

COUNCIL ACTION FORM

**SUBJECT: PARTIAL ACCEPTANCE OF COMPLETION AND RELEASE OF
RETAINED FUNDS FOR FURMAN AQUATIC CENTER**

BACKGROUND:

The City's consulting architectural firm for the Furman Aquatic Center, RDG Planning and Design (RDG), completed a final walk-through of the Aquatic Center and provided the City with a Certificate of Completion. During their walk-through, RDG developed a "punch-list" of items that need to be addressed this spring.

Based on the Certificate of Completion, Sande Construction has requested an early partial release of retained funds. In accordance with *Iowa Code* provisions for early release of retained funds, Sande Construction has provided notification of their request to their subcontractors and suppliers. Additionally, as called for in *Iowa Code*, RDG placed a value of the punch-list items to be addressed in the spring of 2010. RDG then used a multiplier of 200% of the value of these items to determine how much of the 5% retainage (\$451,196) the City is legally required to release to Sande Construction. This amount totals \$277,596.

Upon "final acceptance" of the project later this spring, the City will pay Sande Construction the remaining balance of \$173,600.

ALTERNATIVES:

1. Authorize the early partial release of retained funds to Sande Construction in the amount of \$277,596.
2. No not authorize the early partial release of retained funds to Sande Construction.

MANAGER'S RECOMMENDED ACTION:

In accordance with *Iowa Code* provisions, Sande Construction has requested early partial release of retained funds for the completed portion of the Furman Aquatic Center. Under Iowa law, the City is required to pay this portion of the retained funds within 30 days. City staff is in agreement with RDG that the project is substantially complete and that only minor punch list items remain.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby authorizing the early partial release of retained funds to Sande Construction in the amount of \$277,596.