



Agenda Item # \_\_\_\_\_

# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Ward and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

**FROM:** Neil Miller, Director of Public Works  
Clarence Van Corbach, Utilities Manager

**DATE:** April 4, 2006

**SUBJECT:** Approve Appropriation of \$29,438.09 for Payment to Travelers Casualty & Surety Company for the Public Works Roof Repairs

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**RECOMMENDATION:**

Staff recommends that the City Council approve payment to Travelers Casualty & Surety Company for the Public Works Roof Repairs Project in the amount of \$29,438.09.

**FISCAL IMPLICATION:**

An appropriation from the CIP Fund is recommended to make this payment. Funds that were previously approved in the 1999/2000 budget and not used were absorbed back into the CIP Fund.

**BACKGROUND:**

The funds for the Public Works Roofing Repair project were approved in the 1999/2000 budget. The roofing project was awarded to the lowest qualified bidder (Verdugo Roofing) on April 18, 2000 and completed January 17, 2001. The subject project was completed and the City issued a warrant for the 10% retention in March of 2001. Before the check was cashed a Stop Notice was received to withhold payment until a sub-contractor was paid. That was the last communication the City had with Verdugo Roofing or any of its representatives until the recent request for payment from Travelers Casualty & Surety Company. The roofing work was completed and accepted by the City.

Attachments: A. Copy of request from ST Paul Travelers  
B. Copy of request for 10% retention payment



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3455 S. 344<sup>th</sup> Way, Suite 200  
Auburn, WA 98001

**Edward M. Connelly**  
Salvage Manager  
St. Paul Travelers Bond  
Bond Claim, Federal Way  
(253) 946-7166  
(253) 946-7156 (fax)

[EMCONNEL@stpaultravelers.com](mailto:EMCONNEL@stpaultravelers.com)

March 2, 2006

City of Manhattan Beach  
3621 Bell Avenue  
Manhattan Beach, CA 90266

Attn: Clarence Van Corbach

Re: Principal: Verdugo Roofing  
Surety: Travelers Casualty & Surety Company  
Obligee: City of Manhattan Beach  
Bond #: 086 SB 103311581  
Claim #: 091 SC 685060 RG  
Project: Metal Roof Replacement – Public Works Facility

Dear Mr. Van Corbach:

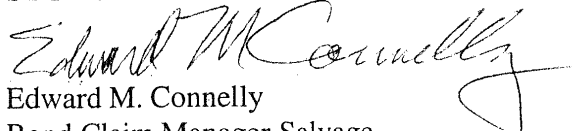
Please be advised St Paul Travelers is the successor in interest to Travelers Casualty & Surety Company (Surety). Surety issued a bond for Verdugo Roofing on the above project. Subsequently, we sustained a loss on this bond and others issued for Verdugo Roofing. We are now in the process of pursuing the contract balances assigned to us by Verdugo pursuant to the General Indemnity Agreement executed by Verdugo. We understand you have previously communicated with Lencho Verdugo and he has confirmed our claim to the outstanding contract balances.

Enclosed please find our invoice. This invoice closes this project per our understanding of the final contract price and the amount currently unpaid. Please forward a check to the undersigned, payable to Travelers Casualty & Surety Company at your earliest opportunity.

If you have any questions regarding this matter, please do not hesitate to call.

Sincerely,

ST PAUL TRAVELERS BOND

  
Edward M. Connelly  
Bond Claim Manager Salvage  
Bond Department

EMC/ww

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**CITY OF MANHATTAN BEACH PUBLIC WORKS  
CONTRACTOR'S INVOICE SUBMITTED BY STPAUL TRAVELERS**

INVOICE DATE: *March 4, 2006*  
INVOICE NUMBER: *FINAL*

FROM: **StPaul Travelers as surety for Verdugo Roofing**

TO: Clarence Van Corbach  
Public Works Manager

Public Works Facility Metal Roof Replacement

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This project has been completed. This is the final invoice

Total value of contract	\$	294,321.00
Percentage of performance complete		100.00%
Value of completed performance	\$	294,321.00
Less: Total of prior invoices	\$	264,882.91
Amount of this invoice	\$	<b>29,438.09</b>

Signature and Title \_\_\_\_\_

*Edward Connelly - Subrogation Manager*

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**PROGRESS PAYMENT REQUEST FORM**  
**CITY OF MANHATTAN BEACH**

TO: Public Works Department, 1400 Highland Avenue, Manhattan Beach, CA 90266

PROJECT TITLE: Public Works Facility Metal Roof Replacement

FROM: Contractor VERDUGO.florencio Roofing Co. Date: 12/26/00 Address: 1404 W. Gaylord St. L.B., CA 90813

Telephone (562) 590-0200

Submitted by Kathleen Verdugo/Contracts Administrator

Contract Award Amount \$294,321.00

Progress Estimate No. 4

Item No.	Description	Contract Quantity	Previous Quantity	Quantity This Estimate	Unit Price	Amount This Estimate	Total Quantity To Date	Total Amount To Date
1.	Roofing Project 100% Complete	\$294,321.00					\$294,321.00	\$294,321.00
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
	Total	\$294,321.00						
	Less Retention	\$0.00						
	Less Previous Billing(s)	\$264,888.91						
	Total Amount Due	\$29,432.09						

City Approval:

Date: