

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

January 20, 2009

Agenda Item: 6.7

**Subject:** Approval of Takeover Agreement with Liberty Mutual Insurance Company and Authorization to Procure Temporary Housing for the Maintenance and Operations Facility Modular Office Building Manufacturing & Installation at Las Positas College

Background: At the February 19, 2008 Board Meeting, Modtech Holdings, Inc. of Perris, California was awarded the Bid No. 08-16, Maintenance and Operations Facility Modular Office Building Manufacturing and Installation, Las Positas College. On October 10, 2008, Modtech Holdings, Inc voluntarily defaulted under the Bonds issued for the project and under the general contract.

As required by the general contract, Liberty Mutual Insurance Company (“Surety”) issued Performance and Payment Bonds, numbered 24028124, naming Modtech Holdings, Inc. as Principal and Las Positas Community College District as Owner. As of the date of the default, certain work remained to be performed under the general contract. The Surety has agreed to reasonably complete the remaining work with a completion Contractor, subject to the terms and conditions of this Takeover Agreement.

Additionally, it is the District’s intention to rent portables and procure associated equipment, materials and services to house its Maintenance and Operations Department while the work pursuant to the general contract is completed. The Surety agrees that the District may deduct the costs of the temporary housing from amounts otherwise due under the general contract. However, in no event shall the cost of this temporary housing exceed \$40,000.00, provided the project completes according to the new schedule provided to the District. The District shall provide the Surety with reasonable documentation of the expenses and fees incurred in the procurement of the temporary housing.

Recommended Action: That the Board of Trustees approve the Takeover Agreement with Liberty Mutual Insurance Company and Authorize the Procurement of Temporary Housing for the Maintenance and Operations Facility Modular Office Building Manufacturing & Installation at Las Positas College. It is further recommended that the Board authorize the Vice Chancellor, Facilities, to execute the agreement and any future augmentations or amendments to this agreement on behalf of the District. Funding Source: Measure B Bond Funds

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Submitted: Jeffrey M. Kingston/Date

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Approved: Joel L. Kinnamon/Date

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