

City of Salinas

OFFICE OF THE CITY ATTORNEY • 200 Lincoln Ave • Salinas, California 93901

(831) 758-7256 • (831) 758-7257 (Fax) • www.ci.salinas.ca.us



2015

Christopher A. Callihan, City Attorney

VIA U.S. MAIL

September 18, 2017

Victory Mission, Inc.
PO Box 995
Salinas, CA 93901

Re: Demand for Payment
City of Salinas Case Nos. CE1703-0096 and FD1703-0005
Date of Loss: March 18, 2017

Dear Victory Mission, Inc.:

The City of Salinas hereby submits its demand related to a March 18, 2017 fire at 45 Soledad Street, Salinas, California, 93901. This demand is for abatement costs expended at your property resulting from the above-referenced fire.

On March 18, 2017, a fire engulfed the property located at 45 Soledad Street, which caused significant damage to the structure. Specifically, the roof and second floor completely collapsed, which caused the exterior walls to become completely horizontally unsupported. At the conclusion of the fire, the Building Official determined that the building posed an imminent danger to the public based on the risk of collapse and ordered its immediate abatement. Since responsible parties took no steps to abate the nuisance, the City of Salinas sought and obtained an abatement warrant, signed by Hon. Timothy Roberts, from Monterey County Superior Court. The City completed the abatement of the dangerous structure and removal of debris on or about June 30, 2017 at a cost of \$390,290.73.

Enclosed you will find a copy of the above-referenced invoices on this matter. If you require any additional information, please contact me. Payment can be remitted to my attention. Payment must be received within 90 days to avoid further action on this matter.

Sincerely,

Anais Martinez Aquino
Senior Deputy City Attorney

Cc: Christopher A. Callihan, City Attorney
Samuel Klemek, Battalion Chief/Fire Marshal
Don Reynolds, Assistant Public Works Director
Megan Hunter, Community Development Director

Enclosures

DAMAGE BILLING WORKSHEET

Department:	Legal
Dept. Staff Member Submitting:	Anais Martinez Aquino, Senior Deputy City Attorney
Location of Incident:	45 Soledad Street
Date of Incident:	3/18/2017
Reimbursement Account #:	

Instructions to City Staff: Fill out this form completely. Attach REQUIRED Supporting Documents and Information Section to ensure CAO has all required documents and information, including the Account Number recovered funds are to be transferred to. Supporting Documents must be submitted to CAO with DBW for Cost Recovery to be initiated.

Description of Incident (Include account of damages and repairs)
Structure fire at 45 Soledad Street requiring emergency abatement.

Required Supporting Documents and Information			
# of Photos Included:		Police Report - # of Pages:	
# of Invoices Included:	3	Other - Type & # of Pages:	
# of Estimates Included:			

OUTSIDE VENDOR REPAIRS

Repair Invoices/Estimates	Description	Dept Paid Invoice?		Invoice Attached?		Total
		Y	N	Y	N	
Invoice 045324	Randazzo Enterprises Inc. - Demolition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$302,022.00
Invoice 045364	Randazzo Enterprises, Inc. - Demolition/Retention	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 33,558.00
Invoice 105	(Trak-It) Blancas Construction - Portable Fencing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 4,730.25
Total Charges:					\$	340,310.25

DEPARTMENT LABOR

Name	Labor Hours	Hourly Rate	OVERHEAD RATES SEIU 1.60 SEIU CS 1.53 AMPS 1.42 SMEA 1.45	Total
Ana Jacinto	0.25	\$ 45.55		\$ 11.39
Anais Aquino	30	\$ 195.00		\$ 5,850.00
Jessica Ng	5.75	\$ 38.32		\$ 220.34
John Falkenberg	2.25	\$ 74.27		\$ 167.11
Joseph DeSante	9.75	\$ 86.44		\$ 842.79
Lorenzo Sanchez	6	\$ 73.13		\$ 438.78

Date Received:

Cost Recovery #:

DAMAGE BILLING WORKSHEET

Michelle Vaughn	1	\$	104.09		\$	104.09
Samuel Klemek	3.5	\$	134.17		\$	469.60
Sylvia Perez	0.5	\$	67.24		\$	33.62
Teresa Kistler	0.5	\$	51.82		\$	25.91
Total Labor					\$	8,163.62

MATERIALS & EQUIPMENT

Material/Equip. Description	Material Quantity/Equip. Hours	Unit Cost	Total
			\$ -
			\$ -
			\$ -
			\$ -
Total Material/Equipment			\$ -

SUBTOTAL	\$	348,473.87
Admin Fee 12%	\$	41,816.86
GRAND TOTAL	\$	390,290.73



Departmental Billing Authorization

Sept 18, 2017

Date

Record Retention Information: This is an Official City Record and is subject to retention and destruction in accordance with the City's Retention schedule.

