

CITY OF MORRO BAY

AMENDMENT NO. 9 TO THE AGREEMENT  
FOR CONSTRUCTION SERVICES  
BETWEEN THE CITY OF MORRO BAY  
AND ANVIL BUILDERS, INC.

This Amendment No. 9 is entered by and between the City of Morro Bay, a municipal corporation ("City") and Anvil Builders, Inc., a California corporation ("Contractor").

**RECITALS**

WHEREAS, City and Contractor (collectively, the "Parties") entered into an agreement as of November 10, 2020, for construction services for Contractor to complete the work for the Water Reclamation Facility Lift Station and Offsite Pipelines Project, (the "Project") which was approved by the City Council for a not to exceed amount of \$31,493,675 (the "Agreement").

WHEREAS, the Parties amended the Agreement, as of October 12, 2021, to expand the tasks to be provided by Contractor and to increase the compensation payable in the amount of \$674,485 (Amendment No. 1), increasing the total compensation payable pursuant to the Agreement to \$32,168,160;

WHEREAS, the Parties amended the Agreement, as of January 11, 2022, to expand the tasks to be provided by Contractor and to increase the compensation payable in the amount of \$587,502 (Amendment No. 2), increasing the total compensation payable pursuant to the Agreement to \$32,755,662;

WHEREAS, the Parties amended the Agreement, as of March 22, 2022, to expand the tasks to be provided by Contractor and to increase the compensation payable in the amount of \$241,317 (Amendment No. 3), increasing the total compensation payable pursuant to the Agreement to \$32,996,979;

WHEREAS, the Parties amended the Agreement, as of June 14, 2022, to expand the tasks to be provided by Contractor which resulted in a reduction to the total contract in the amount of \$54,065 (Amendment No. 4), therefore decreasing the total compensation payable pursuant to the Agreement to \$32,942,914;

WHEREAS, the Parties amended the Agreement, as of August 23, 2022, to expand the tasks to be provided by Contractor, which resulted in an increase to the total contract in the amount of \$1,253,667 (Amendment No. 5), therefore increasing the total compensation payable pursuant to the Agreement to \$34,196,581;

WHEREAS, the Parties amended the Agreement, as of November 22, 2022, to expand the tasks to be provided by Contractor, which resulted in an increase to the total contract in the amount of

\$646,763 (Amendment No. 6), therefore increasing the total compensation payable pursuant to the Agreement to \$34,843,344;

WHEREAS, the Parties amended the Agreement, as of February 28, 2023, to expand the tasks to be provided by Contractor, which resulted in an increase to the total contract in the amount of \$124,970 (Amendment No. 7), therefore increasing the total compensation payable pursuant to the Agreement to \$34,968,314.

WHEREAS, the Parties amended the Agreement, as of May 24, 2023, to expand the tasks to be provided by Contractor, which resulted in an increase to the total contract in the amount of \$1,416,292 (Amendment No. 8), therefore increasing the total compensation payable pursuant to the Agreement to \$36,384,606.

WHEREAS, the Agreement, Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Amendment No. 5, Amendment No. 6, Amendment No. 7, and Amendment No. 8 are referred to collectively as the "Amended Agreement;"

WHEREAS, the Parties again agree to amend the Amended Agreement agreeing to a final resolution of the contract and settlement of all outstanding potential change orders (PCOs) and punch list items for the Project.

WHEREAS, due to the expansion and reduction of tasks to be provided, the compensation payable pursuant to the Amended Agreement must be modified; and

WHEREAS, concurrent with this Amendment No. 9, the Parties have agreed to a settlement agreement, which is attached hereto as Exhibit A and incorporated herein by this reference (Settlement Agreement).

NOW THEREFORE, City and Contractor mutually agree to amend the Amended Agreement per the following:

1. City will pay Contractor \$880,000 in full settlement of all disputed PCOs, punch list items and claims through Project completion, except for brine line effluent pipeline, as discussed in Paragraph 2., below.
2. The City is withholding \$200,000 in retention related to the issues with the brine line effluent. The final resolution will be pursuant to the terms of the Contract.
3. Payment of the settlement amount of \$880,000 shall be made by City, as soon as possible, in accordance with City's payment process but not later than April 30, 2024<sup>h</sup>.
4. The total compensation to be paid for the Amended Agreement, as a result of Change Order No. 9 is increased by \$880,000. With the amounts added for the Change Order No. 9, the total compensation paid pursuant to the Amended Agreement shall be reduced to a not exceed amount of \$37,264,606.

5. Contractor shall not be compensated for any services rendered in connection with its performance of the Amended Agreement, which are in addition to those set forth in previous amendments and Change Order No. 9.

6. The Parties acknowledge and agree to the Settlement Agreement and further agree to sign the Settlement Agreement concurrently with this Amendment No. 9.

7. Except as expressly stated herein, all terms and conditions in the Amended Agreement shall remain in full force and effect.

8. The effective date of this Amendment No. 9 shall be deemed to be March 26, 2024.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 9 to be executed by their duly authorized representatives as of the day first written above.

CITY OF MORRO BAY

By: \_\_\_\_\_  
Yvonne Kimball,  
City Manager


Attest:

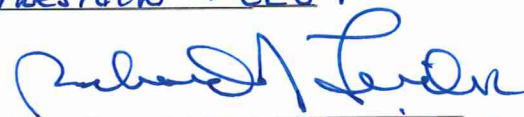
\_\_\_\_\_  
Dana Swanson, City Clerk

Approved As To Form:

\_\_\_\_\_  
Chris Neumeyer, City Attorney

CONTRACTOR<sup>1</sup>

By:   
\_\_\_\_\_  
Alan C. Guy  
Its President + CEO

By:   
\_\_\_\_\_  
RICHARD J. Leider  
Its Secretary

<sup>1</sup> Corporations Code, section 313 requires two signatures. One must be by corporate chairperson of the board, the president or any vice president. The other must be by the corporate secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.