

CITY COUNCIL
Meeting Date: June 5, 2007

DATE OF PREPARATION: May 30, 2007

TO: Mayor and City Council

FROM: Jerry Helt, City Engineer

SUBJECT: To accept progress billing #10 and to release payment under construction contract with Sierra Cascade Construction, Inc. for the USDA Waterline Improvements Phase 1 project.

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BACKGROUND:

On May 2nd 2006 the City executed a construction agreement with Sierra Cascade Construction, Inc. for the USDA Waterline Improvements Phase 1 project in the amount of \$3,826,644.00

Residents of the project area and some Council Members complained of the condition of some streets after paving of water lines trenches. City personnel together with contractor's representatives will survey the entire project area and identify areas with irregular surface. Sierra Cascade has been notified and is committed to fix the problem areas. City officials recommended to City Manager to withheld progress payments until this situation is resolved.

In order to comply with the California Public Contract Code and the Contract Agreement with Sierra Cascade, the City needs to release the payment described in progress payment no. 10 in the amount of \$268,354.69.

The City Engineer has recommended withholding the 10% retention of the total contract amount until the contractor performs these repairs to the satisfaction of the city and per construction plans.

RECOMMENDATION:

To accept progress billing #10 and to release payment under construction contract with Sierra Cascade Construction, Inc. for the USDA Waterline Improvements Phase 1 project.

FISCAL IMPACT:

The sources of funding are:

USDA Loan	\$ 5,000,000.00
City of California City – Water Connection Fees	\$ 423,202.00
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TOTAL FUNDS:	\$ 5,423,202.00

See attached progress billing no. 10

ENVIRONMENTAL ACTION: None