

City Council Agenda Items
and
Contracts, Leases or Agreements

7/16/2013

City Council Meeting Date
Agenda Items Only

Ray M. Boudreaux
Submitted By

Aviation
Division

Transportation
Department

Action Required:

Action Required: A Resolution to Amend Resolution # 139-13, canceling the Promissory Note from Patrick Carter, Nflight Technology, and, approving Change Order #1 to the Contract with Centerpoint Contractors Inc, eliminating the fire suppression system from the scope of the Hangar Offices construction project.

\$ (33,000.00)
Cost of this request

5550.3960.5804.00
Account Number

12011 1
Project Number

\$ 354,242.00
Category / Project Budget

\$ 17,880.00
Funds Used to Date

\$ 336,362.00
Remaining Balance

Executive Hangar Office Addition
Program Category / Project Name

Airport Improvements
Program / Project Category Name

Airport
Fund Name

Budgeted Item

Budget Adjustment Attached

Terry J. Gully
Department Director 7-1-13
Date

Chris Kelly
City Attorney 7-2-13
Date

Paul A. Becker
Finance and Internal Services Director 7-2-2012
Date

Ann Man
Chief of Staff 7-2-13
Date

Donald J. Taylor
Mayor 7/2/13
Date

Previous Ordinance or Resolution # 95-12, 207-12, 93-13, 94-13, 139-13
Original Contract Date: 6/18/2013
Original Contract Number: 2283

Received in City Clerk's Office 07-02-13 A07:57 RCVD
WJB

Received in Mayor's Office
ENTERED 7/2/13
FA

Comments:



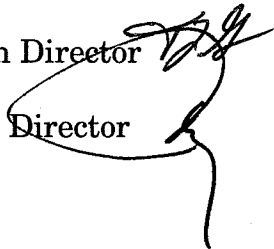
AVIATION DIVISION
FAYETTEVILLE EXECUTIVE AIRPORT • DRAKE FIELD

CITY COUNCIL AGENDA MEMO/STAFF CONTRACT REVIEW MEMO

TO: Mayor Jordan

THRU: Chief of Staff

THRU: Staff/Contract Review Committee

THRU: Terry Gulley, Transportation Director 

FROM: Ray M. Boudreaux, Aviation Director

DATE: July 1, 2013

SUBJECT: Approval of Change Order No. 1 with Center Point Contractors to eliminate the Fire Suppression System in the Hangar Remodel project at the airport and cancellation of the Promissory Note from Patrick Carter, NFlight Technology to pay for the system. Signature of the Mayor.

RECOMMENDATION: Approve Change Order No. 1 with Center Point Contractors deleting the Fire Suppression System in the Hangar Remodel Project at the Airport and cancellation of the Promissory Note issued by Patrick Carter to pay for the system. Signature of the Mayor.

BACKGROUND: Patrick Carter, owner and operator of NFlight Technology has been a tenant of the Airport since July 2012. His business is to develop and sell cameras and other technology for use in aircraft. He asked us to apply for a grant through the Arkansas Department of Aeronautics to construct offices and a small assembly shop in the hangar for his business which was approved by the State in March. During the development of the project he asked that the project include fire suppression as it would save money on his insurance premiums and he agreed to pay for the system as part of the project. He signed a promissory note for \$33,000.00 to pay for the fire suppression in total after we received a price for the system as a separate line item in the bids. Last month he asked that we take the fire suppression out of the project as he is not able to pay for it at this time. Fire suppression is not required IAW NFPA 409. The purpose of this item is to approve the Change Order No. 1 removing the fire suppression from the project and to cancel the promissory note signed by Mr. Carter. We do not have the funding to pay for the fire suppression in the airport fund.

BUDGET IMPACT: None.

