall be provided as required by any applicable law or regulation. Employers Liability Insurance shall be provided in amounts not less than:

$1,000,000.00  Each Accident for Bodily Injury by Accident
E. Waiver of Subrogation:

Subcontractor waives all rights against Contractor, Owner and Architect and their agents, officers, directors and employees for recovery of damages to the extent these damages are covered by Commercial General Liability, Commercial Umbrella Liability, Business Auto Liability or Workers’ Compensation and Employers Liability insurance maintained per requirement stated above.

F. Hazardous Materials:

If Subcontractor and/or its subcontractors or suppliers, regardless of tier, perform remediation of hazardous material, or if their operations create an exposure to hazardous materials as those terms are defined in federal, state, or local law, Subcontractor and its subcontractors and suppliers must obtain a "Contractor’s Pollution Liability" policy with limits not less than $1,000,000 per Occurrence and $2,000,000 aggregate for Bodily Injury, and Property Damage, naming Contractor and Owner as additional insured. If Subcontractor or its subcontractors or suppliers haul hazardous material (including, without limitation, waste), they must carry Auto Liability insurance with a $1,000,000 Combined Single Limit for Bodily Injury and Property damage applicable to all hazardous waste hauling vehicles, and include MCS 90 and CA9948.

G. Rigler's Liability and Aircraft Liability

Should Subcontractor’s work involve the moving, lifting, lowering, rigging or hoisting of property or equipment, Subcontractor shall carry Rigger’s Liability Insurance to insure against physical loss or damage to the property or equipment. If Subcontractor (or its subcontractors or suppliers, regardless of tier) use any owned, leased, borrowed, chartered or hired aircraft of any type in the performance of this subcontract, they shall maintain aircraft liability insurance in an amount of not less than $10,000,000 per occurrence, including Passenger Liability. Evidence of coverage in the form of a certificate of insurance shall be provided prior to the start of the project.

H. Professional Liability:

Professional Liability: Any subcontractor performing work that includes design/build work or services shall obtain a Professional Liability Insurance Policy. Design/build work includes, without limitation, design/build work with respect to mechanical, structural, plumbing, and fire sprinkler systems. Coverage must allow for a minimum of two years following the completion of the project. If Owner or Contractor elects to purchase a project design policy, Subcontractor’s policy shall be endorsed to provide excess coverage only.

I. Property/Builders Risk:

Contractor and Subcontractor waive all rights against each other and against all other subcontractors and Owner for loss or damage to the extent reimbursed by Builder’s Risk or any other property or equipment insurance applicable to the work, except such rights as they may have to the proceeds of such insurance. If the policies of insurance referred to in this Section require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed or obtain such consent.

Upon written request of the Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder’s Risk policy of insurance or any other property or equipment coverage in force for the project and procured by Contractor. Subcontractor shall satisfy himself as to the existence and extent of such coverage prior to commencement of Subcontractor’s work.

If Builder’s Risk insurance purchased by Owner or Contractor provides coverage for Subcontractor for loss or damage to Subcontractor’s work, Subcontractor shall be responsible for the insurance policy deductible amount applicable to damage to the Subcontractor’s work and/or damage to other work caused by Subcontractor.

If not covered under the Builder’s Risk policy of insurance or any other property or equipment insurance required by the Contract Documents, Subcontractor shall procure and maintain at his own expense property and equipment insurance for portions of Subcontractor’s work stored off the site or in transit.

If Owner or Contractor has not purchased Builder’s Risk or equivalent insurance including the full insurable value of Subcontractor’s work, then Subcontractor may procure such insurance at his own expense as will protect the interests of Subcontractor, and his subcontractors in the work. Such insurance shall also apply to any of the Owner’s or Contractor’s property in the care, custody or control of Subcontractor.
J. Other Coverage:

1. If Subcontractors work requires special insurance and/or bonds to comply with any utility, railroad or governmental body or if awarding authority requires limits of insurance greater than set forth in this document, Subcontractor agrees to obtain such additional coverage to his expense.

2. The Subcontractor agrees to furnish to the Contractor signed originals of the insurance coverage set forth above, together with a commitment by the insurance company or companies to notify Contractor thirty (30) days prior to the expiration, cancellation or any material change of any of the insurance policies required hereunder.

3. In the event the subcontractor fails to obtain and maintain such insurance coverage, the Contractor may, at its option withhold any and all future progress payments due to the Subcontractor until such time that the requirements are complied with. In addition Contractor may, at its option, obtain and maintain such insurance at the expense of the Subcontractor for the duration of this Subcontract agreement.

4. The Cancellation notice of all policies shall read strictly as follows: "should any of the above described policies be canceled before the expiration date thereof, the issuing company will mail 30 days written notice to the certificate holder names to the left." Any "endorse to" verbiage and "failure to identify" provision should be deleted in its entirety.

5. The certificate shall be issued specifically for the following project and this description must appear on the face of the certificate.