Rev. Feb 2017

Date Received:

Cost Recovery #:

RANDAZZO ENTERPRISES, INC.13550 BLACKIE RD.
CASTROVILLE, CA 95012**INVOICE**Invoice Number: 045324
Invoice Date: Jul 5, 2017
Page: 1

Duplicate

Voice: 831-633-4420

Fax: 831-633-4588

Bill To:CITY OF SALINAS
FINANCE DEPARTMENT
200 LINCOLN AVE.
SALINAS, CA 93901CITY OF SALINAS
FINANCE DEPARTMENT
200 LINCOLN AVE.
SALINAS, CA 93901

Customer ID	Customer PO	Payment Terms
COSA	JOB # 6171	UPON RECEIPT
Sales Rep ID	Shipping Method	Due Date
	Courier	7/5/17

Quantity	Item	Description	Unit Price	Amount
	DEMOLITION	PROJECT: 45 SOLEDAD STREET SALINAS		
	DEMOLITION	DEMOLITION AS PER CONTRACT (START DATE 6-13-2017 AND FINISH DATE 6-30-2017		335,580.00
	DEMOLITION	LESS 10% RETENTION		-33,558.00
<i>Ok to pay per Jesse Kiron 7/14/17</i>				
Subtotal				302,022.00
Sales Tax				
Total Invoice Amount				302,022.00
Payment/Credit Applied				
TOTAL				302,022.00

Check/Credit Memo No:

RANDAZZO ENTERPRISES, INC.13550 BLACKIE RD.
CASTROVILLE, CA 95012Voice: 831-633-4420
Fax: 831-633-4588**INVOICE**Invoice Number: 045324
Invoice Date: Jul 5, 2017
Page: 1
Duplicate

S3

Bill To:CITY OF SALINAS
FINANCE DEPARTMENT
200 LINCOLN AVE.
SALINAS, CA 93901**Ship To:**CITY OF SALINAS
FINANCE DEPARTMENT
200 LINCOLN AVE.
SALINAS, CA 93901

Customer ID	Customer PO	Payment Terms
COSA	JOB # 6171	UPON RECEIPT
Sales Rep ID	Shipping Method	Ship Date
	Courier	7/5/17

Quantity	Item	Description	Unit Price	Amount
	DEMOLITION	PROJECT: 45 SOLEDAD STREET SALINAS		335,580.00
	DEMOLITION	DEMOLITION AS PER CONTRACT		-33,558.00
	DEMOLITION	LESS 10% RETENTION		
PO# 2017-7940				
OK TO PAY				
5800.50.9031-63.6010				
Subtotal				302,022.00
Sales Tax				
Total Invoice Amount				302,022.00
Payment/Credit Applied				
TOTAL				302,022.00

Check/Credit Memo No:

CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant: RANDAZZO ENTERPRISES, INC.

Name of Customer: CITY OF SALINAS

Job Location: 45 SOLEDAD STREET SALINAS

Owner: CITY OF SALINAS

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: CITY OF SALINAS

Amount of Check: \$ 302,022.00

Check Payable to: RANDAZZO ENTERPRISES, INC.

Exceptions

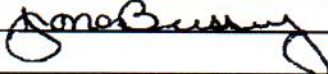
This document does not affect any of the following:
Disputed claims for extras in the amount of: \$ 0.00

Signature

Claimant's Signature:

Claimant's Title: OFFICE MANAGER

Date of Signature: 07/05/2017



RANDAZZO ENTERPRISES, INC.13550 BLACKIE RD.
CASTROVILLE, CA 95012**INVOICE**Invoice Number: 045364
Invoice Date: Jul 6, 2017
Page: 1Voice: 831-633-4420
Fax: 831-633-4588

P.O.# 2017-7940

Bill To:CITY OF SALINAS
FINANCE DEPARTMENT
200 LINCOLN AVE.
SALINAS, CA 93901**Ship To:**CITY OF SALINAS
FINANCE DEPARTMENT
200 LINCOLN AVE.
SALINAS, CA 93901

Customer ID	Customer #	Payment Terms	
COSA	JOB # 6171	UPON RECEIPT	
Sales Rep ID	Shipping Method	Ship Date	Due Date
	Courier		7/6/17

Quantity	Item	Description	Unit Price	Amount
	DEMOLITION	PROJECT: 45 SOLEDAD STREET		
	DEMOLITION	SALINAS		
		RETENTION BILLING		33,558.00

OK TO PAY

5800.50.9031-63.6010

Pay & Close P.O.

