

April 21, 2017

CARMEL AVENUE PROJECT TEMPORARILY HALTED

The City was notified informally on April 17 that MAG, LLC, the contractor on the Carmel Avenue Reconstruction Project, had stopped work and was in the process of declaring bankruptcy. MAG also has a large project in Cornelius (actually a Washington County project) that is also affected.

The contractor had a performance bond with Old Republic Surety Company, and representatives of that firm will meet with City staff on Tuesday April 25 to discuss how to proceed. At some point in the near future, Old Republic will step in and make arrangements to get the project completed. The City is waiting to take any action until after the City has discussed the matter with the surety company, as the surety company has more flexibility than the City to take timely action to complete the project. The City does not know at this time when work will be completed, but is making every effort to have the project finished before the busy summer season.

Most of the underground utility work has been completed, and the bulk of the unfinished work is in the area of concrete gutters and street construction.

The City will be incurring additional costs due to this situation, but it is expected that Old Republic will pay most or all of these additional costs. The City will only be responsible for paying for work up to the accepted bid amount for the project.

The City will issue updates on this situation as more details become known.