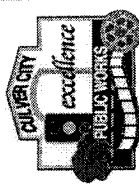
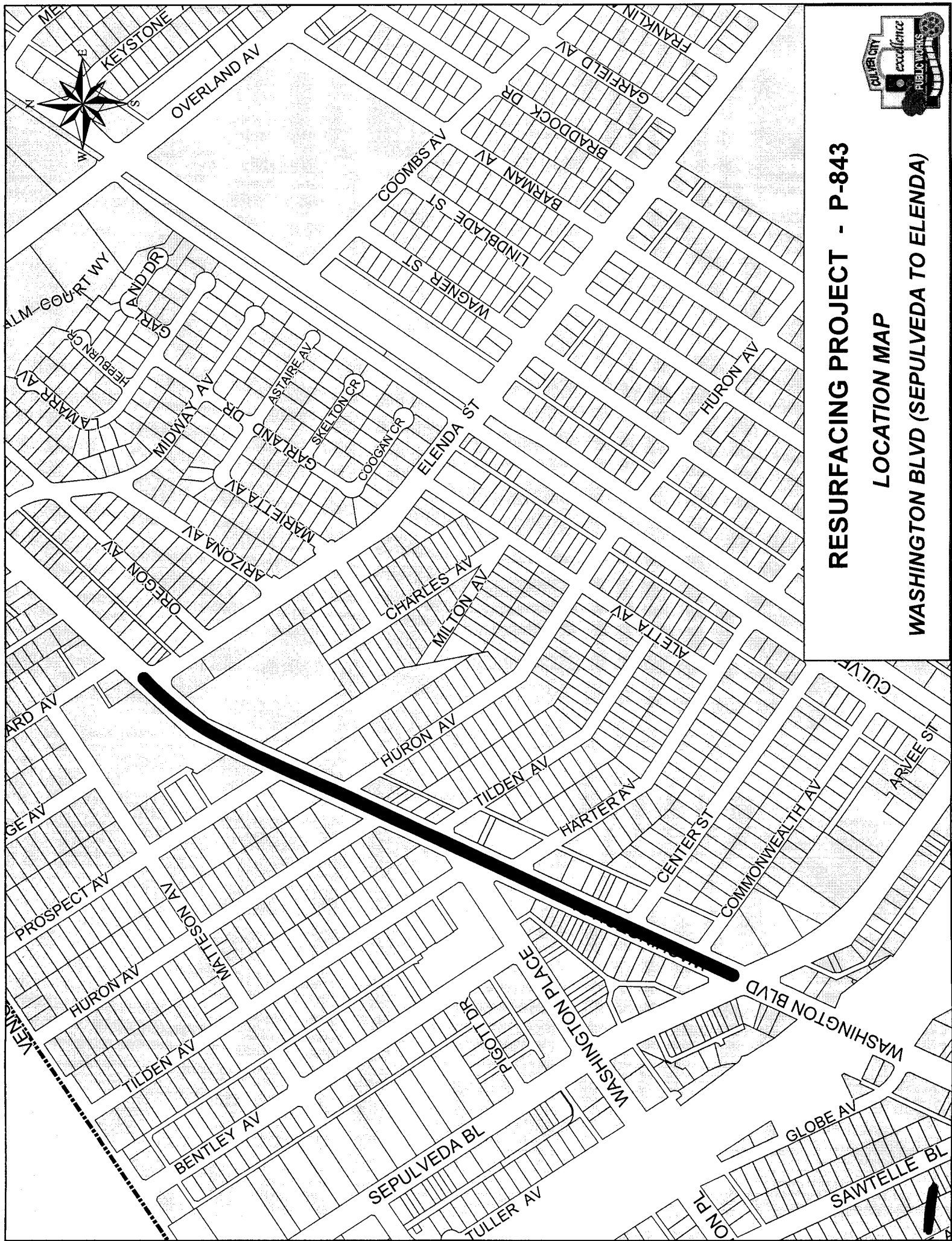


