



City of Needles, California Request for City Council Action

CITY COUNCIL NPUA

Regular Special

Meeting Date: January 13, 2026

Title: Approve Change Order No. 2 to the Public Works Agreement with Pyramid Building and Engineering, Inc. for the Water Main and Manifold Improvements Project

Background: On May 13, 2025, City Council Awarded a bid from Pyramid Building and Engineering, Inc. for construction of the Water Main and Manifold Improvements Project in the amount of \$1,128,676 plus 10% contingency for a total project cost of \$1,241,544. On September 23, 2025, City Council approved Change Order No. 1 to the contract with Pyramid increasing the total construction cost to \$1,218,376.82 for changes that occurred during construction of the Monterey phase of the project.

During the water main replacement along River Road, additional changes were required due to the location of existing utilities and requirements to maintain adequate separation from other utilities. Additional valves were also required to properly shut down the residential areas in the future.

The proposed Change Order was received from the contractor and reviewed by the City Contract Engineer prior to submittal to the State Water Resources Control Board (SWRCB) for review. Approval was granted by the State to be funded by Phase 4B grant funds and contingency.

Therefore, Change Order No. 2 includes items already approved by the SWRCB increasing the contract with Pyramid Building and Engineering, Inc. by \$84,333.60 for a new total contract amount of \$1,302,710.42.

Fiscal Impact: The City received Grant Amendment #3 to the original Grant Agreement with the California State Water Resources Control Board in the amount of \$14,315,640.00 for water system improvements. The Water Main and Manifold Improvements Project is identified as Phase 4B of the overall project budget in the amount of \$1,828,730 with a \$101,400 allowable contingency.

Change Order #2 in the amount of \$84,333.60 is to be funded by \$23,167.18 project contingency and \$61,166.42 apportionment to the FY26 budget.

Recommended Action: Approve Change Order 2 to the Public Works Agreement with Pyramid Building and Engineering, Inc. for the Water Main and Manifold Improvements Project resulting in an increase to the contract in the amount of \$84,333.60 for a new total contract amount of \$1,302,710.42; and authorize staff to execute said Change Order

Submitted By: Kathy Raasch, Director of Development Services/Capital Projects

City Manager Approval: _____

Date: _____

Other Department Approval (when required): Mark C. DeMay, CGFM

Date: 01/08/2026