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**PARKS, RECREATION & FACILITIES  
MANAGEMENT**

**Dean R. Gazza, Director**

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**To:** Finance Committee

**From:** Dean R. Gazza, Director of Parks, Recreation and Facilities Management

**Date:** May 24, 2016

**Re:** Action: Request to declare contractor default and terminate contract for Municipal Services Building Trench Drain Reconstruction to Wood Sewer & Excavating, Inc. in the amount of \$199,660.

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The bids for the Municipal Services Building Trench Drain Reconstruction Project were opened on Thursday, April 22, 2015 in which a contract was awarded to Wood Sewer and Excavating, Inc. The project included the removal and installation of the current trench drain that is located throughout the garage areas of the Municipal Services Building.

Wood Sewer and Excavating, Inc. attempted to complete this work, but did so in a manner that does not conform to the specifications. After numerous attempts to remedy the situation with the contractor, we were unsuccessful to agree on a solution.

Wood Sewer was paid a total of \$102,210.95, thus leaving a remaining balance of \$97,449.05.

This job has a performance bond which the City will pursue to ensure the work gets completed as originally intended. A performance bond is a written guaranty from a third party guarantor by a contractor upon winning the bid. A performance bond ensures payment of a sum of money in case the contractor fails in the full performance of the contract and ultimately the proper completion of the project.

With assistance from the Legal Services Department, we have already started discussions with the bonding company to make a claim on the performance bond. As a first step to this claim process, terms of the bond require the City to declare Wood Sewer has defaulted on the contract and terminate the contract.

Please feel free to contact me at 832-5572 with any questions, or by email at [dean.gazza@appleton.org](mailto:dean.gazza@appleton.org).