

Item # 18

**City of Carson City
Agenda Report**

Date Submitted: April 28, 2009

Agenda Date Requested: May 7, 2009

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Purchasing & Contracts

Subject Title: Action to terminate Contract No. 0708-105 Construction Manager as agent for the Carson City Indoor Recreation Center/Multi-Purpose Gym with Metcalf Builders, Inc., a contract for professional services, pursuant to Section 13.2.1 the Termination for Nonappropriation Clause of the Contract. (*Roger Moellendorf*)

Staff Summary: March 6, 2008 the Board of Supervisors approved the above mentioned contract for a not to exceed amount of \$991,764.00 to be funded from the Park Improvement /New Gymnasium Account. Because of the current decline in sales tax revenues funding Quality of Life Capital projects, coupled with the current financial situation in the City's General Fund budget that would prohibit even a minor subsidy for the operations of this facility, staff has made the recommendation that after receiving the final design of the project from Valentiner Crane Architects that the project be suspended until such time the City's financial situation and sales tax revenues improve. The current balance of the contract is \$957,292.71.

Type of Action Requested: (check one)

☐ Resolution

☐ Ordinance

☒ Formal Action/Motion

☐ Other (Specify)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to terminate Contract No. 0708-105 Construction Manager as agent for the Carson City Indoor Recreation Center/Multi-Purpose Gym with Metcalf Builders, Inc., a contract for professional services, pursuant to Section 13.2.1 the Termination for Nonappropriation Clause of the Contract. (*Roger Moellendorf*)

Explanation for Recommended Board Action: Sales tax reductions have adversely affected the City's ability to fund or finance a bond for the Recreation Center project. In addition, even though it is projected that the Recreation Center would recover 78% of its operational costs, the current financial condition of the City precludes the ability to subsidize the remainder of its operation through either the City's General Fund budget or the Quality of Life Maintenance budget. Therefore, staff is recommending that upon completion of the final design, the project be suspended until the financial condition and sales tax revenues improve to allow going further with the project. Completing the final design to the point that the project is permissible would allow the City to move forward contingent upon the Board of Supervisors' approval as the City's financial situation improves.

Applicable Statue, Code, Policy, Rule or Regulation: Section 13.2 Termination for Nonappropriation, of the Contract between the City of Carson and Metcalf Builders, Inc.,

The continuation of this Contract beyond June 30, 2008, is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the Carson City Board of Supervisors. The CITY may termination this Contract, and CONTRACTOR waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the funding is not appropriated or is withdrawn, limited, or impaired.

Fiscal Impact: None

Alternatives: Not approve termination of Contract and provide other direction

Supporting Material: Approved Agenda Report and Contract March 6, 2008, e-mail from Tom Grundy, Project Manager Carson City to Jonathon Young, Project Manager Metcalf Builders, Inc.

Prepared By: Sandy Scott, Purchasing & Contracts Coordinator

Reviewed By:

(Public Worker)

Date: 4-28-09

(Parks and Recreation)

Date: 4/28/09

(City Manager)

Date: 4/28/09

(District Attorney)

Date: 4-28-09

(Finance Director)

Date: 4-28-09

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)