MEETING DATE: 5/14/07

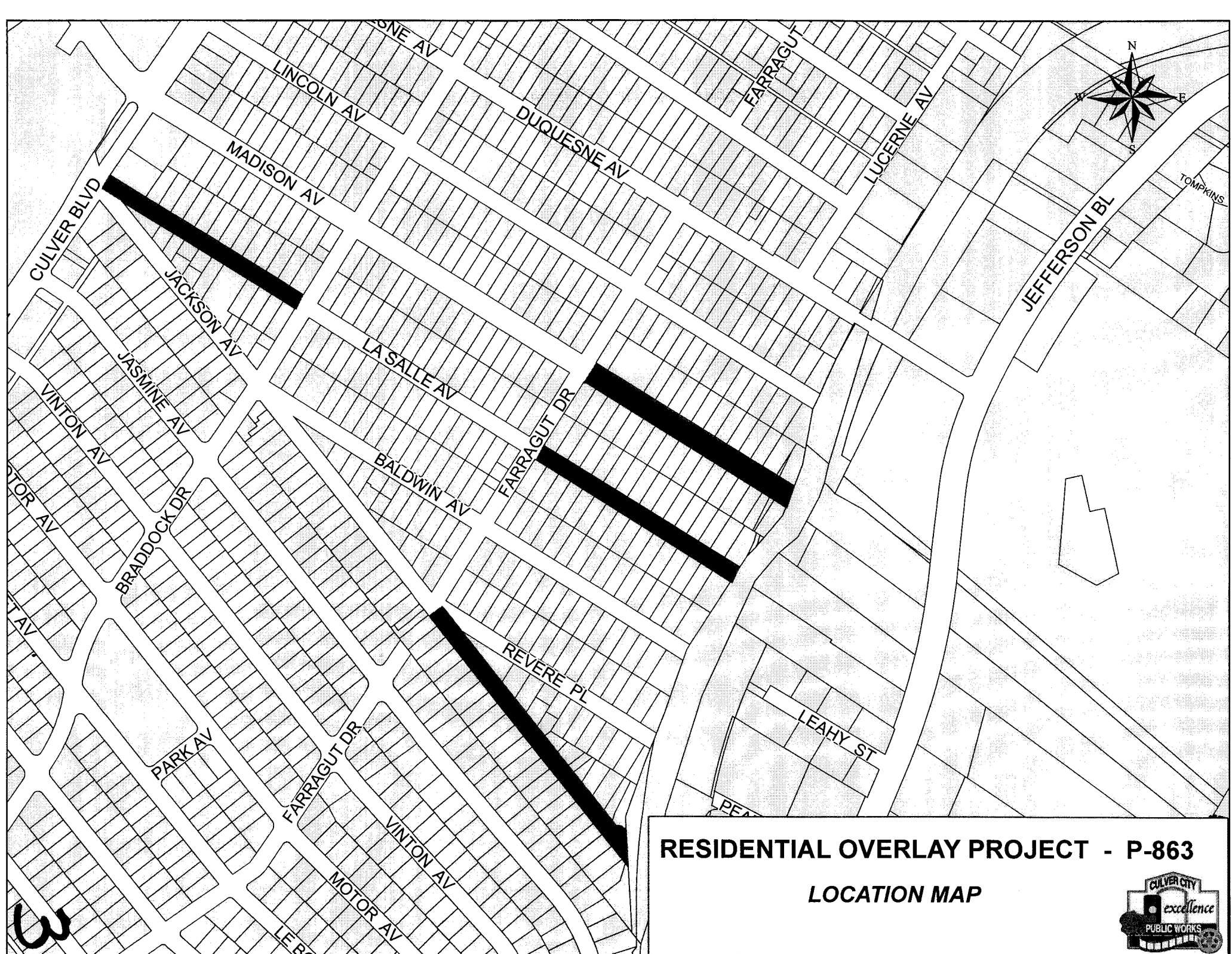
AGENDA ITEM: A Joint City Council/Redevelopment Agency Meeting for the Consideration to Accept the Work Performed by Sialic Contractors Corporation dba Shawnan for Washington Boulevard Resurfacing Project, Culver Boulevard Pavement Reconstruction Project, and the Residential Overlay Project

