

(R-83-1253)

RESOLUTION NUMBER R- 258278

Adopted on APR 18 1983

A RESOLUTION ESTABLISHING COUNCIL POLICY NO. 800-11 REGARDING PARTIAL RELEASE OF PERFORMANCE BONDS AND OTHER TYPES OF SURETIES

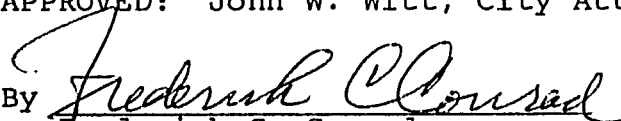
BE IT RESOLVED, by the Council of The City of San Diego as follows:

That Council Policy No. 800-11 regarding partial release of performance bonds and other types of sureties be and is hereby established as set forth in the Council Policy filed in the Office of the City Clerk as Document No. RR- 258278.

BE IT FURTHER RESOLVED, that the City Clerk is hereby instructed to add the aforesaid to the Council Policy Manual.

APPROVED: John W. Witt, City Attorney

By

  
Frederick C. Conrad  
Chief Deputy City Attorney

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04/05/83  
Or.Dept:T&LU  
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CITY OF SAN DIEGO, CALIFORNIA  
COUNCIL POLICY

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
PARTIAL RELEASE OF PERFORMANCE BONDS AND OTHER TYPES OF SURETIES	800-11		1 of 2

BACKGROUND

Occasionally, a developer will complete a portion of the construction required by a Subdivision Improvement Agreement or an Improvement Permit and then request that the bond or other surety posted to ensure faithful performance be reduced in proportion to the value of work completed.

PURPOSE

To establish a policy and procedure covering the partial release of sureties.

POLICY

Partial release of sureties over \$25,000 will be considered when all of the following conditions exist:

1. The City has received a written request from the developer or the developer's engineer containing a detailed estimate of both the value of work completed as well as the value of work remaining.
2. The Subdivision Improvement Agreement or Improvement Permit has at least six months remaining before expiration.
3. The Job Order Account has a sufficient balance to cover all anticipated costs before close out.
4. The developer has provided the City with evidence acceptable to the City Engineer and City Attorney that the surety to be partially released is unencumbered by claims pursuant to the Mechanic's Lien Law.
5. The surety has not been subject to an earlier partial release.

The maximum amount released shall not exceed 75% of the value of work completed. In no case shall less than 25% of the original bond amount be retained in force until all work is completed and the "Notice of Completion and Acceptance" is recorded and a "Full Release" is issued. Notwithstanding the requirement for 25% retention, alternative security may be required to assure developer's timely performance of any specific remaining item(s) of work. In addition, alternative security may be required in any case where the 25% bond otherwise retained would have a value of \$25,000 or less. The alternative security, when required, shall be in the form of a cash deposit or an acceptable equivalent and will be required when the work remaining to be done may be needed to serve adjacent development or the general public before the Improvement Agreement or Improvement Permit expires.

A PARTIAL RELEASE OF THE SURETY DOES NOT REPRESENT AN ACCEPTANCE OF ANY PORTION OF THE WORK.

DOCUMENT NO. RR-258278

FILED APR 18 1983

OFFICE OF THE CITY CLERK 13  
SAN DIEGO, CALIFORNIA

Passed and adopted by the Council of The City of San Diego on APR 18 1983,  
by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> VACANT

AUTHENTICATED BY:

BILL CLEATOR  
Deputy Mayor of The City of San Diego, California.

(Seal)

CHARLES G. ABDELNOUR  
City Clerk of The City of San Diego, California.

By *Paul A. Blackall*, Deputy.

Office of the City Clerk, San Diego, California

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