LESSONS LEARNED FROM A CONTRACTOR DEFAULT
START OF CONSTRUCTION
CONTRACTOR HAD PLENTY OF EQUIPMENT AND PERSONNEL ON SITE TO PERFORM WORK
STARTED THE PROJECT LATE IN THE SEASON AND THE WEATHER STARTED TO GET BAD
MATERIALS STARTED TO FREEZE AND THE WORK DAY WAS SHORT ON DAYLIGHT
THE CONTRACTOR HAD TO STOP WORK

The plan was for the contractor to resume as soon as the weather improved in the spring.

Spring arrived and contractor submitted a work schedule to start in May, then...

No communications with contractor...

After several attempts to contact the contractor he notified Levelock Village via the Construction Management Contractor; Bristol Engineering that he had defaulted.
DEFAULT

Bonding Company took over project from defaulted contractor

Bonding company hired new construction via three way agreement with New Constructor, Bonding Company and Levelock Village.

Construction Management contractor provided documentation on work completed to date by default contractor and work required to complete the project.
DELAYS

The negotiations with the bonding company and the new contractor took time during prime construction window

New contractor arrived on site to work and completed all of the work except establishment of erosion control grass along roadway

Also completed a major change order for riprap due to washout during winter/spring
FINISHED ROAD SURFACE, COMPLETED BY NEW CONTRACTOR
Change order work
Erosion control
riprap with culvert
HYDRO SEEDING
SEED WAS APPLIED BUT DUE TO WEATHER CONDITIONS, TURF WAS NOT ESTABLISHED.
SO PROJECT IS STILL NOT COMPLETE

Contractor will return in the spring to re-new seed as needed to ensure proper turf
LESSONS LEARNED

If your contractor can’t start work until October on a road construction project, consider postponing until next construction season.

A multi-season project resulting in retainage held over the seasonal stop period – make sure contractor is aware of this.
Carefully review all contract documents including work complete and work remaining and documentation of all payments made to contractor prior to default.

Share the documentation with BIA POC to ensure accuracy

Do not sign agreement until you are certain the dollar amounts are correct and all payments were accounted for
Levelock signed an agreement with the bonding company that did not have the correct dollar amounts and is now in negotiations to determine who will cover the $11,000 shortfall. The construction management consultant provided accurate information to bonding company, but agreement did not reflect this amount. We should have sent the agreement to BIA for review before signing.
CURRENT STATUS

We have a great new road, despite the challenges.
We have withheld funds to cover cost of seeding to ensure it will be completed.
We are awaiting final word on who will pay the remaining $11,000 to the new contractor.
QUESTIONS??

Thank you