



November 1, 2018

**U. S. CONTROLS**

1707 S Grove Ave  
Ontario, CA91761

Attn: **Mr. Marc Capoccia**

RE: Subcontract **16096--01**  
**Fresno WWTP Odor Control**

Subj: **48 Hour Notice**

Mr. Capoccia;

Hal Hays Construction, Inc. ("HHCI") hereby notifies U. S. Controls that pursuant to Article IX and Article X of the Subcontract between HHCI and U. S. Controls (the "Subcontract"), regarding the Fresno Waste Water Treatment Plant Odor Control Project (the "Project") located in Fresno, CA, U. S. Controls has materially defaulted on its obligations.

**Article IX. Inspection and Defective Work states:**

*The Subcontractor shall at all times provide sufficient, safe and proper facilities for the inspection of the Work by the General Contractor and/or the Project Owner in the field, at shops, or at any other place where materials or equipment for the Work are located in the course of preparation, manufacture, treatment, or storage. The Subcontractor shall, within forty-eight (48) hours after receiving written notice from the General Contractor, take down and remove all portions of the Work and remove from the Job Site all materials, whether worked or un-worked, which the General Contractor concludes*

*(1) are unsound, defective, improper; (2) in any way fails to conform to this Subcontract, the Plans, Specifications or other Contract Documents, (3) are not in compliance with applicable building codes or industry standards; or (4) are nonresponsive to information from the Project Owner.*

*The Subcontractor, at its own cost and expense, shall replace all such defective Work or materials with proper and satisfactory Work and materials, and shall make good all Work damaged or destroyed by or as a result of such unsound, defective, improper or nonconforming Work or materials or by the process of taking down, removal or replacement thereof. Once an item of rework has commenced, Work shall be conducted continuously until all items are complete. If the General Contractor is forced to pay for retesting of any systems installed by Subcontractor due to failed tests caused by Subcontractor's work, General Contractor may back charge the Subcontractor for the cost of the re- test.*

**Article X. Failure to Perform states:**

*Listed below are non-exclusive events which may constitute a material default hereunder on the Subcontractor's part.*

*Each of the following events shall constitute a material default by the Subcontractor under this Subcontract:*

- 1. At any time refuse or neglect to supply a sufficiency of skilled workers or materials of the proper quality and quantity;*
- 2. Fail in any respect to prosecute the Work with promptness and diligence;*
- 3. Cause, by any act or omission, the stoppage or delay of or interference with or damage to the work of the General Contractor or any other contractors or subcontractors on the Project;*
- 4. Fails to perform any of the terms, conditions, or provisions of this Subcontract or of the Contract Documents;*

*In the event of any such default, the General Contractor shall have the right, in addition to all other rights and remedies provided by this Subcontract, the Contract Documents, and by law, after forty-eight (48) hours written notice to the Subcontractor transmitted by regular U.S. mail delivery to Subcontractor's last known address:*

- 1. To perform the Subcontractor's obligations itself or through others, to furnish all labor and materials required for the completion of the Scope of Work and to deduct the cost thereof from any moneys due or to become due to the Subcontractor under this Subcontract;*
- 2. To terminate this Subcontract, and the employment of the Subcontractor for all or any portion of the Scope of Work on the Project;*
- 3. To enter upon the Job Site and take possession, for the purpose of completing the remaining Scope of Work, of all materials, equipment, scaffolds, tools, appliances, and other items thereon, all of which the Subcontractor hereby transfers and assigns to the General Contractor for such purpose.*

Per the attached letter from City of Fresno, all feeder and motor conductors installed by US Controls have been rejected and are to be replaced with new conductors immediately.

Failure to cure this default within forty-eight (48) hours will result in HHCI proceeding in accordance with Article X of the Subcontract which grants HHCI the authority to terminate the Subcontract and U. S. Controls employment, and to perform U. S. Controls obligations itself or through others, furnish all labor and materials required for the completion of the work on the Project, and deduct the cost thereof from any moneys due or to become due to U. S. Controls under the Subcontract. In addition, HHCI will hold U. S. Controls fully responsible for all costs and impacts to the Project because of U. S. Controls default.

Please contact our office should you have any questions;

Respectfully,



**Jeff Geist**  
**President**  
**HAL HAYS CONSTRUCTION INC.**

Attachments:

1. Memorandum : City of Fresno, Headworks Odor Control Upgrade Project- Electrical Conductors
2. Images of damaged conductors

CC:

Kirby Hays, HHCI Chief Executive Officer  
Jerry Neuman, HHCI General Superintendent  
Tom Bailey, HHCI Operations Manager  
Joe Tagliaferri, HHCI Superintendent



DEPARTMENT OF PUBLIC UTILITIES  
WASTEWATER MANAGEMENT DIVISION  
MEMORANDUM

DATE: October 29, 2018

TO: KIRBY HAYS, President  
Hal Hays Construction, Inc.

FROM: RAUL GONZALEZ, Project Manager  
Department of Public Utilities

A handwritten signature in blue ink, appearing to be "R. Gonzalez", written over the "FROM:" line.

