

ATTACHMENT NO. IX-C

ATTACHMENT NO. IX-C: Performance Bond Settlement for Cement Floor Work

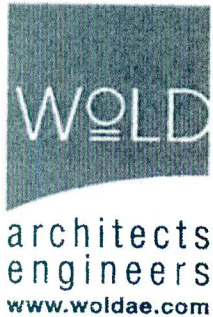
Potential motion: Move to accept the Settlement offered by CNA Surety in the amount of \$66,786.00 against the Performance Bond of Platt Concrete for the repair of the Trans/Admin Center concrete floor slab and in-floor heating system.

Recommended action: Approve the motion

It is recommended that the Board accept the settlement offered by CNA Surety in the amount of \$66,786 (the full value of Platt Concrete's Contract) in addition to the amount that remains unpaid to the contractor from the original contract. During construction, it was found that concrete had been poured in a portion of the shop area that did not meet the specifications called for in the contract. The District and the architects have been pursuing the contractor's bond company for resolution.

As a resolution to this claim, a proposal was offered by CNA Surety on March 31, 2011. Upon receipt of the settlement, it is recommended that an epoxy sealant be applied to increase the life of the concrete in the affected area. Remaining funds would be directed towards the completion of other needed projects and payment of the alternate revenue bond.

It is recommended that the Board accept the Settlement and Release and Assignment to bring closure to this project.



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April 6, 2011

Dr. Steven Baule, Superintendent
North Boone CUSD No. 200
6248 North Boone School Road
Poplar Grove, Illinois 61065

Re: North Boone CUSD No. 200
Transportation – Administration Center Concrete Repairs
Commission No. 073004

Dear Dr. Baule:

As you are aware, we are nearing resolution to the District's claim against the Performance Bond of Platt Concrete for repair of the Transportation – Administration Center's concrete floor slab and in-floor heating system. As part of the claim submission process, CNA Surety required the District to solicit quotes to complete the repairs. On November 23, 2010 the District received a quote for each Bid Package in the combined amount of \$154,334.00 (Bid Pkg. #1 - \$87,434.00; Bid Pkg. #2 - \$66,900.00). The results of the quote process were included in the January 3, 2011 submittal to CNA Surety for payment.

On March 31, 2011, CNA Surety offered the enclosed proposal as resolution to this claim. They have offered the District \$66,786.00 (the full value of Platt Concrete's Contract), in addition to the \$33,726.93 the District is currently withholding from the original contract. The combined value of the proposed settlement is \$100,512.93. By accepting this settlement, the District releases CNA Surety of any future claims relating to this matter. It is strongly recommended this proposal be reviewed by the District's legal counsel prior to acceptance. If the District chooses to reject this offer, it can either make a counter offer, or pursue the full \$154,334.00 repair cost through litigation.

Please provide direction of how the District would like to proceed with this offer. Additionally, we request the District provide direction regarding award of the quotes. If there are any questions or comments, please do not hesitate to contact me.

Sincerely,

WOLD ARCHTECTS AND ENGINEERS

Matt Verdun // P.E.
Associate

Enclosure

cc: Cathy Nelson, CUSD #200
Ed Mulholland, CUSD #200
Jim Novak, CUSD #200
Roger Schroepfer, Wold
Kirsta Ehmke, Wold

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CNA SURETY

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March 31, 2011

Mr. Matt Verdun
Wold Architects And Engineers
110 N. Brockway Street
Suite 220
Palatine, IL 60067

RECEIVED

APR 04 2011

Wold
Architects and Engineers

VIA FAX (847.241.6105) AND REGULAR MAIL

Principal: Platt Concrete, Inc.
Surety: Western Surety Company
Obligee: North Boone Cusd 200
Bond No.: 70569015
Project: North Boone Transportation Admin. Center Concrete
Claim No.: 9A717153
Matter: Performance claim and resolution

Dear Mr. Verdun:

Thank you for taking the time to speak to me this afternoon. As discussed, we have reviewed North Boone's claim regarding the above-captioned project with Platt Concrete, Inc. Western Surety Co. and North Boone Cusd 200 have agreed to resolve this matter for a payment of \$66,786.00, the bond penalty regarding the project.