ALGIN SUTTON RECREATION CENTER
Project # 21117 W.O. No. E170293F
USS Cal Project No. 304
Location: 8800 South Hoover Street, Los Angeles, CA 90044

6. USS Cal Builders, Inc. shall be named as the Certificate Holder.

Section 11 - Remedies for Breach

In addition to any other remedies allowed by law or the provisions of this Subcontract, if Subcontractor fails to start work as scheduled or make the progress required or furnish sufficient skilled workmen or a sufficient quantity of suitable materials or adequate equipment or correct or replace any damaged or defective work or materials or honor its guarantee, Contractor may, at its option, and in addition to any other rights or remedies provided by this agreement or law, after giving Subcontractor (48) hours notice to cure the defects and Subcontractor's failure to completely cure the defects within that time required, take steps to cure the defects itself and charge the entire cost and expense, including attorney's fees, of such cure to Subcontractor and deduct such amount from any sums due Subcontractor. If there is still an amount due Contractor after such deduction, it shall be paid by Subcontractor to Contractor. Failure to cure defects within the notice period set forth above, shall also give Contractor the right at its option, and in addition and without prejudice to any other rights under this agreement and by law, to terminate Subcontractor's performance and to take possession, for the purpose of completing the work under this Subcontract, of all tools, equipment, materials and supplies owned or controlled by the Subcontractor and to complete the work itself or through others. Subcontractor will be entitled to no further payment until completion of the Subcontract work. There shall be deducted from such payment, Contractor's cost to complete which shall include all other sums due Contractor under this agreement. A balance shall be paid to Subcontractor. If the cost to complete exceeds the Subcontract balance, Subcontractor will pay that amount to Contractor. Before paying any amount due to the Subcontractor as provided in this Agreement, the Contractor is hereby authorized to deduct therefrom and offset an amount equal to any and all sums or obligations owing by the Subcontractor to the Contractor and any and all claims liquidated or unliquidated, by the Contractor against the Subcontractor, arising hereunder or under any other contract or agreement between the Subcontractor and the Contractor.

Section 12 - Non-Discrimination

Subcontractor, in performing work to be performed under this Subcontract shall not discriminate against any worker because of race, creed, color, natural origin, gender, sexual orientation or religion.

Section 13 - Compliance with Laws

Subcontractor agrees that in the performance of this Subcontract, to observe and comply with all laws, ordinances, and regulations of all constituted authorities relating to the manner of doing the work under this contract or to the materials supplied therein.

Section 14 - Contract Compliance

Subcontractor agrees that in the performance of this Subcontract, to observe and comply with all the rules and policies of Contractor and timely furnish all documents requested by Contractor. Subcontractor will furnish to Contractor, prior to construction, two fully executed originals of the Subcontractor Package Acknowledgement Letter and of all documents referenced therein.
Provision of the Subcontractor Package Acknowledgment Letter, the documents referenced therein and all other
documents requested by Contractor, is a condition precedent to the validity of this Subcontract. Failure to provide
said documents will void this Subcontract in its entirety and entitle Contractor to any and all damages resulting from
such failure, in addition to any other remedies allowed by law or the provisions of this Subcontract.

Section 15 - Labor Codes

This Project is governed by Labor Code of the State of California. Attached hereto and incorporated by reference
are copies of Labor Code sections 1771, 1775, 1776, 1777.5, 1813 and 1815 (Attachment A). The Subcontractor
is responsible for paying a prevailing wage to its employees. The Contractor will monitor the payment of the specified
prevailing wage by periodic review of the certified payroll records of the Subcontractor. ACCORDINGLY, IT IS
THE OBLIGATION OF THE SUBCONTRACTOR TO PROVIDE THE CERTIFIED PAYROLL
RECORDS TO THE SUBCONTRACTOR TO THE CONTRACTOR ON A WEEKLY BASIS; TWO
ORIGINALS, BOTH WITH WET SIGNATURE.

A copy of a California Labor Code 1775/1777.7(d)(4) affidavit is attached hereto. This must be signed and returned
as part of the subcontractor agreement package. This Affidavit is to be signed and submitted to contract compliance
on a monthly basis as a material part of the contract requirements.

Any subcontractor performing carpentry work must be signatory to the Carpenter’s Union.

If it is determined that a prevailing wage has not been paid by the Subcontractor, the Contractor may withhold a
sufficient amount of funds from the Subcontractor to pay Subcontractor’s employees a prevailing wage.

Prior to making any payment to Subcontractor and as a condition precedent to any payment, the Subcontractor shall
provide to contractor an affidavit signed under penalty of perjury that the Subcontractor has paid the specified
prevailing wage to his/her employees and any amounts due pursuant to section 1813 of the Labor Code.

Section 16 - Overtime

Provided the Subcontractor be not in default in any of the provisions herein, and in order to expedite the final
completion of the building, or general or special work thereon, if the Contractor requests the Subcontractor to work
overtime, it is agreed that the Subcontractor shall work said overtime, and it is understood that the Contractor is to
pay only the actual extra cost over the rate for regular overtime. Time slips covering said overtime must be checked
and approved by the Contractor’s authorized agent at the jobsite. No commission is to be charged by or allowed to
the said Subcontractor for, or on account of, said overtime. If, however, the Subcontractor is behind in the work
herein contemplated or in the opinion of the Contractor delays the progress of the work necessary to complete the
building, then, if requested by the Contractor, the Subcontractor shall use such overtime as may be necessary to keep
abreast with the general progress of the work, and the cost and expense incurred by the use of said overtime shall be
borne entirely by the Subcontractor.

Section 17 - Risk of Loss

Subcontractor shall be responsible for and shall bear any and all risk of loss or damage for its work and all material,
tools, equipment or incidentals until Owner’s final acceptance of and or release of Contractor’s responsibility for
the subcontract work. Subcontractor shall perform its work so that the work site is at all times clean, orderly and
free from debris. All debris shall be removed from the site on a daily basis as the expense of the Subcontractor.
Upon completion of the work, Subcontractor shall remove all unused or excess materials and all equipment,
incidentals, utilities and facilities furnished by it and shall clean up any soiled areas and all refuse and debris, and
leave the premises clean, orderly and in good condition. Storage on the job site will be where directed by the
Contractor but at the expense, if any, of the Subcontractor.

