



City of Needles, California Request for City Council Action

CITY COUNCIL NPUA

Regular Special

Meeting Date: May 12, 2026

Title: Approve Change Order No. 3 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.

On January 13, 2026, City Council approved Change Order No. 2 to the contract with Pyramid increasing the total construction cost to \$1,302,710.42 for changes that occurred during construction of the River Road phase of the project.

During the final phase of the project, replacing the centralized water manifold required additional, unforeseen work to locate and isolate existing lines, to ensure uninterrupted water service during the transition. The use of specialized equipment for line stops was necessary to facilitate shutdowns while connecting the new system. These efforts, combined with final quantity adjustments, resulted in a total cost increase of \$196,278.46.

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. The SWRCB approved the additional work to be funded through Phase 4B grant funds and contingency.

Therefore, Change Order No. 3 includes items already approved by the SWRCB increasing the contract with Pyramid Building and Engineering, Inc. by \$196,278.46 for a new total contract amount of \$1,498,988.88.

Fiscal Impact: The City received Grant Amendment #4 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 \$1,128,676 with \$525,000 allowable contingency.

Change Order #3 in the amount of \$196,278.46 is to be funded by an increase to the FY26 budget and reimbursement from the SWRCB.

Recommendation: Approve Change Order No. 3 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 \$196,278.46 for a new total contract amount of \$1,498,988.88; 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: 5/7/2026

Other Department Approval (when required): _____

Date: _____