

APPROVED

NOV 03 2010

REPORT OF GENERAL MANAGER

NO. 10-288

DATE November 3, 2010

BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. 10

BOARD OF RECREATION AND PARK COMMISSIONERS

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

R. Adams	_____	F. Mok	_____
H. Fujita	_____	K. Regan	_____
S. Huntley	_____	*M. Shull	<u>Mf</u>
V. Israel	_____		

[Signature]
General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Accept the Bond to Release Stop Notice, filed by Western Alta Construction, Inc., general contractor for the Lafayette Park – Recreation Center project (W.O. #E170317F); and,
2. Direct the Board Secretary to notify the contractor, surety, and other appropriate parties.

SUMMARY:

The Department received a Stop Notice filed by VN Steel Fabrication, Inc., in the amount of \$186,015.88 for the subject project.

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On October 25, 2010, the Department received the following Bond to Release Stop Notice, filed by Western Alta Construction, Inc.:

Contract 3237 CD 10

General Contractor: Western Alta Construction, Inc.

Surety: International Fidelity
Insurance Company

Stop Notice Claimant: VN Steel Fabrication, Inc.

Amount of Bond: \$232,519.85

Project Status: 98% Complete

Project Impact: None

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

FISCAL IMPACT STATEMENT:

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

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