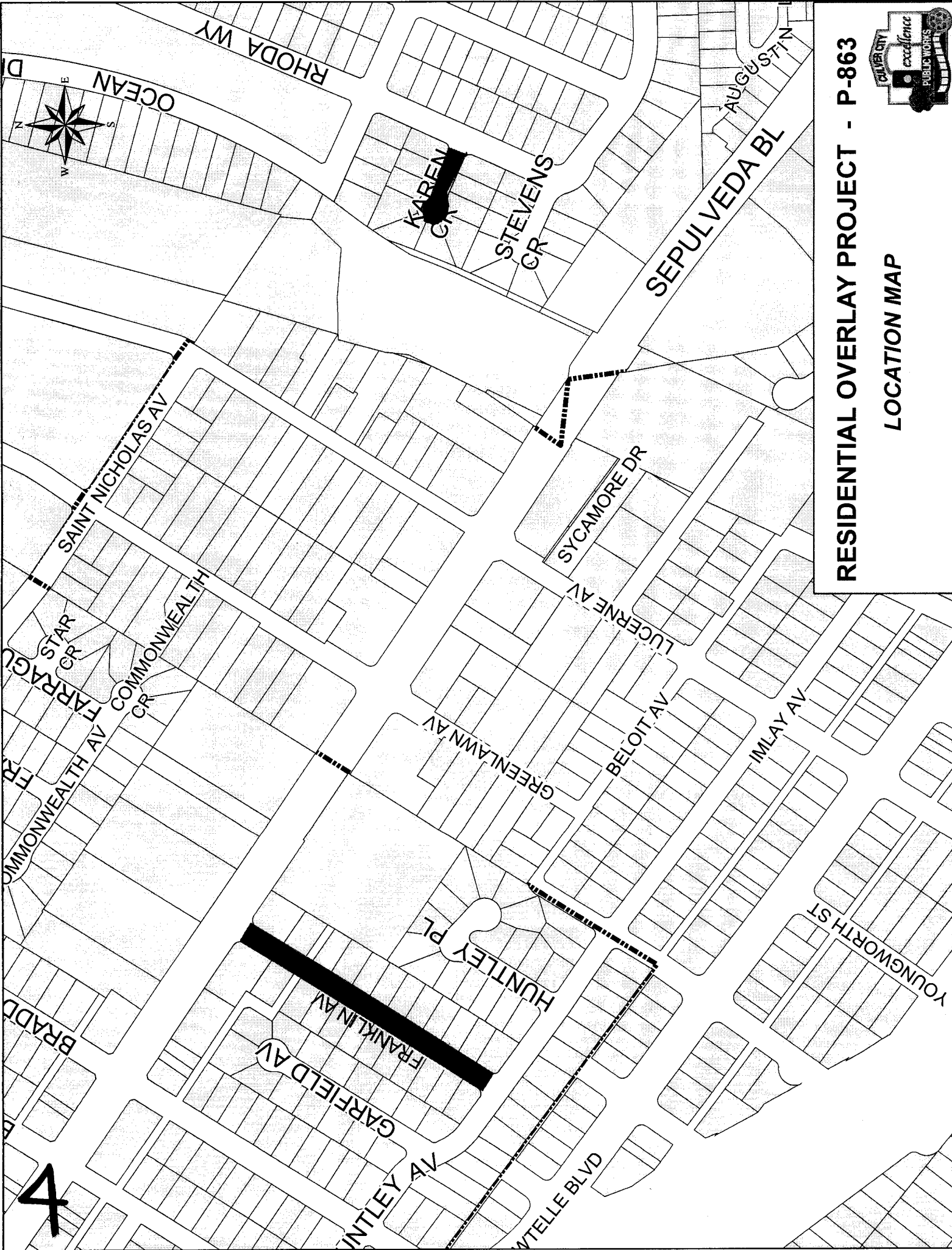
ATTACHMENTS

		Page
1	Location Map	1-5
2	Geotechnical Report on Distressed Pavement on Washington Boulevard, dated March 15, 2007 by Zieser-Kling.	6-7
3	Extended Warranty provided by Shawnan for Madison Avenue.	8-16



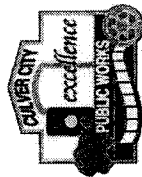
RESURFACING PROJECT - P-843
LOCATION MAP
WASHINGTON BLVD (SEPULVEDA TO ELENDA)