Check/Credit Memo No:

Subtotal	33,558.00
Sales Tax	
Total Invoice Amount	33,558.00
Payment/Credit Applied	
TOTAL	33,558.00

CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

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Identifying Information

Name of Claimant: RANDAZZO ENTERPRISES, INC.

Name of Customer: CITY OF SALINAS

Job Location: 45 SOLEDAD STREET SALINAS

Owner: CITY OF SALINAS

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: CITY OF SALINAS

Amount of Check: \$ 33,558.00

Check Payable to: RANDAZZO ENTERPRISES, INC.

Exceptions

This document does not affect any of the following:
Disputed claims for extras in the amount of: \$ 0.00

Signature

Claimant's Signature:

Claimant's Title: OFFICE MANAGER

Date of Signature: 07/06/2017

7/1/12

AGREEMENT

THIS AGREEMENT, made and entered into this 31st day of May, 2017, by and between CITY OF SALINAS, a municipal corporation of the State of California, hereinafter called "City", and RANDAZZO ENTERPRISES, INC. hereinafter called "Contractor",

WITNESSETH

FIRST: WHEREAS, the City of Salinas, Monterey County, State of California, has deemed the ABATEMENT & DEMOLITION – 45 SOLEDAD STREET as emergency work for safety reasons. A court ordered abatement to the owner was issued following the fire, due to the fact that the main wall facing Market Way had collapsed, and the remaining structure is at risk of coming down as well. While the structure remains standing, the hazard must be mitigated immediately, and thus, pursuant to City Code Section 12-24, and Section 12-25, awarded to RANDAZZO ENTERPRISES, INC. hereinafter designated as "Principal," a Contract for constructing said Project;

SECOND: Contractor hereby covenants and agrees to furnish and provide all labor, materials, tools, appliances, equipment, plant and transportation, and all other things required or necessary to be furnished, provide or done, and build, erect, construct and complete the work at the time and in the manner provided, and in strict accordance with, the Plans and Specifications therefore, for

ABATEMENT & DEMOLITION – 45 SOLEDAD STREET

identified by the signature of Contractor and the signature of the City Manager of the City of Salinas.

THIRD: It is expressly understood and agreed that this Contract consists of the following documents, all of which are incorporated into this agreement and made a part hereof as fully and completely as if set forth herein verbatim, to wit:

- a. **Signed Proposal of Contractor;**
- b. **Insurance Certification;**
- c. **Completely executed and signed all required City of Salinas forms;**
- d. **Bond of Faithful Performance;**
- e. **Payment Bond (Labor and Materials Bond);**
- f. **Certificate of Insurance;**
- g. **The aforesaid Plans and Specifications;**
- h. **The applicable provisions of the Design Standards and Standard Specifications and Standard Plans, 2008 Edition, or as amended, or otherwise indicated in the specifications;**
and
- i. **this Agreement.**

FOURTH: That said Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work embraced and contemplated in this Agreement and as set forth in the Proposal, a true copy thereof hereto attached; also, for all loss or damage arising out of the nature of said work or from the action of the elements or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until the acceptance thereof by the City of Salinas and for all risk connected with the work, and for well and faithfully completing the work, and

the whole thereof, in the manner and according to the said Plans and Specifications and the provisions of this agreement, and the requirements of the City Engineer under

FIFTH: them, to wit: The prices as set forth in the Proposal of said Contractor for the work to be constructed and completed under this Agreement, which prices shall be considered as though repeated herein.

The Contractor and City hereby agree that the Contractor shall perform the work, and be paid the amount specified in the Proposal of the Contractor, RANDAZZO ENTERPRISES, INC. for the as total price of three hundred thirty-five thousand five hundred eighty (\$ 335,580.00) Dollars. For any money earned by the Contractor and withheld by the City of Salinas, to insure the performance of the Contract, the Contractor may, at his/her request and expense, substitute securities equivalent to the amount withheld in the form and manner and subject to the conditions provided in Section 22300 of the Public Contracts Code of the State of California.

The undersigned Contractor further agrees to so plan the work and to prosecute it with such diligence that said work, and all of it, shall be completed on or before the expiration of 30 working days after execution of the Contract on behalf of the City of Salinas and the receipt from the City of Salinas of a notice to proceed with the work.

The undersigned Contractor agrees that there shall be paid by the undersigned Contractor and by all Subcontractors under him/her, to all laborers, workmen and mechanics employed in the execution of this Contract or any Subcontract thereunder, not less than the general prevailing rate of per diem wages, and rates for overtime and legal holidays in the locality in which the work is to be performed, as ascertained and determined, pursuant to the state statute thereto applicable, by the City Council, the schedule thereof being set forth in the Specifications for this work.