Section 18 - Representatives

Subcontractor and Contractor shall inform each other in writing of the name(s) of the job site representative(s) who
are authorized to represent them with respect to the Subcontract work and shall promptly notify each other in writing
of subsequent change in representatives(s). Subcontractor’s representative(s) shall be at the job site at all times
Subcontract work is in progress.

Section 19 - Notices

Any notices under this Subcontract shall be in writing and may be served personally on a job site representative or
by certified mail at the address set forth above. Notice by mail is complete upon deposit.

Section 20 - Bonds

Subcontractor will furnish to Contractor, prior to construction, performance and labor and materials / payment bonds
in the amount of the total subcontract price, written by corporate sureties authorized to issue such bonds in the State
of California. The corporate surety and the bond form shall be subject to the approval of the Contractor.

Provision of the performance and payment bonds is a condition precedent to receipt of payment for work performed
under this Subcontract. Failure to provide said bonds will waive Subcontractor’s rights to receive payment until
the entire scope of work has been completed and accepted by the Contractor.

Five Star Fence - Subcontract Agreement

Initialed: Subcontractor Contractor

uss Cali Builders has agreed to pay for Bond
Section 21 - Time is of the Essence

Time is of the essence in the performance of the work under this Subcontract. The Subcontractor must comply with all construction schedules and any revisions and/or adjustments to the schedules. Any delay to the project as a whole, or to other trades, due and attributable to Subcontractor will be subject to the same liquidated damages contained in the General Contract, as well as the delay damages suffered by the Contractor and attributable to the delay.

Furthermore, the Subcontractor shall be held liable for any extended overhead that the Contractor might incur due to delay in completing Subcontractor’s scope of work including, without limitation, construction, punch list work, contract compliance requirements, etc.

Section 22 - Shop Drawings

In the event any deviations from the General Contract plans and specifications are incorporated in any shop drawings or by the Subcontractor, such deviations and the reasons therefore shall be fully explained in writing by separate letter to the Contractor and Owner at the time the shop drawings are submitted to the Contractor and Owner. Failure to specify and explain any such deviation will automatically void any inadvertent approval of the same by the Contractor, Architect, Engineer and/or Owner.

Section 23 - Non-Acceptance by Owner

Subcontractor understands and agrees that Owner and Architect have the right to reject Subcontractor as an acceptable Subcontractor on this job. This Subcontract may, at Contractor’s option, be terminated and rendered null and void if the Owner or Architect states in writing to Contractor that Subcontractor is not acceptable. This option is exercisable within ten (10) days after written notification from the Owner or Architect and shall be given in writing to the Subcontractor. The termination of the Subcontract pursuant to this section shall relieve the Contractor of any liability for any damages, including but not limited to lost profits, claimed or suffered by the Subcontractor. However, the Subcontractor shall not be relieved of any liability to the Contractor.

In addition, Contractor may by written notice terminate this Subcontract for Contractor’s convenience. Upon receipt of such notice, Subcontractor shall, unless the notice directs otherwise, immediately discontinue the work and the placing of orders for materials in connection with the performance of this Subcontract, and shall, if requested, make every reasonable effort to procure cancellation of all existing orders or sub-contracts upon terms satisfactory to Contractor. Subcontractor shall thereafter do only such work as may be necessary to preserve and protect the work already in progress.

Upon termination for convenience, Subcontractor shall be entitled to compensation and payment computed as follows: (a) in accordance with any applicable compensation formula prescribed by the General Contract and allowed by the Owner, or (b) if no compensation formula applies, for the actual cost of the work completed under this Agreement plus fifteen percent (15%) markup on such cost for overhead and profit, or for the percentage of the subcontract work completed multiplied by the subcontract price, whichever is less. There shall be deducted from such computation the amount of any payments made to Subcontractor prior to the date of the termination of this Agreement and any amounts chargeable to Subcontractor by Contractor pursuant to any provision of this Agreement. In the event of such termination and payment as aforesaid, Subcontractor shall have no claim against Contractor for any additional compensation or damages.

Section 24 - Changes Not to Affect Bond

It is agreed that so change, alteration or modification in or deviation from this Subcontract or the plans and specifications, whether made in the manner herein provided or not, shall release or exonerate, is whole or in part, any surety on any bond given in connection with this Subcontract.

Section 25 - Payment

In consideration of the faithful performance by the Subcontractor of all the terms, conditions and requirements of this Subcontract, the Contractor agrees to pay the Subcontractor for his work the sum of:

***** Three Hundred Ninety Three Thousand One Hundred Ninety Four /100ths US Dollars ($393,194.00) *****

Payment shall be as follows:

a. Assuming that payment has been received by Contractor from the Owner for the work performed by Subcontractor, partial payment will be made as the work progresses, on or after ten (10) days after receipt of payment from the Owner for work completed during the preceding estimate period, pursuant to estimates approved by the Owner. In making such partial estimates, there shall be retained at least five percent (5%) or greater in instances when allowed by applicable law on the estimated amount until thirty five (35) days after final completion and acceptance of all work covered by the Contract, and final payment has been received by the Contractor;

b. Payments to the Subcontractor are conditioned on Subcontractor furnishing to Contractor sufficient evidence that its Subcontractors, suppliers and employees have been paid to date or will be so paid out.
of the payment due it. Payments shall also be subject to all deductions authorized by this Subcontract and by law;

c. Subcontractor agrees to submit to the Contractor applications for payment in such reasonable time as to the Contractor to apply for payment under the General Contract;

d. Subcontractor agrees not to hinder and or cause any delays to the project by suspending its work due to non-payment if the non-payment is caused by Subcontractor not furnishing the required documents per the requirement of the contract.