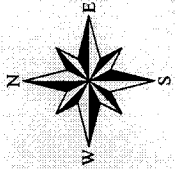




RESIDENTIAL OVERLAY PROJECT - P-863

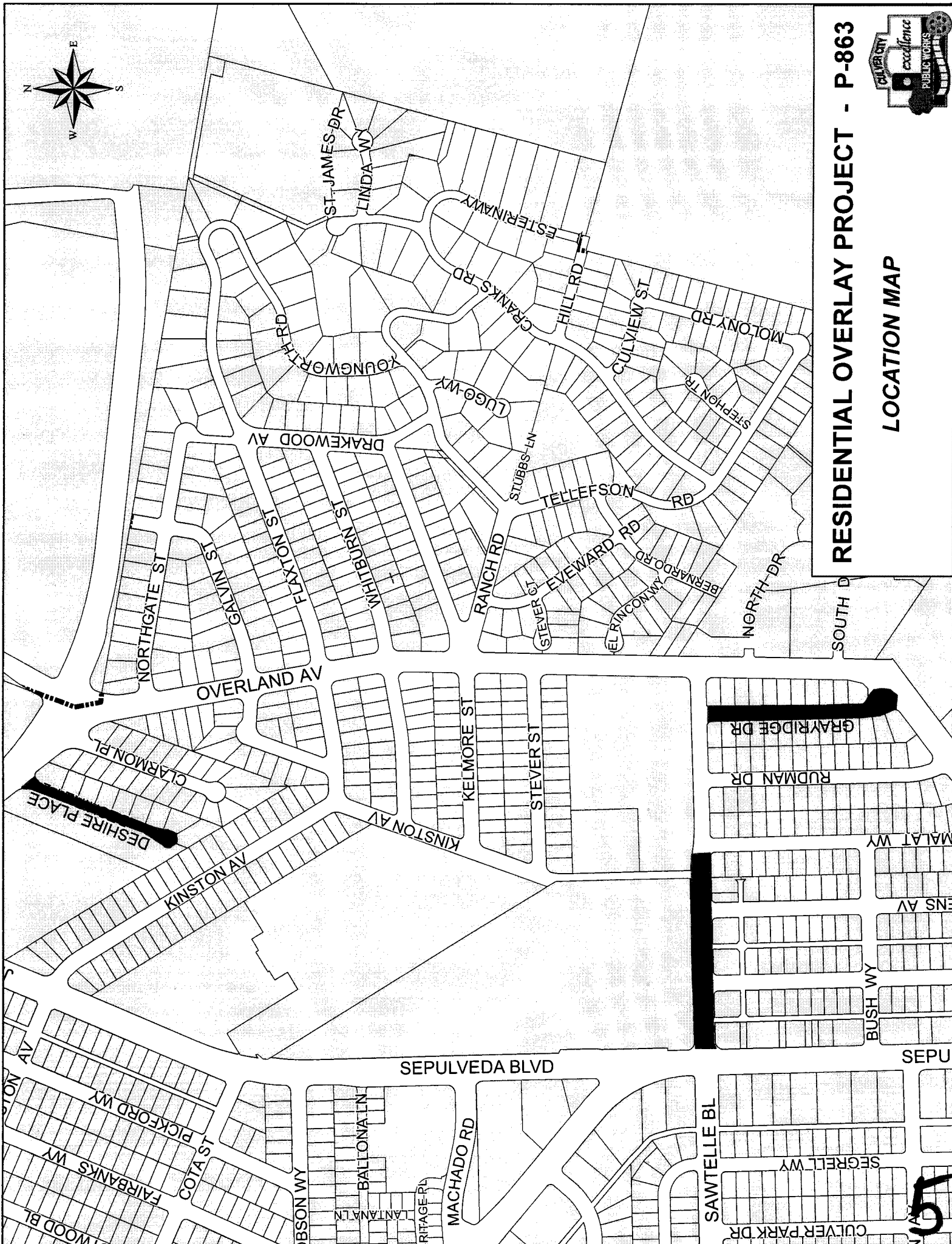
LOCATION MAP





RESIDENTIAL OVERLAY PROJECT - P-863

LOCATION MAP





MEMORANDUM

To: Mr. Lee Torres, City of Culver City Engineer
From: Peter A. Perales, Director of Field Operations
Matthew G. Rogers, PE, GE
PN: 06083-00
Date: Weds. 15 Mar. 2007
Re: Pavement Distress on Washington Boulevard at approx.
10915 Washington Boulevard, Culver City, CA

This memorandum is presented to document the findings of our observations conducted on March 14, 2007 in the area of pavement distress found at the Reference location as well as to offer Conclusions and Recommendations.