SUBJECT: **HEADWORKS ODOR CONTROL UPGRADE PROJECT – ELECTRICAL CONDUCTORS**

A meeting was held this afternoon at the project site to discuss conductor insulation integrity and determine what tests could be performed to evaluate its condition. Present at the meeting were the following: Joe Tagliaferri (HHCI), Beau Wright (Industrial Electric), Bill Dearsan (City of Fresno, Electrician), Eric Pieper (Delta Testing Services), Charles Masters (City of Fresno, EIT), Ciro Ambriz (City of Fresno, Engineering Inspector), and Raul Gonzalez (City of Fresno, Project Manager). After assessing the present conditions and visually inspecting the condition of the conductors, Eric Pieper indicated that none of the tests he could perform would conclusively show whether the integrity of the insulation was intact for conductors that are already in conduits. Furthermore, it was his recommendation as the Fresno Branch Manager for Delta Testing Services that based on his visual examination of all conductors previously pulled from conduits and the reckless workmanship witnessed by plant staff and Industrial Electric's staff, that all remaining feeder and motor conductors be replaced with new. Therefore, it is the City of Fresno's position that **all feeder and motor conductors installed by US Controls is hereby rejected and shall be replaced with new conductors.** Delta Testing Services will follow-up with his own report with a summary and recommendations.



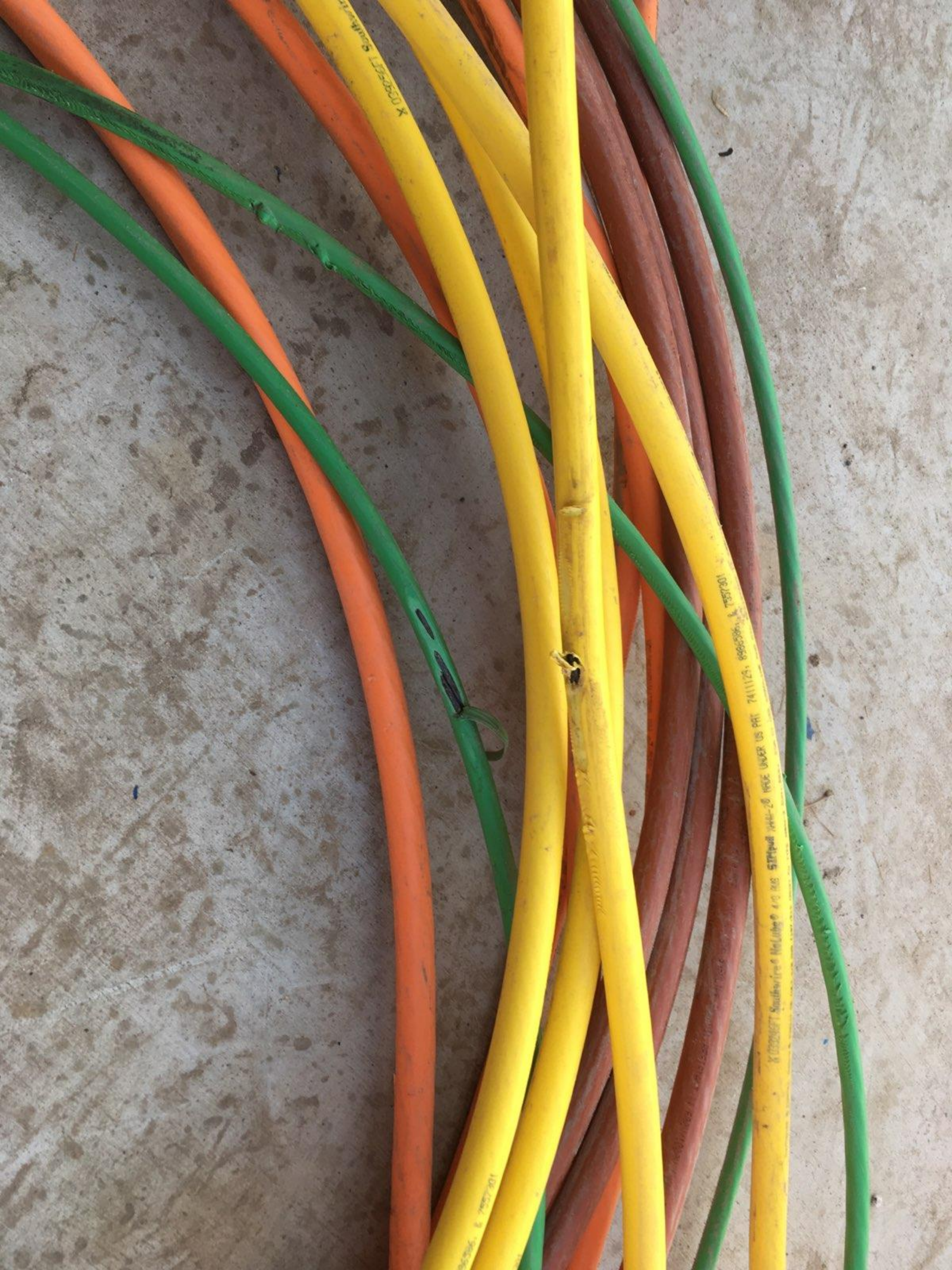












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