Section 26 - Integrated Agreement

This Subcontract is a fully integrated agreement and contains the complete agreement between the parties with respect to the subcontract work and nullifies and supersedes all prior negotiations, proposals, stipulations and agreements whether written or oral. There are no prior or contemporaneous agreements in any dealing with the subcontract work not included. No agent, representative, employee, officer or director of either party has or had authority to make any statement, representation, promise or agreement with respect to the subcontract work not set forth in this agreement. Each party agrees that it was not bound or in any way liable because of any such statement, representation, promise or agreement. The effective date of this agreement is the date on the first page irrespective of whether the parties signed it before, on or after that date. The parties, in signing this agreement, are only agreeing to the terms of this agreement alone, not any added addenda, references, proposals, or exhibits. Any added documents or language must be independently acknowledged by both parties in order to be incorporated into this agreement.

Section 27 - Change Order Authorization and General Contractor’s Right to Carry-Out the Work

Project Manager or Superintendents on any project are not authorized to sign any Change Order Directive. This authorization can only be made by the Senior Project Manager.

If the Subcontractor and/or their sub-tiers default or neglect to carry out the Work in accordance with the Contract Documents, and fails within 48 hours after receipt of written notice from Contractor to commence and continue correction of such default or neglect with diligence and promptness, Contractor may, after 48 hours following receipt by the subcontractor and/or their sub-tiers of an additional written notice, and without prejudice to any other remedy available to Contractor, make good such deficiencies.

Contractor also reserves the right to perform any portion of the work due to an emergency threatening the safety of the Work, Public, Owner, and any property or equipment. In either case an appropriate Change Order shall be issued unilaterally deducting from the payments then or thereafter due the Subcontractor and/or their Sub-tier the cost of correcting such deficiencies and/or for performing such work, including compensation for the General Contractor, the Architect's, the Construction Manager's, and Owner's additional services made necessary by such default, neglect, failure or emergency.

Section 28 - Safety

The subcontractor will perform its work in a safe manner, comply with all environmental safety and health requirements of the contract documents and as issued by the contractor and comply with all applicable laws, codes, ordinances, rules, regulations, and lawful orders of all public authorities.

The subcontractor will have, and exercise, full legal responsibility for compliance to safety rules and regulations by itself, its agents, employees, material, men, and subcontractors with respect to its portion of the work on the project; and will directly receive, respond to, defend and be responsible for any citation, fine or penalty by reason of subcontractor's failure or failure of subcontractor's agents, employees, material, men, and subcontractors to so comply.

The subcontractor will promptly correct all identified safety hazards which are its responsibility. In the event subcontractor fails to comply with safety regulations and/or fails to correct identified safety hazards, the contractor may, without prejudice to any other legal or contractual rights of the contractor, issue an order stopping all or any part of the work; thereafter, a start order for resumption of work may be issued at the discretion of the contractor. The subcontractor will make no claim for an extension of time or for compensation of damage by reason of, or in connection with, such work stoppage.

The subcontractor will immediately notify the contractor of all OSHA inspections and shall afford the contractor the opportunity to observe the inspection. The subcontractor will provide the contractor with a copy of all citations received and all subcontractor responses issued as a result of such inspections within 2 working days of receipt or issuance.

The subcontractor shall submit its safety program for review to the contractor prior to start of work at the project site. A copy of the contractor's safety program manual is available for review and copying at either the contractor's field or corporate offices. The subcontractor may adapt any part of the contractor's safety program which is appropriate to its organization and scope of work. The subcontractor's safety program will be subject to review by the contractor. Approval by the contractor does not relieve the subcontractor from its responsibility for compliance with all applicable safety requirements.

The subcontractor will designate a member of its organization as its safety representative and notify the contractor, in
writing, of its designated safety representative. The safety representative must be identified prior to start of work at project site. This individual will be provided the authority, responsibility and organizational freedom necessary to implement the subcontractor’s safety program and enforce the safety rules.

The contractor will perform periodic inspections of the subcontractor's safety activities. The subcontractor’s safety representative will accompany the contractor’s safety supervisor during these inspections and take prompt action to correct all identified deficiencies. Subcontractor’s management will participate in scheduled safety walk-throughs with contractor management. Such inspections and identification of deficiencies by the contractor does not relieve the subcontractor from its responsibility to comply with all applicable safety regulations and rules.

The subcontractor will report all injuries recordable on its OSHA 300 log, all accidents resulting in property damage and all environmental incidents to the contractor promptly, and follow up in writing within 24 hours. Within 2 working days, the subcontractor will provide the contractor with a written report documenting the alleged cause(s) of the accident and action(s) taken, or planned to be taken, to preclude recurrence. A copy of each insurance first report of injury shall be provided to the contractor. A monthly summary of occupational injuries and illnesses, including man-hours, is to be provided to the contractor. Report immediately to contractor all fatal or serious occupational injuries or illnesses (requiring hospitalization). Should an injury result in lost time, the subcontractor will notify the contractor in writing if it desires not to provide continued employment, on a modified basis, for its employees who sustain an on-the-job partially disabling injury. This notification must be provided a minimum of 24 hours prior to the discontinuance of employment. This reporting is in addition to any reporting responsibilities that the subcontractor may have to OSHA or any other agency. The contractor reserves the right to perform an independent investigation at no additional cost to the contractor.

The subcontractor will provide first-aid and medical treatment for its employees. The contractor’s first-aid facilities and personnel may be used by the subcontractor at the subcontractor’s risk.