Observations

The area of pavement distress is in an area of Washington Boulevard which has recently been resurfaced. The area affect is the west bound lane at approximately 10915 Washington Boulevard. The distress area is in a high traffic area of the lane, near the parking portion of the lane. The parkway in the area of the distressed is landscaped with large mature trees and grass ground cover. Tree trunk diameters are the order of 2 feet or larger. The pavement distress is manifested by alligator cracking on the pavement surface and bulging.

An area of distress which indicated abundant bulging had previously been saw-cut and the existing pavement removed by City crews. A Portland cement concrete layer was exposed that was underlying the asphalt concrete pavement. Some cracking was noted in the concrete layer. The existing pavement section consisted of about 2 inches rubberized asphalt concrete on top of a layer of bituminous treated soil that varied from 1-1/4" to 1-1/2" in thickness. A muddy soil condition (that turned out to be the bituminous treat soil layer) was also noted to be underlying the asphalt concrete paving in a portion of the removal area. Free moisture was observed between the concrete and the bituminous treated soil surface. The source of the water was not evident. Samples of the asphalt concrete pavement section, consisting of the rubberized asphalt concrete and bituminous treated soil, were secured and transported to our laboratory.

Conclusions

Based on our observations, we have concluded that the reason for pavement failure is likely due to water infiltrating the pavement section allowing for the deterioration of the bituminous treated soil. The bonding between the concrete and the bituminous treated soil apparently was dissipated as soon as the treated soil was broken down by repetitive wheel loading. Though the actual source of the free water noted in the exploratory opening could not be determined, we believe that the likely source of the water is from irrigation. Further, it is our opinion that future pavement distress may be anticipated in the areas where heavy irrigation watering is occurring.

6

Recommendations

Moisture Barrier

Bonding between the pavement section elements is a critical consideration in the design of flexible pavement sections. These pavement sections are calculated with the understanding that the subgrade, aggregate base and /or any other sub-layer that is an element of the pavement section will be relative free of standing water. In order to mitigate against further pavement distress, it recommended that a moisture barrier system be installed in areas of heavy irrigation. A moisture barrier may consist of a 40 mil PVC sheeting at least 3 feet deep buried in a narrow trench excavated at the back of the curb in the parkways being irrigated. The PVC sheeting should be glued to the back of the curb using Henry's # 107 asphalt emulsion or equivalent. As mentioned this is a mitigation effort only and is no guarantee that water infiltration will not continue to occur, considering that a definitive water source could not be determined.

Repair of Pavement Distressed Areas

Repair of the entire area where future pavement distress may be anticipated should be removed and repaired. As an alternative, distress to the pavement may be allowed to occur and then be repaired within the distressed areas.

Areas indicating pavement distress should be removed. Removal areas should extend a minimum 2 feet beyond the distress limit indicated on the pavement surface or until the removal limits about the existing concrete curb. The existing asphalt concrete should be removed to expose the underlying concrete layer. The concrete layer should be cleaned of all loose soil/material. Any cracks in the concrete layer should be cleaned out with compressed air and filled with a rubberized asphalt sealer/crack filler material. Filling of the cracks should be done as specified by asphalt filler manufacturer. The entire exposed concrete layer should be tack-coated with an appropriate asphaltic material prior to placing the asphalt concrete paving. The repair area may then be paved with rubberized asphalt paving material.

The repair operation should be observed by a geotechnical deputy inspector familiar with performing such a repair operations.



Culver CITY

PUBLIC WORKS DEPARTMENT

9770 Culver Boulevard, Culver City, California 90232



Charles D. Herbertson, P.E., LS
Public Works Director and
City Engineer

(310) 253-5600
(310) 253-5626 fax

March 22, 2007

Mr. Shawn Smith
Shawnan
12240 Woodruff Avenue
Downey, CA 90241

**RE: RESIDENTIAL OVERLAY PROJECT P-863
WARRANTY EXTENSION (ONE YEAR) ON WORK PERFORMED AND FINAL
PRODUCT PROVIDED AT MADISON AVENUE**

Dear Shawn,

The City is receipt of your letter dated February 28, 2007. Your letter indicates Shawnan's agreement to provide an extended warranty on the work performed and final product provided at Madison Avenue. The reasons for the extended warranty as provided by the February 28, 2007 letter are inadequate. For clarification, the following is a summary of the reasons the City requested the extended warranty.

