

Mayor and Council Communication

DATE: 06/09/26

M&C FILE NUMBER: M&C 26-0440

LOG NAME: 60ESII36RCCPWM CRITICAL REPLACE CO2-CIRCLEC

SUBJECT

(CD 5) Authorize Execution of Change Order No. 2 with William J. Schultz, Inc. dba Circle C Construction Company in the Amount of \$210,248.50 for the 36-Inch Eastside II Prestressed Concrete Cylinder Pipe Water Main & Critical Replacement Project, and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2026-2030 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of Change Order No. 2 in the amount of \$210,248.50 to City Secretary No. 62698, a contract with William J. Schultz, Inc. dba Circle C Construction Company for a revised contract amount of \$1,946,828.50 for the Eastside II 36-inch Prestressed Concrete Cylinder Pipe Water Main & Critical Replacement project; and
2. Adopt the attached appropriation ordinance increasing appropriations in the Water and Sewer Capital Projects Fund in the amount of \$210,249.00, transferred from available PayGo funds within the Water and Sewer Fund, for the purpose of funding the Eastside II 36-inch Prestressed Concrete Cylinder Pipe Water Main & Critical Replacement project (City Project No. 103294), and to effect a portion of Water’s contribution to the Fiscal Years 2026-2030 Capital Improvement Program.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to authorize execution of Change Order No. 2 in the amount of \$210,248.50 to City Secretary No. 62698, a contract with William J. Schultz, Inc. dba Circle C Construction Company for a revised contract amount of \$1,946,828.50 for the Eastside II 36-inch Prestressed Concrete Cylinder Pipe Water Main & Critical Replacement project.

On December 10, 2024, M&C 24-1130, the City Council authorized a construction contract with William J. Schultz dba Circle C Construction Company for construction of Eastside II 36-inch Prestressed Concrete Cylinder Pipe Water Main Condition Assessment and Critical Replacement project. The contract was subsequently revised by Change Order No. 1 with a net zero amount that primarily provided for locating additional wire break locations and the reimbursement for tariff fees that the contractor had to pay for imported pipe.

Change Order No. 2 will provide compensation for the extra costs involved with three unsuccessful excavating attempts at locating leaks on the 36-inch water main in order to conduct pipe replacements that were identified from a pipe condition assessment. The change order will also allow for restoration of areas disturbed by these unsuccessful attempts.

It is the practice of the Water Department to appropriate its Capital Improvement Program (CIP) plan throughout the Fiscal Year (FY), instead of within the annual budget ordinance, as projects commence, additional funding needs are identified, and to comply with bond covenants.

Funding is available in the Transfer to Water/Sewer account of the Water and Sewer Fund for the purpose of funding the Eastside II 36-inch Prestressed Concrete Cylinder Pipe Water Main & Critical Replacement project.

FY2026 - Water PAYGO Appropriations per City Ordinance 27979-09-2025

FY2026 Original Adopted PayGo	FY2026 Amended PayGo (includes any council actions subsequent to budget adoption)	YTD PayGo Approved for/Moved to Capital Projects	This M&C	FY2026 Remaining PayGo Balance
\$101,090,082.00	\$101,090,082.00	(\$47,462,496.00)	(\$210,249.00)	\$53,417,337.00

Note: there may be other pending actions or recently approved actions that are not reflected in the table due to timing.

Funding for the Eastside II 36-inch Prestressed Concrete Cylinder Pipe Water Main & Critical Replacement project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Projects - Fund	\$3,326,635.00	\$210,249.00	\$3,536,884.00