The subcontractor will provide specific instructions to its employees regarding the use of personal protective equipment, personal safe work practices and shall instruct all employees, on matters pertaining to employee’s obligations and rights under the subcontractor’s and the contractor’s safety policies. The subcontractor will provide, at its own expense, all required personal protective equipment for its employees and all required safety equipment and supplies as needed.

Section 29 - General Requirements & Regulations

1. In the specifications where reference is made to "Contractor" and to the work performed or directed by 'Contractor", and where such work is a part of the Subcontractor’s trade, said work shall be done by the Subcontractor.

2. If any changes or substitutions made by the Subcontractor increase the cost of the work of the General Contractor or the cost of the work of another subcontractor, then the increased cost shall be borne by Subcontractor.

3. Subcontractor shall at all times during the progress of the work have an authorized representative of its company at the jobsite who can receive orders and has full authority to make decisions regarding the work to be performed hereunder and who has complete responsibility for the work insofar as this Subcontract is concerned.

The Subcontractor shall provide the name and emergency or home telephone number of the corporate or company officer, general superintendent, and the project superintendent or foreman.

4. All traffic control of Subcontractor's own operations including that of his suppliers is included in subcontract amount. This includes flagmen, barricades, permits, etc., as may be required by any governing agency having jurisdiction over this project.

5. Subcontractor shall cooperate with General Contractor and other subcontractors to coordinate space requirements required by each subcontractor's equipment and material storage. Hoisting of Subcontractor's materials and equipment will be at Subcontractor's expense.

6. Subcontractor shall bear all costs for Subcontractor's employees' parking, drinking water and ice.

7. Reports shall be submitted daily to the General Contractor, no later than 9:00 a.m. the following day indicating the number of personnel working on the project site the previous day along with a description of activities and equipment used in the conduct of the work.

8. The Subcontractor shall be responsible for coordinating his work with that of other trades. In the event that the completed work of any trade has to be removed, replaced or modified due to the Subcontractor's negligence in completing his work within a reasonably scheduled period, or due to lack of coordination on the part of the Subcontractor, the cost of removing, replacing and modifying such work will be from the Subcontractor's account notwithstanding anything in this agreement to the contrary.

9. It shall be the sole responsibility of the Subcontractor to ensure that their work is performed in compliance with the health and safety requirements prescribed by the Occupational Health and Safety Act as well as the requirements of the state and local agencies having authority and jurisdiction over matters of industrial and construction occupational health and safety.

10. Progressive construction cleanup and disposal off jobsite of Subcontractor's waste materials is to be performed by Subcontractor. If the subcontractor fails to perform cleanup of his work within 24 hours of notification by
the General Contractor, General Contractor shall proceed to have the cleanup performed for subcontractor and charge the costs to the Subcontractor's account.

11. All Subcontractor's equipment, material, means and methods will be designed and attached for seismic loading in accordance with governmental agencies having jurisdiction over the work.

12. Subcontractor shall furnish and install without any extra charge, all work and materials not mentioned or shown, but generally included under this class of contract, necessary for the proper execution and completion of the work, and also any work or materials of the kind herein contracted as required to conform this work to all laws, rules and regulations as administered by Municipal, State, Federal and Public agencies having jurisdiction over the work. Subcontractor shall assure that all work performed will pass final inspection by the appropriate jurisdiction.

13. Subcontractor shall procure and pay for all licenses, permits, approvals, certificates and authorizations necessary to the prosecution and completion of its work and deliver evidence of same to General Contractor unless otherwise noted. Subcontractor shall promptly notify the General Contractor and the respective departments or official bodies when its work is ready for inspection and shall, at once, do all work required to remove any violations or to comply with such inspections without additional charge to General Contractor.

14. Subcontractor shall furnish and install without any extra charge, all work and materials in conformance with the Quality Requirements of the project contract documents or they may submit their own Quality Control plan for review and approval.

15. If it is necessary for the Subcontractor to remove or relocate any safety barricades, perimeter cables, toe boards, planking, etc. at building perimeter, shafts and floor openings, Subcontractor shall:
   a. Notify the General Contractor's superintendent prior to removing said barricades, etc.
   b. Maintain a safety watchman at said area during the entire time barricades, etc is removed.
   c. Reinstall said barricades, etc. at completion of work in that area in accordance with all codes or regulations.

   Under no circumstances is any area to remain unprotected and unsupervised for any length of time.

Date: 3-2-2018

By [signature]
Contractor's License No. 1022801

FIVE STAR FENCE

Date: 3-5-2018

By [signature]
Contractor's License No. 654454

ERIC OTHMAN, Director-COO

USS CAL BUILDERS, INC.
"EXHIBIT B1"

DESCRIPTION OF WORK

REPLACEMENT OF PUBLIC POOL AND POOL DECK, NEW CONSTRUCTION OF SPLASH PAD AND RESTROOM FACILITY. MINOR ADJUSTMENTS TO (E) BATHHOUSE TO RECEIVE THE NEW POOL EQUIPMENT WITHIN (E) EQUIPMENT ROOMS AND UPGRADE OF (E) FACILITIES TO MEET ADA REQUIREMENTS.

BID ALTERNATIVES:

2. SMALL CANOPY AT SPLASH PAD BUILDING, SEE A-9.10, 82.0, 83.1.
3. PROVIDE CUSTOM CANTILEVER TUBE STEEL FENCE (A-3.03, AND 14, 15/55.1), IN LIEU OF CUSTOM PICKETT STEEL FENCE (10, 13/55.1).