Zeiser Kling Consultants Inc. (ZKC) was hired by the City to provide geotechnical expertise for the above referenced project. As you are aware, representatives from ZKC were on-site at the asphalt plant and at the project sites on the days paving of the residential streets were conducted.

ZKC reported that on the day of paving at Madison Avenue (November 13, 2006), the Asphalt Rubber Hot Mix (ARHM) discharged from delivery trucks into the paver hopper were tested to range from 260 to 311 degrees Fahrenheit. This observation and test results were verified by the project inspector. The Standard Specifications for Public Works Construction ("Greenbook") states in section 302-9.4 that at the time of delivery to the Work site, the minimum temperature for ARHM-GG shall be 300 to 330 degrees Fahrenheit.

ZKC conducted compaction tests at various locations along Madison Avenue after the paving and compaction operations were completed. Test results showed that compaction varied between 92% and 95%. Engineering specifications for this project required the final work product to achieve a 95% compaction.

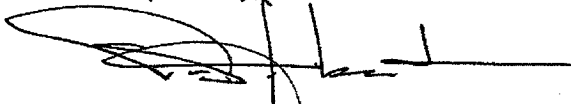
8

Based on the above observations and test results provided by on-site representatives, the City questions the quality of the work product. The work was performed without using the proper temperature as specified in the "Greenbook" and completed without achieving the engineering specified 95% compaction. According to the City's consulting geotechnical engineer at ZKC, the less than 95% compaction can potentially lead to roadway premature failure.

With this understanding, the City requested Shawnan to provide an extended warranty on work performed and product provided at Madison Avenue. The City is also hereby requiring the contractor to extend the performance bond to one year after the completion of the project. This extension of the performance bond provides the City with the assurance that Shawnan will perform work in relation to the extended warranty on Madison Avenue.

If you have any questions please contact Project Engineer Elaine Jeng at (310) 253-5621.

Respectfully,



Charles D. Herbertson, P.E.
Director of Public Works/City Engineer

Enclosures

cc: Mate Gaspar, Engineering Services Manager
Elaine Jeng, Associate Civil Engineer
Lee Torres, Associate Engineer
Vernon Nickerson, Consultant Public Works Inspector

SHAWNAN

State License # 679962 A/B
12240 Woodruff Ave.
Downey, CA 90241
Phone: (562) 803-9977
Fax: (562) 803-9955

To: City of Culver City
9770 Culver Blvd.
Culver City, Ca. 90232

Date: February 28, 2007

Job Title: Washington Blvd
Resurfacing Project

Job Number: 189

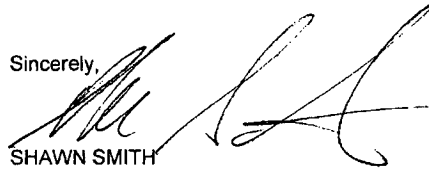
Project: P-843, P-837 & P-863

Attention Elaine Jeng:

Elaine,

Due to the fact that some of the asphalt material installed on Madison Street as depicted on the above referenced project plans, was delivered on a colder day than the rest of the project the finish resulted in a more coarse looking product with variable compaction results. This confirms that Shawnan agrees to extend the warranty on the material installed on Madison one additional year for any failures which result from compaction.

Sincerely,



SHAWN SMITH
Project Manager,

COATS / RAPP SURETY SERVICES

23461 South Pointe Drive, Suite 345, Laguna Hills, CA 92653

Phone: (949) 457-1060 Fax: (949) 457-1070

March 26, 2007

Public Works Department
City of Culver City
9770 Culver Boulevard
Culver City, CA 90232

Attn: Charles D. Herbertson, P.E.
Director of Public Works/City Engineer

RE: Residential Overlay Project P-863

Gentlemen:

It is our understanding that both the City of Culver City and Sialic Contractors Corporation dba Shawnan wish Federal Insurance Company to consent to the extension of their Performance & Payment Bond covering the original contract beyond the days originally specified.

Please accept this letter as Federal Insurance Company's consent and agreement to an extension of the Performance & Payment Bond (Bond No. 8204-46-02, dated August 21, 2006 in the original amount of \$1,306,105.00) to "One year from completion of the project"

Should you need any further information, please do not hesitate to call the undersigned.