Please have your client execute and return the enclosed release form. We will issue final payment upon receipt of these documents. To expedite matters, the completed release may be submitted to us by facsimile. We are asking all claimants to execute unconditional releases to cut down on paperwork. If you are unable or unwilling to execute an unconditional release prior to receiving payment, please so indicate by fax.

Should you have any questions regarding this matter, please contact the undersigned.

Sincerely,



Michael J. Keating
Authorized Representative of
Western Surety Company

RELEASE AND ASSIGNMENT

WHEREAS, on or about August 14, 2008, North Boone Cusd 200 entered into a contract with Platt Concrete, Inc. in the amount of \$66,786.00 for North Boone Transportation Admin. Center Concrete (hereinafter referred to as the "Contract"); and

WHEREAS, Western Surety Company issued Performance Bond and Payment Bond Number 70569015 effective August 14, 2008 (hereinafter referred to as the "Bond") on behalf of Platt Concrete, Inc. and in favor of North Boone Cusd 200; and

WHEREAS, the penalty of the Bond is \$66,786.00; and

WHEREAS, Platt Concrete, Inc. ceased its operations midway though the contract and did not complete the project;

WHEREAS, Platt Concrete, Inc. filed for bankruptcy in June 2010;

WHEREAS, North Boone Cusd 200 has filed a claim with Western Surety Company alleging Platt Concrete withdrew from and did not complete the project; and

WHEREAS, North Boone Cusd 200 has obtained a bids from completion contractors Stenstrom Excavation and Blacktop Group for \$87,434.00 and Nelson Carlson Mechanical Contractors for \$66,900.00 for a combined completion cost of \$154,334.00 to complete the work required to be performed under the Contract; and

WHEREAS, North Boone Cusd 200 certifies to Western Surety Company that it has paid the sum of ~~\$33,100.07~~ on the Contract, leaving a contract balance of ~~\$33,685.93~~; and 33,059.07
33,726.93

WHEREAS, Western Surety Company has agreed to pay and North Boone Cusd 200 has agreed to accept the sum of \$66,786.00 in full and final compromise settlement of this and any and all claims which North Boone Cusd 200 ever had, now has, or can, shall, or may have under the Bond, it is therefore agreed as follows:

NOW THEREFORE, in consideration of the sum of \$66,786.00, receipt of which is hereby acknowledged, North Boone Cusd 200 does hereby release and discharge Western Surety Company, as Surety, from any and all liability on its described Bond.

IN FURTHER CONSIDERATION of the aforesaid payment, and other good and valuable consideration, North Boone Cusd 200 hereby assigns, transfers, and sets over to Western Surety Company its rights, claims, actions, or causes of action which it now has or may have against any person, firm, or corporation arising or in any way growing out of the aforescribed claim to the extent of this payment, and hereby appoints and constitutes said Western Surety Company its true, lawful, and irrevocable attorney to demand receipt for and enforce payment, and at the expense of Western Surety Company to sue for said claim.

Dated : _____

North Boone Cusd 200

By: _____

Printed Name: _____

Title: _____

STATE OF _____)

COUNTY OF _____) ss

Before me this date personally appeared _____, known to me to be the person and agent subscribing hereinabove on behalf of North Boone Cusd 200, who upon oath acknowledged to me that he is duly authorized to execute the above and foregoing Release And Assignment on behalf of North Boone Cusd 200, that he has read the foregoing Release and Assignment, and that he has executed the same on behalf of North Boone Cusd 200 for the purposes and consideration therein expressed.

Date: _____

My Commission Expires: _____

Notary Public in and for said County and State