



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☒ NPUA

☒ Regular ☐ Special

Meeting Date: September 23, 2025

Title: Approve Change Order No. 1 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.

During pre-construction activities of potholing and identifying existing underground utilities, it was determined that existing field conditions differed from the construction plans. Therefore, additional work to install valves, tees, and appurtenances were required to isolate water services in the Monterey Street Area.

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. 1 includes items already approved by the SWRCB increasing the contract with Pyramid Building and Engineering, Inc. by \$89,700.82 for a new total contract amount of \$1,218,376.82.

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 #1 for a total of \$89,700.82 is reimbursable from the grant Phase 4B funds and included in the FY26 Water Budget.

Recommended Action: Approve Change Order #1 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 \$89,700.82 for a new total contract amount of \$1,218,376.82; and authorize staff to execute said Change Order.

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

City Manager Approval: Patrick J. Martinez

Date: 9/18/2025

Other Department Approval (when required): Barbara DiLeo

Date: 09/18/25