Sincerely,
Federal Insurance Company
By: Rapp Surety Services



Douglas A. Rapp
Attorney in Fact

11

ACKNOWLEDGMENT

State of California
County of Orange

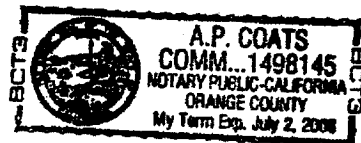
On MAR 26 2007 before me, A. P. Coats, Notary Public
(here insert name and title of the officer)

personally appeared Douglas A. Rapp

personally known to me (or proved to me on the basis of satisfactory evidence) to be
the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature 



(Seal)



**Chubb
Surety**

**POWER
OF
ATTORNEY**

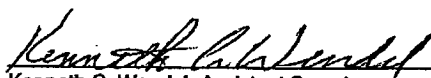
**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**

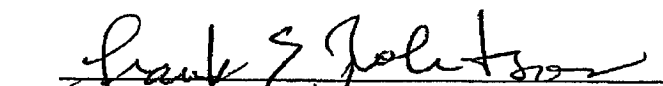
**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint **Douglas A. Rapp or Linda D. Coats of Laguna Hills, California**-----

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this **22nd** day of **January**, 2004


Kenneth C. Wendel, Assistant Secretary


Frank E. Robertson, Vice President

STATE OF NEW JERSEY } ss.
County of Somerset

On this **22nd** day of **January**, 2004, before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with Frank E. Robertson, and knows him to be Vice President of said Companies; and that the signature of Frank E. Robertson, subscribed to said Power of Attorney is in the genuine handwriting of Frank E. Robertson, and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



Karen A. Price
Notary Public State of New Jersey
No. 2231647
Commission Expires Oct 22, 2004


Notary Public

Extract from the By-Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U. S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U. S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this **26th** day of **March**, 2007




Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY
Telephone (908) 903-3485 Fax (908) 903-3656 e-mail: surety@chubb.com

Federal Insurance Company

RIDER

To be attached to and become a part of **Performance and Payment Bond No. 8204-46-02** issued by **Federal Insurance Company**, as Surety, on behalf of **Sialic Contractors Corporation dba Shawnan** as Principal, and in favor of the **City of Culver City**, as Obligee, in the amount of **One million three hundred six thousand one hundred five and 00/100 Dollars (\$1,306,105.00)**, and executed on **August 21, 2006**.

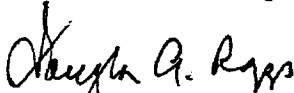
IT IS HEREBY AGREED that in consideration of the premium received, and other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby agrees as follows:

**The term of the said Performance and Payment Bond shall be extended to
"One year from completion of the project".**

All other terms and conditions of the referenced bond shall remain in full force and effect.

Signed, sealed and dated this **26th** day of **March, 2007**.

Federal Insurance Company



Douglas A. Rapp
Attorney in Fact

ACKNOWLEDGMENT

State of California
County of Orange

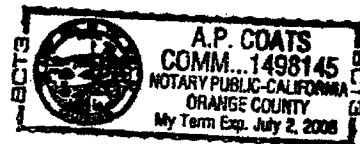
On MAR 26 2007 before me, A. P. Coats, Notary Public
(here insert name and title of the officer)

personally appeared Douglas A. Rapp

personally known to me (or proved to me on the basis of satisfactory evidence) to be
the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature



(Seal)



**Chubb
Surety**

**POWER
OF
ATTORNEY**

**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**

**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint **Douglas A. Rapp or Linda D. Coats of Laguna Hills, California**-----

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this **22nd** day of **January, 2004**

Kenneth C. Wendel, Assistant Secretary

Frank E. Robertson, Vice President

STATE OF NEW JERSEY } ss.
County of Somerset

On this **22nd** day of **January, 2004**, before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with Frank E. Robertson, and knows him to be Vice President of said Companies; and that the signature of Frank E. Robertson, subscribed to said Power of Attorney is in the genuine handwriting of Frank E. Robertson, and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



Karen A. Price
Notary Public State of New Jersey
No. 2231647
Commission Expires Oct 22, 2007

Notary Public

Extract from the By-Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings, and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U. S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U. S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this **26th** day of **March, 2007**



Kenneth C. Wendel, Assistant Secretary

16 IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY
Telephone (908) 903-3485 Fax (908) 903-3656 e-mail: surety@chubb.com