



City of Needles, California Request for City Council Action

☒ CITY COUNCIL

☒ NPUA

☒ Regular

☐ Special

Meeting Date: May 13, 2025

Title: Accept Change Order No. 1 (Final) to the Public Works Agreement with Phillips Excavating, Inc. for the Phase IV-B Water Service Lateral Replacement Project and Authorization staff to execute the Notice of Completion for the work.

Background: In preparation for the Phase IV-B Street Improvements project, staff went out to bid for a Water Service Lateral Replacement project for streets associated with the paving. The following streets were included in the project: Carty Way, Carty Circle, Carty Place, El Monte Street, I, Street, H Street, G Street, Crestview Drive and Desoto Street.

The original contract amount was \$388,293. This change order, including the use of \$19,414.65 in project contingency, brings the final contract total to \$506,933. This adjustment accounts for additional water service laterals added on Desoto Street, La Mesa Way, and several vacant lots not identified during the initial planning phase.

The project was advertised for bids in July 2024 and awarded to Phillips Excavating, Inc. in September 2024. Staff allowed a 90-day procurement period for the contractor to purchase long lead time items needed to construct the services. Therefore, construction started in February 2025 and was substantially completed in April 2025.

During the recent paving project, it was determined that a portion of Desoto Street (Coronado to the end) was inadvertently omitted from the water service lateral replacement plans requiring seventeen (17) additional water service laterals to be added to the project at short notice. In addition, four (4) service laterals were replaced on La Mesa Way, a street that was added to the project scope after award; and six (6) service laterals were added to vacant properties that were not originally anticipated.

Therefore, Change Order No. 1 herein, includes final quantity adjustments that occurred during the project resulting in an increase of \$99,225.35 to the total project cost after expending \$19,414.65 project contingency.

This change order is required due to the discovery of unplanned service lateral replacements during the execution of the project, specifically on streets and properties that were either omitted or not previously identified as requiring service.

Fiscal Impact: \$99,225.35 to be funded by Water Asset Replacement funds

Recommended Action: Accept Change Order No. 1 (Final) in the amount of \$118,640 to the Public Works Agreement with Phillips Excavating, Inc. for a final contract amount of \$506,933 for the Phase IV-B Water Service Lateral Replacement Project and Authorization Staff to Execute the Notice of Completion for the work.

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

City Manager Approval: Patrick J. Martinez

Date: 5/7/2025

Other Department Approval (when required): Barbara DiLeo

Date: 5/8/2025

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