



Building A Better Long Beach

March 21, 2011

REDEVELOPMENT AGENCY BOARD MEMBERS
City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to enter into contracts and execute any necessary documents with Ullico Casualty Company and completion contractor to complete Contract No. CT 144 for the construction of the Poly Gateway landscaping improvements at 998 East Pacific Coast Highway. (Poly High – District 6)

DISCUSSION

On July 19, 2010, the Redevelopment Agency (Agency) Board awarded a contract to Belaire-West Landscape, Inc. (Belaire) in an amount not to exceed \$168,000 plus a 15 percent contingency for the construction of the Poly Gateway landscaping improvements (Project) at 998 East Pacific Coast Highway. During the course of construction, Belaire filed bankruptcy on December 3, 2010, and abandoned the Project prior to completion. On December 15, 2010, a demand was made upon Belaire's bonding company, Ullico Casualty Company (Surety), requesting the Project be satisfactorily completed under its performance bond. To date, the Surety has been cooperative and they intend to fulfill their bonding obligations and provide the Agency with a replacement contractor to complete the Project. On March 1, 2011, the Surety obtained relief from the bankruptcy court's automatic stay with respect to the completion of the Project, and has proposed tendering a completion contractor to finish the Project.

The Agency, the Surety and completion contractor are currently proceeding with the preparation of agreements to have the Project completed as originally designed. As part of the agreements, the Surety will tender a completion contractor to the Agency for completion of the Project, along with a payment to the Agency for the difference between the remaining balance on Belaire's original contract and the price quote submitted by the completion contractor. Also, as part of the agreements, the completion contractor will agree to correct all defective work performed by Belaire and perform all warranty work applicable to the work of Belaire, as well as provide the Agency with new payment and performance bonds. Upon the execution of the agreements, Belaire's Surety will be released from its performance bond.

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Accordingly, Agency staff recommends granting authorization to the Executive Director or the Director of Development Services to enter into contracts and execute any necessary documents with Ullico Casualty Company and completion contractor to complete Contract No. CT 144 for construction of the Poly Gateway landscaping project. Once the documents have been fully executed, it is anticipated that construction of the Project will resume within approximately thirty days from the date specified in the Notice to Proceed issued to the completion contractor.


SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT M. ZUR-SCHMIEDE, AICP
ASSISTANT EXECUTIVE DIRECTOR



AMY J. BODEK, AICP
EXECUTIVE DIRECTOR

AJB:RZS:LT:SJ:EM