APPLICABLE CODES

2016 California Building Code, Based on the 2012 International Building Code (BC) with LA City Amendments

2016 California Electrical Code, Based on the 2011 National Electrical Code, with LA City Amendments

2016 California Mechanical Code, Based on the 2012 Uniform Mechanical Code, with LA City Amendments

2016 California Plumbing Code, Based on the 2012 Uniform Plumbing Code, With LA City Amendments
1/2" = 1'-0"  TYP. PEDESTRIAN AND FIRE TRUCK ACCESS GATE DETAILS

ALTERNATE 3

CANEBOLT ON EACH LEAF + PADLOCK. CONTRACTOR TO PROVIDE OWNER WITH PADLOCK FOR EACH CANE BOLT, TYP.

BARREL HINGE, OR EQUAL, TYP.

FOR BEAM SIZE SEE STRUCTURAL DWGS.

FOR POST SIZE, TYP. SEE STRUCTURAL DWGS.

FOR POST SIZE, TYP. SEE STRUCTURAL DWGS.
Addendum No. 1 is hereby issued for the construction of the Algin Sutton Recreation Center – Pool Replacement and Bathhouse Renovation (W.O. # E170293F) Project.

Bidders are required to acknowledge receipt of this addendum in the space provided on Page 6 – "Affidavit to Accompany Proposals or Bids" of the Bid Proposal. This addendum consists of this two-page transmittal and 2 attachments of 43 pages.

Bidders are hereby notified of the following changes:

**MODIFICATION NO. 1 – MODIFICATIONS TO PLANS:**

**REPLACE/ADD** the following sheets with the revised/new sheets dated September 26, 2017.

1. Replace Plan Sheets G-0.0 with the attached revised Plan Sheet G-0.0. (1 page)

2. Replace Plan Sheets C101 and C103 with the attached revised Plan Sheet C101 and C103. (2 pages)

3. Add Plan Sheet C104 (1 page)

4. Replace Plan Sheet C202 with the attached revised Plan Sheet C202. (1 page)

5. Replace Plan Sheets C300 to C304 with the attached revised Plan Sheet C300 to C304. (5 pages)

6. Replace Plan Sheets C310 and C311 with the attached revised Plan Sheet C310 and C311. (2 pages)

7. Replace Plan Sheets C700, C702, C703 and C704 with the attached revised Plan Sheet C700, C702, C703 and C704. (4 pages)

8. Replace Plan Sheets L-2.01 and L-3.01 with the attached revised Plan Sheet L-2.01 and L-3.01 (2 pages)
9. Replace Plan Sheets A-0.1 and A-0.2 with the attached revised Plan Sheet A-0.1 and A-0.2 (2 pages)

10. Replace Plan Sheets A-3.1 to A-3.4 with the attached revised Plan Sheet A-3.1 to A-3.4 (4 pages)


12. Replace Plan Sheets S1.1, S2.0, S2.1, S2.2, S3.1, S3.2, S5.1, and S5.2 with the attached revised Plan Sheet S1.1, S2.0, S2.1, S2.2, S3.1, S4.1, S5.1, and S5.2. (8 pages)

13. Replace Plan Sheet E-0.1 with the attached revised Plan Sheet E-0.1. (1 page)

14. Add Electrical Demolition Scope, Plan Sheet ED-0.2 (1 page)

15. Replace Plan Sheets E-2.3 and E-3.0 with the attached revised Plan Sheet E-2.3 and E-3.0 (2 pages)

MODIFICATION NO. 2 - MODIFICATIONS TO SPECIFICATIONS:

REPLACE Specifications Division 102813 - Toilet Accessories with the attached Specifications Division 102813 – Toilet Accessories with revisions dated September 26, 2017. (3 pages)

Submission of a bid for this project will be considered to include all of the modifications and notifications specified above.

THE BOARD OF RECREATION AND PARK COMMISSIONERS

CATHIE M. SANTO DOMINGO, P.E.
Superintendent
Planning, Maintenance and Construction Branch

RB:CSD
Attachments

cc: Recreation and Parks Board Office (Stop 625/15)
Mahmood Karimzadeh, BOE, Architectural Division
Neil Drucker, BOE, Architectural Division
Armand Pascua, BOE, Project Award and Control Division
BOE, Construction Management Division (Stop 500)
RAP, Planning, Maintenance, and Construction Branch
Bureau of Contract Administration (Stop 480)
All Plan Holders
"EXHIBIT G"

MODIFICATION NO. 1 – MODIFICATIONS TO PLANS:

REPLACE/ADD the following sheets with the revised/new sheets dated September 26, 2017.

1. Replace Plan Sheets G-0.0 with the attached revised Plan Sheet G-0.0. (1 page)
2. Replace Plan Sheets C101 and C103 with the attached revised Plan Sheet C101 and C103. (2 pages)
3. Add Plan Sheet C104 (1 page)
4. Replace Plan Sheet C202 with the attached revised Plan Sheet C202. (1 page)
5. Replace Plan Sheets C300 to C304 with the attached revised Plan Sheet C300 to C304. (5 pages)
6. Replace Plan Sheets C310 and C311 with the attached revised Plan Sheet C310 and C311. (2 pages)
7. Replace Plan Sheets C700, C702, C703 and C704 with the attached revised Plan Sheet C700, C702, C703 and C704. (4 pages)
8. Replace Plan Sheets L-2.01 and L-3.01 with the attached revised Plan Sheet L-2.01 and L-3.01 (2 pages)

9. Replace Plan Sheets A-0.1 and A-0.2 with the attached revised Plan Sheet A-0.1 and A-0.2 (2 pages)
10. Replace Plan Sheets A-3.1 to A-3.4 with the attached revised Plan Sheet A-3.1 to A-3.4. (4 pages)


