



# ***CITY COUNCIL AGENDA REPORT***

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**MEETING DATE:** JULY 5, 2006

**ITEM NUMBER:** \_\_\_\_\_

**SUBJECT:** RELEASE OF BONDS IN CONNECTION WITH ENCROACHMENT PERMIT NO. PS02-00609 FOR STREET IMPROVEMENTS LOCATED AT 1475 SOUTH COAST DRIVE, COSTA MESA, CALIFORNIA

**DATE:** JUNE 22, 2006

**FROM:** PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

**PRESENTATION BY:** WILLIAM J. MORRIS, DIRECTOR OF PUBLIC SERVICES

**FOR FURTHER INFORMATION CONTACT:** ERNESTO MUNOZ, CITY ENGINEER, 714-754-5343

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## ***RECOMMENDED ACTION***

Release the Performance and Labor and Material Bonds (Certificate No. 3SM 048 780 00) in the amount of \$53,000 each to Mercer Construction Co., 42690 Rio Nedo Way, Suite D, Temecula, California 92626.

## ***BACKGROUND***

On November 6, 2002, the Engineering Division issued Encroachment Permit No. PS02-00609 to Mercer Construction Co. for the construction of street improvements within South Coast Drive and Susan Street. The Encroachment Permit allowed construction of sidewalk, curb and gutter, driveway approaches, and street resurfacing. The Performance and Labor and Materials Bonds in the amount of \$53,000 each were received and accepted by the Public Services Department as a guarantee for the construction of the improvements.

## ***ANALYSIS***

All conditions of the Encroachment Permit have been met and the work has been completed and accepted by the Public Services Department.

## ***ALTERNATIVES CONSIDERED***

The alternative to this Council action would be to retain the Performance and Labor and Material Bonds. Costa Mesa Municipal Code Section 15-32 states, "The condition of said bond shall be that the applicant will perform the work authorized by any permit issued pursuant to this chapter in a good and workmanlike manner and to the satisfaction of the City Engineer." These conditions have been met; therefore, retention of the bonds would be in violation of the Municipal Code.

## ***FISCAL REVIEW***

There is no fiscal impact to the City relative to this item.

**LEGAL REVIEW**

There is no legal review required relative to this item.

**CONCLUSION**

All of the required conditions of the Encroachment Permit have been completed by the Contractor. Therefore, staff recommends that the Performance and Labor and Material Bonds in the amount of \$53,000 each be released to Mercer Construction Co.

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ERNESTO MUNOZ  
City Engineer

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WILLIAM J. MORRIS  
Director of Public Services

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City Clerk  
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Staff