SIXTH: The City of Salinas hereby promise and agrees with said Contractor to employ, and does hereby employ, said Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the price aforesaid, and hereby Contracts to pay the same at the time, in the manner and upon the conditions set forth in the Specifications and the said parties, for themselves, their heirs, executors, administrators, successors, and assigns, do hereby agree to the full performance of the covenants herein contained.

SEVENTH: No interest in this agreement shall be transferred by the Contractor to any other party, and any such transfer shall cause the annulment of this Contract, so far as the City of Salinas is concerned. All rights of action, however, for any breach of this Contract are reserved to City.

EIGHTH: The Contractor shall keep harmless and indemnify the City of Salinas, its officers and employees and agents, from all loss, damage, cost or expense that arises or is set up for infringement of patent rights of anyone for use by the City of Salinas, its officers, employees or agents, or articles supplied by the Contractor under this Contract of which he/she is not entitled to use or sell. Contractor agrees to, at his/her own cost and expense, defend in court the City, its officers, agents and employees, in any action which may be commenced or maintained against them or any of the, on account of any claimed infringement of patent rights, arising out of this agreement.

Contractor shall indemnify and save the City of Salinas and its officers, agents, and employees harmless against all claims for damages to person or property arising out of Contractor's execution of the work, or

otherwise by the conduct of the Contractor or its employees, agents, Subcontractors, or others (including the active and passive negligence of the City, its officers, agents, and employees) in connection with the execution of the work covered by this Contract and any and all costs, expenses, attorney's fees and liability incurred by the City, its officers, agents, and employees) in connection with the execution of the work covered by this Contract and any and all costs, expenses, attorneys' fees and liability incurred by the City, its officers, agents, or employees in defending against such claims, whether the same proceed to judgment or not, except only those claims arising from the sole negligence or willful conduct of the City, its officers, agents, or employees. Further, Contractor at its own expense shall, upon written request by the City, defend any such suit or action brought against the City, its officers, agents, or employees.

Contractor shall reimburse the City of Salinas for all costs and expense (including but not limited to fees and charge of architects, engineers, attorneys, and other professional and court costs) incurred by the City in enforcing the provisions of this Section.

NINTH: The Contractor agrees to immediately repair and replace all defective material and workmanship discovered within 1 year after acceptance of final payment by Contractor and to indemnify said City of Salinas against all loss and damage occasioned by any such defect, discovered within said 1 year, even though the damage or loss may not be ascertained until after the expiration thereof. Provided, however, that if such failure of the Contractor to perform should not, by reasonable diligence, be discoverable or discovered within said 1 year, then the obligation of the Contractor to repair and replace said defective material or workmanship shall continue until one year after the actual discovery thereof.

TENTH: The Contractor agrees at all times during the progress of the work to carry with insurance carriers approved by the City of Salinas full coverage workmen's compensation and public liability insurance in the form and to the extent called for in Section 7 of both the Standard Specifications, State of California, 2010, and the Design Standards and Standard Specifications, Public Works Department, City of Salinas, 2008 Edition. Certificates of Insurance must specify whether coverage is on a "claims occurrence" or "claims made" form. If the policy is "claims made", Contractor will be required to obtain a bond which must remain in effect until 12 months following work completions.

Contractor shall also advise the insurance carrier to inform the city of the unpaid limits of the policy. Such insurance policy shall contain an endorsement that the same shall not be canceled nor the amount of coverage be reduced until at least 30 days after receipt by the City of Salinas by certified or registered mail of a written notice of such cancellation or reduction in coverage.

It is acknowledged by the parties to this agreement that insurance coverage required to be provided by the Contractor or any other party in favor of the City/additional insured is intended to apply first on a primary and non-contributing basis in relation to any other insurance of self-insurance (primary or excess) available to the City and any employee of the City. The Contractor agrees to have its policies endorsed accordingly. In addition, Contractor also accepts to provide commercial general liability (CGL) endorsement form CG 20 10 11 85. An acceptable alternative would be the use of two ISO forms together: the CG 20 10 04 13 ("ongoing operations") and the CG 20 37 04 13 ("completed operations"). The City may also accept any other comparable endorsement, which does not further limit coverage and which may be approved and accepted by the City's Public Works staff.

The Contractor hereby certify that it has a valid, current, and active Contractor's license(s) for the classification(s) of work performed, and license(s) is valid throughout the Contract.

AGREEMENT – cont.

