

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Dave Klotzle, City Engineer/Public Works Director 
Prepared by: Teri Davis, Senior Management Analyst

DATE: January 17, 2012 (CC Meeting of 02/01/12)

SUBJECT: Consider Bond Exoneration (Bond No. 4371655) for Defective Materials and Workmanship in Relation to the Reconstruction Work of the Victory Column at the Veterans Memorial

BACKGROUND AND DISCUSSION

The Veterans Memorial (Memorial) is located at 608 Spring Road. In May 2009, City Council authorized the City Clerk to file the Notice of Completion for the Memorial project. At the same time City Council authorized the City Clerk to release the performance bond one (1) year after the Recordation of the Notice of Completion in accordance with the contract, and completion of contractual obligations on the part of the Contractor. The Notice of Completion was recorded on June 3, 2009. The City Clerk was notified, prior to releasing the bond, that Malibu Pacific Tennis Courts, Inc. (Malibu) had ongoing contractual obligations; therefore, the bond was not released.

The surety bond was used as a mechanism to guarantee for one year after the Recordation of the Notice of Completion the construction of the Memorial project. The project was completed and was found to be acceptable to the City however, the granite sidings of the Victory Column at the Memorial failed and collapsed in April 2010 which was within the project warranty period. The collapse was attributed to faulty workmanship and Malibu, the project contractor, accepted responsibility and remedied the collapse. Reconstruction of the Victory Column was estimated to cost less than \$10,000.

At the October 20, 2010 City Council meeting, the City Clerk was authorized to fully release the original \$398,424 bond for the entire Memorial project upon receipt of a replacement bond for \$10,000 for defective materials and workmanship. The City received the \$10,000 replacement bond, with a one year term, on November 2, 2010. The reconstruction work was not completed until November 20, 2010 and some of the work was found to be unacceptable by staff. Repair of the reconstruction work was performed on December 24, 2010 and the reconstruction work was accepted by the City on January 31, 2011. The Letter of Acceptance for the reconstruction work notified Malibu that the bond would be held until January 31, 2012.

Staff visited the Victory Column in January 2012 and the work appears satisfactory and intact, therefore, it is considered acceptable.

The applicable bond is:

| <u>SURETY TYPE</u> | <u>BOND NUMBER</u> | <u>ORIGINAL BOND AMOUNT</u> | <u>PRIOR AUTHORIZED ACTION</u> | <u>AUTHORIZED ACTION OF 2/1/12</u> |
|---|------------------------|-------------------------------------|------------------------------------|--|
| Defective Materials and Workmanship | 4371655 | \$10,000 | None | Exoneration |

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Authorize the City Clerk to fully exonerate the Defective Materials and Workmanship Bond No. 4371655 for \$10,000.