

Hartford Fire Insurance Company (“Hartford”), has notified the Riviera Beach Utility Special District (“District”), that it has no obligation under the bond to takeover and complete the Work—only the payment of \$3,799,022, the penal sum of the bond in the event of Close’s default under the bond. Yet Hartford has expressed “it would appear mutually beneficial for Hartford and Riviera to reach an agreement as to the completion of Close’s Work.” Thus, the District has been negotiating with Hartford to takeover and complete the Work. The negotiations have taken the form of Hartford seeking waivers of certain provisions of the contract documents that reduce the time and cost of Hartford’s completion of the contract. For example, Hartford requested that the City waive the contract’s apprentice requirement, waive the requirement that Hartford, as the completing contractor, provide a dewatering plan and eliminate the requirement for the kind and quality of schedule, required by the contract, among other things. The Utility District has steadfastly maintained that Hartford is bound unto the District for the payment of the bond amount for performance of the contract “at the times and in the manner prescribed in the contract” and that the District would insist upon compliance with the contract documents.

Additionally, the District’s project engineer, C-Solutions has met with and communicated with the engineer that Hartford apparently hired to oversee completion of the Work. Hartford’s engineer has communicated with C-Solutions in an apparent effort to understand the status of the Work on the project, the requirements of the contract documents and the status of the payments including amounts sought under the change order process provided in the contract. Additionally, the District’s project engineer, at Hartford’s request, has met with the second and third low bidders to describe generally, the Work that remains to be completed under the Contract.

Notwithstanding the activities described above, Hartford has yet to commit to takeover and complete the Work. By letter dated December 9, 2016, the District imposed a deadline of December 15, 2016, for Hartford to advise the District of its intention regarding taking over and completing the Work. If Hartford fails to advise the District of its intentions as of December 15, 2016, the District shall proceed with completion of the Work.

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