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| ITEM #: | 28       |
| DATE:   | 08-11-26 |
| DEPT:   | P&R      |

## COUNCIL ACTION FORM

**SUBJECT:           STORY CONSTRUCTION CHANGE ORDER #3 FOR CONSTRUCTION  
MANAGEMENT SERVICES FOR FITCH FAMILY INDOOR AQUATIC  
CENTER**

### **BACKGROUND:**

On December 13, 2022, the City entered into a contract with Story Construction for Construction Management services related to the construction of the Fitch Family Indoor Aquatic Center for the amount of \$1,392,229. At that time, Story Construction was unable to provide a cost estimate for construction support services without knowing the full scope of the project. The cost estimate was later provided and on February 27, 2024, City Council approved Change Order (CO) #1 in the amount of \$978,886 for Construction Support Services (Bid Package #5). The new contract total after Change Order #1 was \$2,371,115.

At its December 16, 2025 meeting, City Council was presented with a CO #2 request for \$211,000. CO #2 reflected changes to the different components of the contract and aligned with a 25-month construction duration versus an 18-month duration which was used for Story's initial proposal. An estimated construction cost of \$18,500,000 was used versus a \$20,500,000 that was used in Story's proposal. Council approved CO #2 which increased the contract total to \$2,582,115.

**Change Order #3 is now being presented to City Council for approval. As explained in the attached request, Story Construction is projecting that its billings will exceed the current purchase order by \$298,586.** The overrun falls into two categories: 1) Direct Supervisory Personnel Expense/Jobsite Office & Support (\$166,316), and 2) Temporary Facilities per Bid Package #5 (\$132,270). This increase in cost is due to a delay in the completion of the work. Story cites several factors, but identifies a large amount of change order work that was added very late in the project as the primary driver (for example the av equipment modifications, and other minor carpentry and electrical changes identified during the building systems start-up and commissioning work).

Even though there are multiple factors for the delay, Story, as Construction Manager, acknowledges it played a role in the project's delayed finish. Therefore, Story is suggesting a compromise and not requesting reimbursement for the Supervisory Staff/Site Office & Support cost of \$166,316. However, Story is requesting Change Order #3 be approved for the expenses associated with Temporary Facilities (Bid Package #5) which is \$132,270. **Please note that according to the contract with Story Construction, the City Attorney has advised that the City is required to pay the \$298,586 if requested.**

A breakdown of the original contract and change orders are shown below.

| <b>Service</b>                | <b>Original Contract</b> | <b>Change Order #1</b> | <b>Change Order #2</b> | <b>Change Order #3</b> | <b>Revised Contract</b> |
|-------------------------------|--------------------------|------------------------|------------------------|------------------------|-------------------------|
| Pre-construction Phase        | \$ 135,327               |                        |                        |                        | \$ 135,327              |
| Construction Management Fee   | \$ 430,500               |                        | (\$ 42,000)            |                        | \$ 388,500              |
| Construction Staffing Fees    | \$ 765,022               |                        | \$335,689              |                        | \$1,100,711             |
| Reimbursables                 | \$ 61,380                |                        | \$ 17,050              |                        | \$ 78,430               |
| Construction Support Services | \$ 0                     | \$978,886              | (\$ 99,739)            | \$132,270              | \$1,011,417             |
| <b>Totals</b>                 | <b>\$1,392,229</b>       | <b>\$978,886</b>       | <b>\$211,000</b>       | <b>\$132,270</b>       | <b>\$2,714,385</b>      |

Below is a breakdown of project expenses and funding at this time.

| <b>EXPENSE</b>                            | <b>AMOUNT</b>       |
|-------------------------------------------|---------------------|
| Conceptual Design / Environmental Testing | \$ 64,893           |
| Land Acquisition                          | \$ 2,900,000        |
| Relocate Electric Lines                   | \$ 85,355           |
| Design                                    | \$ 1,783,850        |
| Construction Manager                      | \$ 2,582,115*       |
| Construction (Total of awarded contracts) | \$17,922,200        |
| Construction Change Orders                | \$ 618,886          |
| Other Project Related Costs               | \$ 960,621          |
| Available Balance                         | (\$2,720)           |
| <b>TOTAL Project Cost (As of 7/6/26)</b>  | <b>\$26,917,920</b> |

\*This does not include the requested amount of \$132,270.

Total available funding for the project is as follows:

| <b>REVENUE</b>     | <b>AMOUNT</b>       |
|--------------------|---------------------|
| Hotel / Motel Tax  | \$ 64,893           |
| Grants / Donations | \$ 9,420,472        |
| G.O. Bonds         | \$17,429,835        |
| <b>TOTAL</b>       | <b>\$26,915,200</b> |

As shown in the table, there is a negative available balance of \$2,720. When added to this change order request of \$132,270, the total shortfall is \$134,990. This overage will be covered by savings from the Ada Hayden Heritage Park Trail Project (\$89,734) and \$48,000 is available in Fitch donations.

**ALTERNATIVES:**

1. Approve Change Order #3 for Construction Manager services to Story Construction in the amount of \$132,270.
2. Do not approve Change Order #3 for Construction Manager services to Story Construction.
3. Refer this item back to staff and provide further direction.

**CITY MANAGER'S RECOMMENDED ACTION:**

Story Construction has managed the construction of the Fitch Family Indoor Aquatic Center which is now open. The opening was delayed due to multiple factors and as a result, Story has expended more resources than what is reflected in the current purchase order. Story acknowledges some responsibility for these delays and is offering a compromise to the overrun of \$298,586. As explained earlier, Story is requesting to only be paid \$132,270 for Temporary Facilities (Bid Package 5). Per the City Attorney's counsel, the City is obligated to pay the full amount if requested. Therefore, it is the City Manager's recommendation to approve Alternative No. 1 as stated above.

**ATTACHMENT(S):**

[Story Construction Request for CO#3 8-3-26.pdf](#)