

From: "Jean, John" <JJean@laborready.com>
To: <Cturney@cstx.gov>, dempsey@bryantx.gov
Date: 6/11/2004 10:10:51 AM
Subject: FW: Labor Ready - Professional/Errors & Omissions

Ms. Turney and Mr. Dempsey,

I apologize for the delay in responded to both the City of Bryan's, and the City of College Station's need for compliance dealing with insuring against professional errors and omission as stated in Section 4, Item G, of the contract for Temporary Employee Services.

As stated before, Labor Ready does not typically deal in professional services but rather in manual labor and service oriented positions. We have not carried this insurance in the past. In order to comply with the contract that was submitted by me on Labor Ready's behalf, Labor Ready has made huge attempts to satisfy the requirements as stated.

Unfortunately, Labor Ready is not able to comply with this requirement. The basis for the decision is stated below in a series of emails from Charles "Chip" McKenna in our legal department to Lockton Companies, Inc. (our insurer) as well as AIG (additional insurer). To summarize, Labor Ready would be required to put forth \$1 million in collateral, and pay a premium of \$100,000 to secure this policy.

After exhausting all other avenues, it is with regret that I must inform both the City of Bryan, and the City of College Station that Labor Ready will not be able to meet these requirements.

Please know that Labor Ready values the relationship with the cities, and it is for that reason that we've made every effort to comply to the best of our ability. It is those efforts that have resulted in our delay for this long. I again apologize for the obvious inconvenience this has caused, and wish you future success. I would welcome any other opportunity Labor Ready might receive to work with you again in the future.

Best Regards,
John Jean
Branch Manager
Labor Ready #2976
3609-A S. College Ave.
Bryan, TX 77801
979/260-1662 phone
979/260-7543 fax