

# CITY OF CONCORD

## REPORT TO THE MAYOR AND CITY COUNCIL



**FROM:** David Cedarholm, City Engineer

**DATE:** May 21, 2021

**SUBJECT:** Appropriating the sum of \$5,000 for use in the Annual Highway Improvement Program (CIP 78) to perform pavement restoration on Eastside Drive and accepting payment from a recalled surety bond in the sum of \$5,000 for this purpose.

### **Recommendation**

Set the attached resolution for public hearing on July 12, 2021.

### **Background**

A private contractor hired to permit and perform a utility connection at the residence of 187 East Side Drive in 2018 obtained the necessary permits from the Engineering Services Division and provided a \$5,000 surety bond to ensure the roadway pavement associated with the excavation permit is properly restored. The contractor; however, declared bankruptcy prior to completing the agreed upon final pavement restoration at the conclusion of the 2-year warranty period.

### **Discussion**

After receiving notification by the US Bankruptcy Court that the contractor in question had filed for bankruptcy, the City Engineer worked with the City Solicitor's

office to file a proof-of-claim to have the bond recalled and obtain the funds due to the City to cover the cost of completing the final pavement restoration at the subject site. After providing the necessary proof-of-claim documentation to the surety provider Merchants Surety Company, the City received the payment due in the sum of \$5,000. The funds received by the surety provider are to be used to supplement the Annual Highway Improvement Program (CIP 78) and allow the General Services Department to utilize the City's paving contractor to perform the necessary final pavement restoration at the subject location.

dc/DC  
attachments

cc: Chip Chesley, Director of General Services