12. Replace Plan Sheets S1.1, S2.0, S2.1, S2.2, S3.1, S3.2, S5.1, and S5.2 with the attached revised Plan Sheet S1.1, S2.0, S2.1, S2.2, S3.1, S4.1, S5.1, and S5.2. (8 pages)
13. Replace plan Sheet E-6.1 with the attached revised Plan Sheet E-0.1. (1 page)
14. Add Electrical Demolition Scope, Plan Sheet ED-0.2 (1 page)
15. Replace Plan Sheets E-2.3 and E-3.0 with the attached revised Plan Sheet E-2.3 and E-3.0 (2 pages)
Your letter dd 04/28 re USS Cal try to substitute Five Star Fence in Algin Sutton Proj (PRJ21117)

Yusheng Shew <Yushengx@shewenterprise.com>
To: "arturo.gomez@lacity.org" <arturo.gomez@lacity.org>
Cc: Alex Ngo <alex.ngo@lacity.org>, Debbie Cramer <Debrac@shewenterprise.com>, Jill Van <Jlvan@shewenterprise.com>

Dear Art,

Thank you for taking the time to discuss with me the letter dated April 28, 2020 from the City of Los Angeles Public Works. As I will discuss in more details below, we reject USS Cal’s false claim entirely regarding Five Star Fence (“FSF”) being non-responsive. USS Cal’s substitution request is an attempt to shortchange Five Star Fence for all the work we have performed for the Aligin Sutton Recreation Project and we demand complete and immediate payment of all such work as listed below.

Here is a summary of certain facts pertaining to the project. If needed, we can produce time-stamped evidence to substantiate all of our communications, facts and related documents:

1) We have responded to every request and completed every open item including change orders approved by the City. There has been no request or communication went unanswered in a timely manner. Attachment-01 is an email communication example as recent as yesterday, between Val of USS Cal and Jose of FSF. The email was originated on May 7th and responded to by FSF on the same day. We can provide other examples of such communications between us as needed.

2) USS Cal still owes FSF a large balance on the project and has not paid to date:

<table>
<thead>
<tr>
<th>Original contract price</th>
<th>Work Completed by Five Star</th>
<th>Paid to date by USS Cal</th>
<th>Amount Owed</th>
</tr>
</thead>
<tbody>
<tr>
<td>$393,194.00</td>
<td>$372,008.79</td>
<td>$21,185.21</td>
<td></td>
</tr>
<tr>
<td>$7,864.00</td>
<td>$7,864.00</td>
<td>$1,670.00</td>
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</tr>
<tr>
<td>$1,897.50</td>
<td>$1,897.50</td>
<td>$5,748.00</td>
<td></td>
</tr>
<tr>
<td>$5,280.00</td>
<td>$5,280.00</td>
<td>$5,280.00</td>
<td></td>
</tr>
</tbody>
</table>

- FSF has filed a stop payment notice for this balance with the City and USS Cal’s bond company
- FSF will file an updated stop payment notice on this balance within two working days of this email

3) USS Cal had previously attempted to force FSF to fabricate and install the 88th Street entrance gates. However, since this work was not within FSF’s original contract obligation and we have declined to perform this work without a change order or a separate contract. Attachment 02 is our attorney’s letter to USS Cal and Attachment 03 is our bond company’s email to decline USS Cal’s claim. I believe USS Cal is trying to submit a false substitution request by making bogus claims to cover for its negligence and error for the work related to the 88th Street gates by not paying us for the work we have already done.

We have performed all of work timely with diligence under original contract and approved changed orders. We have also addressed any of concerns by USS Cal and the City timely and truthfully. Therefore, Five Star Fence should be paid in full and without any further delays.
I am available to discuss further or answer any questions you may have. Please let me know.

Best regards,

Yusheng Shew
President

FIVE STAR FENCE
Contr Lic # 1022201

13477 Louvre St
Pacoima, CA, 91331
Tel: 818 890 0500
Fax: 818 890 0511
Cell: 626 922 8757
yusheng@shewenterprise.com
www.fivestarfences.com

3 attachments
- Attachment 03-ACIC declines USS Cal Claim 01262020.pdf 159K
- Attachment01-Jose confirmed to Val Gate CO finished 050720.pdf 161K
- Attachment 02-FSF Attorney 01-16-2020 Letter to USS Cal.pdf 115K
Rabih,

On behalf of American Contractors Indemnity Company ("ACIC"), I am writing regarding USS Cal Builders, Inc.'s claim against the above-referenced performance bond. USS Cal contends that the bond principal, KSJV3, Inc. dba Five Star Fence, is in default under the subcontract between the parties because Five Star has failed and refused to install one or more gates and fencing at the 88th Street gate location at the subject work of improvement. USS Cal contends that this work is within Five Star's subcontract scope, while Five Star takes the opposite position. Based on our review of the documents provided by both parties and my phone calls with both parties, ACIC is unable to determine the validity of USS Cal's claim within the deadline provided by USS Cal (end of day on January 28, 2020). In particular, ACIC notes that, on or about May 21, 2019, Val Mendoza, USS Cal's project engineer, solicited a bid for the now disputed work as extra work. While this strongly suggests that, at that time, USS Cal did not believe the disputed work was within Five Star's scope, it is not dispositive of the issue. Because ACIC is unable to make a determination regarding the validity of the claim, ACIC declines at this time to arrange for performance of the work under the bond.

