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March 28, 2016

Mr. Bellur Devaraj  
City of Culver City  
9770 Culver Blvd.  
Culver City, CA 90232

**Re: Hetzler Road Projects**  
P&A Clients: ARC Construction, Inc.  
P&A File No.: 3109.002  
**Re: Withdrawal of Bid /2<sup>nd</sup> Contract**

Dear Mr. Devaraj:

We represent ARC Construction, Inc., in regards to the original proposed Hetzler Road Project and the new Hetzler Road Project.

As you are aware, several months after Culver City opened the original bids originally solicited for this project, Culver City asked ARC to change the scope of work from its original bid, and submit a new proposal for a reduced price on a different scope of work. ARC did so, forwarding to the City a revised proposal on a new scope of work. It is ARC's position that once the scope of work on the project changed, the original bids and bidding process were no longer applicable, as the revised scope of work constituted a new project. Thus, by asking for a revised scope of work and a new price, City rejected all original bids on the original project. Thus, all bid bonds regarding the first project should have been returned, including ARC's bid bond. Culver never asked ARC for a bid bond related to the new project.

As to the proposal regarding the new project, the vital term of the start date was not set forth therein. Further, after some 5 months of good faith negotiations regarding the proposal regarding the new project, Culver City and ARC Construction, Inc., have been unable to agree upon a start date for the newly negotiated scope of work to be done on the new Hetzler Road Project. Without waiving any other potential arguments, it is ARC's position that the change from one project to another, and the inability to agree upon a start date for the new project, has put ARC in a position where ARC must request not only return of its Bid Bond regarding the original project, but must also request to be removed from further consideration for the new project.

ATTACH 1 1/2

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Thus, we respectfully request a written confirmation from the City that ARC's bid bond is being released and that the City will be looking for a new contractor to bid on the new scope of work.. We look forward to same.

If you disagree with ARC's position, please contact us immediately to discuss the matter further. It is not ARC's intention to simply abandon the City in this regard. ARC merely believes it is entitled to be released from its Bid Bond as to the original, scrapped project, and that it has simply come to the point where the delay of more than 13 months from the bid on the original project, and more than 5 months after the acceptance of the new project with a new scope and new price, after more than a year have made the situation untenable for ARC.

Very truly yours,

PLUMTREE & ASSOCIATES



G. Derek Jarvis

GDJ:hs