



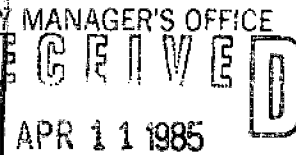
**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



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April 10, 1985

Redevelopment Agency of the
City of Sacramento
Sacramento, California



Honorable Members in Session:

SUBJECT: Assignment of Contract for the Construction of the Old Sacramento Riverfront Wharf

SUMMARY

This staff report and the attached resolution recommends the immediate assignment of the Contract for the construction of the Old Sacramento Riverfront Wharf from Coast Marine Construction, Inc., to C.R. Fedrick, Inc.

BACKGROUND

On October 1, 1985, the Agency executed a Contract for the construction of the Old Sacramento Riverfront Wharf with Coast Marine Construction, Inc., Portland, Oregon. The project is under construction. Coast Marine has advised the Agency that Coast Marine is experiencing certain significant and critical financial problems. As a resolution of these problems and in order to avoid any adverse impact on the Old Sacramento Wharf project, and in recognition of the obligations of Coast Marine and its Surety, St. Paul, under the Performance and Payment Bonds, Coast Marine has requested approval for the immediate assignment of its Contract with the Agency to C.R. Fedrick, Inc., General Engineering Contractors, Novato, California.

C.R. Fedrick, Inc., is a wholly-owned subsidiary of Albuquerque Gravel Products Co. NSL, which is one of the several wholly-owned subsidiaries of M.M. Sundt Corporation, Tuscon, Arizona. Sundt Corporation is a major developer in the southwestern United States. C.R. Fedrick, Inc., has a prequalification rating with the office of the State Architect which allows C.R. Fedrick to bid upon State projects to a value of \$48.5 million. Under the proposed assignment C.R. Fedrick will retain Coast Marine to continue its work on the project. All subcontractors and suppliers will also be retained. C.R. Fedrick will have full financial and legal responsibilities for the completion of this project. Coast Marine will continue with primary responsibility for performance of the work and completion of the construction. C.R. Fedrick will perform no actual work upon the project.

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Coast Marine's Surety, St. Paul, will continue Coast Marine's Bonds. C.R. Fedrick's Surety, the Travelers Insurance Company, shall issue identical bonding to that of St. Paul's bonding. The Bonds of both Companies shall continue in force for the duration of the project. Rather than Coast Marine going into default, Coast's Surety decided it would be less expensive to enter into an agreement with C.R. Fedrick for the completion of Coast Marine's various projects. St. Paul is providing the financial inducement for C.R. Fedrick's participation. This assignment does not involve a discounted assignment of loan proceeds.

Coast Marine and C.R. Fedrick are now finalizing their agreement. Per the terms of the Agency's Contract, Coast Marine must obtain formal written consent of the Agency to assign the Contract.

FINANCIAL DATA

The present amount of the Agency's Contract with Coast Marine for the construction of the Old Sacramento Riverfront Wharf as originally designed and bid is Two Million Seven Hundred Seventy-five Thousand Dollars (\$2,775,000.00). To date the Agency has paid Coast Marine Six Hundred Eight-two Thousand Seven Hundred Forty-seven Dollars (\$682,747.00) less a retainage in the amount of Sixty-eight Thousand Two Hundred Seventy-four Dollars (\$68,274.00). The balance under the existing Contract is Two Million Ninety-Two Thousand Two Hundred Fifty-three Dollars (\$2,092,253.00).

Per the existing Contract payments have been made directly to Coast Marine. Per the proposed assignment all future payments will be made directly to C.R. Fedrick, Inc.

VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of April 15, 1985, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above mentioned action. In the event they fail to do so, you will be advised prior to your April 16, 1985 meeting.

POLICY IMPLICATION

Adoption of the attached Resolution is consistent with the provisions of the Agency's Contract with Coast Marine and does not establish new policy.

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RECOMMENDATION

The staff recommends adoption of the attached Resolution which approves the assignment of the Contract for the construction of the Old Sacramento Riverfront Wharf from Coast Marine Construction, Inc. to C.R. Fedrick, Inc.

Sincerely,

for Andrew Klesner
WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL

for: Solon Wikaw Jr.
WALTER J. SLIPE
City Manager

Contact Person: Ted Leonard

WHE/TL:kd

RESOLUTION NO. 85-031

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF



ASSIGNMENT OF CONTRACT FOR CONSTRUCTION
OF OLD SACRAMENTO RIVERFRONT WHARF

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE
CITY OF SACRAMENTO:

Section 1: The assignment of the Contract for the
construction of the Old Sacramento Riverfront Wharf from
Coast Marine Construction, Inc. to C. R. Fedrick, Inc. is
hereby approved.

Section 2: The approval and authorization herein
is conditioned upon submission of performance and payment
bonds naming C. R. Fedrick and Coast Marine as principals,
in a form identical to the form of existing bonds for the
contract by surety companies acceptable to Agency Counsel.

CHAIR

ATTEST:

SECRETARY

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