

COUNCIL ACTION FORM

SUBJECT: ELEVATED WATER STORAGE TANK FINAL COMPLETION

BACKGROUND:

In February 2007, City Council awarded a contract to Pittsburg Tank & Tower (now doing business as Phoenix Fabricators & Erectors, Inc.) for construction of a new elevated water storage tank near the intersection of State Avenue and Mortensen Road at a cost of \$1,694,000.00.

All work for this contract has now been completed, and a certificate of completion has been received from the engineer. The scheduled completion date was July 1, 2008, but the project was not substantially completed until May 2009. The delay resulted in additional expenses to the City for on-going engineering and inspection work. Under the terms of the contract, these expenses are the responsibility of the contractor.

The contract had five previous change orders with a net reduction of \$7,712.67. The final change order for council approval is a \$179,451.32 deduct, which includes \$178,965.32 for liquidated damages. The six change orders reduce the total contract amount to \$1,506,836.01.

The approved budget includes \$1,900,000 for this project. An updated total cost estimate for the project is as follows:

Construction	\$1,506,836.01
Engineering	124,970.04
Controls	11,315.00
Miscellaneous	<u>6,306.51</u>
TOTAL	\$1,649,427.56

ALTERNATIVES:

1. Approve Change Order No. 6 and accept final completion of the new elevated water storage tank in the amount of \$1,506,836.01. Authorize final payment to Phoenix Fabricators & Erectors, Inc. in accordance with the terms and conditions of the contract.
2. Do not approve Change Order No. 6 or accept completion of the new elevated water storage tank.

MANAGER'S RECOMMENDED ACTION:

Work for the new elevated water storage tank has been completed in accordance with the plans and specifications, and the engineer has provided a certificate of completion.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving Change Order No. 6, accepting project completion, and authorizing final payment to Phoenix Fabricators & Erectors, Inc.