The Contractor hereby certify that it has a valid, current, and active Contractor's license(s) for the classification(s) of work performed, and license(s) is valid throughout the Contract.

ELEVENTH: Contractor agrees to comply with all applicable federal, state and municipal laws and regulations, including but not limited to California Labor Code Division 2, Part 7, Chapter 1.

Apprenticeship utilization: The contractor agrees to comply with the Department of Apprenticeship Standards of the California Labor Code Section 1777.5, and the following:

Prior to commencing work on the awarded contract, the Contractor shall submit contract award information (form DAS 140) to all applicable apprenticeship program(s) that can supply apprentices to the site of the public work. **A copy of this information shall also be provided to the City of Salinas.**

The ratio of work performed by apprentices to journeyman employed in a particular craft or trade on the public work shall be no less than one hour of apprentice work for every five hours of journeyman work.

At the end of each month of work on the contract, the Contractor and Subcontractors shall submit a record of utilization of apprentices for the previous months work.

Within 60 days after concluding work on the contract, each contractor and subcontractor shall submit to the City of Salinas and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the contract.

IN WITNESS WHEREOF, City has caused this instrument to be executed and its corporate name and seal to be hereunto attached by its City Manager, and Contractor has caused this instrument to be executed, the day and year first hereinabove written.

CITY OF SALINAS, A Municipal Corporation

BY


City Manager

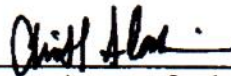
• Randazzo Enterprises, Inc.

Mark Randazzo, V.P.
Contractor (signature in blue ink)

(Attach Notary Acknowledgment)

NOTE: Please refer to the "General Instructions to Low Bidder" for specific signature requirements.

I hereby approved the form of the foregoing Contract this SEE ATTACHED 7th day of Jul, 2017.

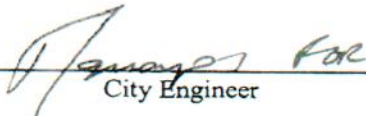


Attorney for the City of Salinas

Checked by the City Engineer on

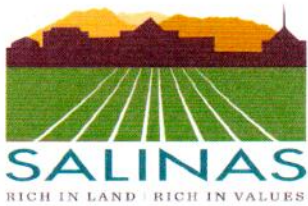
6/7/2017

AGREEMENT – cont.



City Engineer

ALL SIGNATURES SHALL BE NOTARIZED EXCEPT THOSE OF CITY OFFICIALS'



City of Salinas

OFFICE OF THE CITY ATTORNEY • 200 Lincoln Ave • Salinas, California 93901
(831) 758-7256 • (831) 758-7257 (Fax) • www.ci.salinas.ca.us



Christopher A. Callihan, City Attorney

VIA U.S. MAIL

October 20, 2017

Victory Mission, Inc.
PO Box 995
Salinas, CA 93901

**Re: Second Notice
Demand for Payment
City of Salinas Case Nos. CE1703-0096 and FD1703-0005
Date of Loss: March 18, 2017**

Dear Victory Mission, Inc.:

The City of Salinas previously sent correspondence on September 18, 2017 asserting a demand for repayment for costs associated with the emergency abatement and cleanup of potentially hazardous materials at your property located at 45 Soledad Street, Salinas, California 93901.

As you recall, a fire occurred at 45 Soledad Street on or about March 18, 2017 causing significant damage to the structural stability of the building. Prior to the City conducting any abatement work at the property, Victory Mission, Inc. entered into a purchase and sale agreement for the purchase of the property. Records obtained by the City indicate that title to the property transferred on May 30, 2017, which was recorded on June 2, 2017. On June 12, 2017, the City was made aware of Victory Mission, Inc.'s ownership interest in the property and immediately informed Ken Cussons, Executive Director, by telephone of the City's intent to abate the substantial dangers posed by the property. On that date, Mr. Cussons indicated no objection to the City's plans and did not state any other plans by Victory Mission, Inc. to address the significant and immediate safety risks on the property. The City also sent via certified mail, return receipt requested, a copy of its Emergency Abatement Notice and posted the Emergency Abatement Notice at the property. Demolition on the property concluded on June 30, 2017.

Based on the foregoing, the City is asserting this final demand for repayment of the costs associated with the abatement of the substantially dangerous building on your property. Please remit payment in the amount of \$390,290.73 immediately. Failure to make timely payment on this matter may result in additional legal action, including a lien upon the property at issue.

Sincerely,

Anais Martinez Aquino
Senior Deputy City Attorney

Cc: Christopher A. Callihan, City Attorney
Ray E. Corpuz, Jr., City Manager
Mayor and City Council Members