Attachments: Staff Review
Change Order No. 1
Promissory Note

RESOLUTION NO. _____

A RESOLUTION APPROVING CHANGE ORDER NO. 1 TO THE CONTRACT WITH CENTER POINT CONTRACTORS, INC. TO REMOVE CONSTRUCTION OF A FIRE SUPPRESSION SYSTEM RESULTING IN A \$33,000.00 COST REDUCTION TO THE CITY FOR THE PROJECT AND APPROVING CANCELLATION OF A \$33,000.00 PROMISSORY NOTE FROM NFLIGHT TECHNOLOGY, INC. ISSUED TO SECURE ITS PAYMENT OBLIGATION FOR CONSTRUCTION OF THE SYSTEM

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby approves Change Order No. 1 to the contract with Center Point Contractors, Inc. to remove construction of a fire suppression system resulting in a \$33,000.00 cost reduction to the City for the project and further approves cancellation of a \$33,000.00 promissory note from NFlight Technology, Inc. issued to secure its payment obligation for construction of the system.

PASSED and APPROVED this 16th day of July, 2013.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

CHANGE ORDER

Order No. 1
Date: June 27, 2013
Agreement Date: May 7, 2013

NAME OF PROJECT: Hangar A Renovation – Office Addition
OWNER: City of Fayetteville (Airport Department)
CONTRACTOR: Center Point Contractors, Inc.

The following changes are hereby made to the CONTRACT DOCUMENTS:

1. Remove the Fire Protection System for the Hangar from the Project.

Deduct cost of \$ 33,000.00 to the contract.

Justification:

1. The Owner's wishes to remove the Fire Protection work from the Contract to reduce the overall project cost to be within the funding available from the State Aeronautics Dept. and the City.

CONTRACT PRICE prior to this Change Orders:

\$ 289,675.00

Decrease in Contract Price:

(\$ 33,000.00)

Revised CONTRACT PRICE Including this Change Order:

\$ 256,675.00

Final Completion Time Prior to This Change Order:

120 Calendar Days

Net Time Change Resulting From This Change Order:

0 Calendar Days

Change to CONTRACT TIME:

The CONTRACT TIME will be (increased) (decreased) by 0 calendar days.

Approvals Required:

To be effective this Order must be approved by the Owner if it changes the scope or objective or the PROJECT, or as may otherwise be required by the GENERAL CONDITIONS.

Requested by: Richard Burkhead 6-28-13
Center Point Contractors, Inc. Date

Recommended by: R Wayne 6-27-13
McClelland Consulting Engineers, Inc. Date

Approved by: _____
City of Fayetteville Date

PROMISSORY NOTE

\$33,000.00

Fayetteville, Arkansas

Date: 5-28-13

FOR VALUE RECEIVED, the undersigned NFlight Technology, Inc. promises to pay to the order of the CITY OF FAYETTEVILLE, ARKANSAS ("City") the principal sum of Thirty-three Thousand Dollars (\$33,000.00), with interest from the date hereof on unpaid principal at 0.0%.

Such principal and interest shall be payable at the principal office of the City in the City of Fayetteville, Arkansas, as follows:

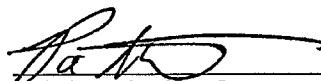
Thirty-three (33) monthly payments in the amount of \$1,000.00 per month on or before the first day of each month with the first payment due on or before September 1, 2013. The entire principal balance due and owing may be paid in advance at any time without pre-payment penalty.

Each installment of principal and interest not paid at maturity (meaning normal maturity or any maturity created by acceleration) shall bear interest thereafter at the highest rate allowed by law.

If total or partial default be made in the payment of any installment of principal or interest under this note, as the same matures, the entire principal sum and accrued interest shall at once become due and payable without notice at the option of the holder of this note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

The makers, endorsers, sureties, guarantors, and all other persons now or hereafter liable hereon, waive presentment, demand for payment, protest and notice of dishonor, and consent that the owner or holder hereof shall have the right, without notice, to deal in any way at any time (and from time to time) with any party hereto or to grant to any such party any extension(s) of time for payment of any of the indebtedness or any other indulgences or forbearances whatsoever, without in any way affecting the personal liability of any party hereunder.

If this obligation, after default, is placed in the hands of an attorney for collection, the maker and all other parties liable hereunder will be obligated to pay the holder hereof a reasonable attorney's fee, not to exceed ten percent (10%) of the unpaid principal plus all accrued interest.



NFlight Technology, Inc.
Patrick Carter
Authorized Agent