It is ACIC's belief that USS Cal and Five Star should attempt to negotiate a resolution of this issue. However, if that is not possible, then ACIC reminds USS Cal of its duty to mitigate damages. If USS Cal wishes to allow ACIC additional time to investigate this claim, please so advise.

You may have the matter reviewed by the California Department of Insurance. You may contact them at: California Department of Insurance Claims Services Bureau, 300 South Spring Street, Los Angeles, CA 90013, 1-800-927-HELP or 1-213-897-8921 for out-of-state calls. ACIC reserves all rights and defenses under the bond, the law and otherwise.

Regards,

Paul Guelpa
Vice President, Bond Claims
Tokio Marine HCC – Surety Group
pguelpa@tmhcc.com
Tel: 310-242-4419
tmhcc.com
Ok thanks.

Val Mendoza  l Project Engineer
USS CAL BUILDERS, INC. l License # 654454 l www.usscalbuilders.com l Val.Mendoza@usscalbuilders.com
8051 Main Street, Stanton, CA 90680 l C (562) 471-8831 l Fax (714) 828-9498

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Confidentiality Notice: This email, including any documents attached to this email, may contain information which is confidential and/or privileged. Therefore, if you are not the intended recipient of this email, any dissemination, copying or action taken in reliance on the contents of this email is strictly prohibited. If you have received this email in error, please delete it and notify the sender immediately. Views expressed in this email are those of the individual sender and are not necessarily those of USS CAL BUILDERS, INC.

From: Jose Guerrero <Joseg@shewenterprise.com>
Sent: Thursday, May 7, 2020 2:27 PM
To: Val Mendoza <Val.Mendoza@usscalbuilders.com>; Yusheng Shew <Yushengx@shewenterprise.com>
Subject: RE: Gray Gate Wheel Replacement

He witness and we installed per his recommendation.

Jose Guerrero
Project Manager
joseg@shewenterprise.com

FIVE STAR FENCE
13477 Louvre St
Pacoima, CA, 91331
Tel: 818-890-0500
Fax: 818-890-0511
Cell: 909-539-7078
www.fivestarfences.com

-------- Original message --------
From: Val Mendoza <Val.Mendoza@usscalbuilders.com>
Date: 5/7/20 2:22 PM (GMT-08:00)
To: Jose Guerrero <Joseg@shewenterprise.com>, Yusheng Shew <Yushengx@shewenterprise.com>
Subject: RE: Gray Gate Wheel Replacement

Did Jesse inspected and accepted?
Hello Val,

Yes wheel and hinge are complete.

Thanks,

Jose Guerrero
Project Manager
joseg@shewenterprise.com

FIVE STAR FENCE
13477 Louvre St
Pacoima, CA, 91331
Tel: 818-890-0500
Fax: 818-890-0511
Cell: 909-539-7078
www.fivestarfences.com

------- Original message -------
From: Val Mendoza <Val.Mendoza@usscalbuilders.com>
Date: 5/7/20 2:12 PM (GMT-08:00)
To: Jose Guerrero <joseg@shewenterprise.com>, Yusheng Shew <Yushengx@shewenterprise.com>
Subject: FW: Gray Gate Wheel Replacement

Please advise status on below.
January 16, 2020

USS CAL BUILDERS INC.
8051 Main Street
Stanton, CA 90680

Attn: Rabih El Zein
Via email only: <elzein@usscalbuilders.com>

Re: City of Los Angeles Project
Algin Sutton Recreation Center (PRJ 2117)

My Client: Five Star Fence

Dear Mr. El Zein:

This office represents Five Star Fence in its legal affairs. If USS is represented by counsel, please forward this correspondence to him or her and inform me immediately of same.

This letter is in response to your “48-HOUR NOTICE” which was sent to my client via email on January 14, 2020. Five Star Fence hereby declines to acknowledge said notice as a valid demand to perform and accordingly shall not perform any new work on the referenced project.

Five Star Fence has completed its contract with USS in full, including all punch list items and will be submitting its final invoice for the retention shortly.

Your demand for performance – installation of gates on the 88th Street Entrance – cannot be complied with because the work was not within the scope of Five Star Fence’s contract with USS. I refer you to the original drawings, namely A-0.1 – which clearly shows the perimeter fence line that Five Star Fence bid on. The required shop drawings provided by Five Star Fence were approved by the owner, and work was commenced and completed per those documents.

It is disingenuous for USS and/or the owner to demand, after all work has been completed, to demand additional work from Five Star Fence on the claim that such work was within the original scope of the contract. I have reviewed pertinent documents regarding this contract and believe that while the gates in question may have been included in the property boundary they were not included in the scope of the pool perimeter fence that was clear from the original plans.
USS Cal Builders, Inc.  
Attention: Sharon Espinosa Sweeney  
8051 Main Street  
Stanton, CA 90680

Dear Ms. Sweeney:

ALGIN SUTTON RECREATION CENTER - POOL REPLACEMENT AND BATHHOUSE RENOVATION (PRJ21117) PROJECT  
W.O. E170293F

In a correspondence received by this office on May 8, 2020, KSJV3, Inc. dba Five Star Fence has officially objected to your request to substitute them as the fences and gates subcontractor for the above referenced projects. You will be advised of the date and time of a hearing with the Board of Recreation and Parks Commissioners to resolve this matter.

If you have any questions please contact Arturo Gomez at (213) 847-2409.

Sincerely,

JOHN L. REAMER, JR.  
Inspector of Public Works  
By

SEFFY WILES, Chief Construction Inspector  
General Services Division

AG:lg  
ProjCooralginsuttonUSS.ltr  
cc: Iris Davis, Dept. of Recreation & Parks, MS 625/15