



# Capital Improvement Program Project Close-out Overview

July 14, 2026

# Background

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- **Overview of Capital Improvement Program (CIP) Project close-out steps**
  - Close-out ensures contract compliance and that all work meets scope, quality and acceptance criteria
  - Includes administrative, financial, and regulatory tasks
  - Begins at the substantial completion stage
  - Duration varies by project size and funding requirements



# Notes for Large Town-Wide Projects

- Mobilizations occur often in “trains”
- Critical path work items occur in specific sequences which can create perceptions of certain areas being finished where in fact, a new “train” for work is planned to return.
  - Gaps of work activity sometimes can last days, weeks or in very rare cases, months.
  - Common examples include second lifts of asphalt paving, striping and general jobsite demobilization.

# Phase 1 – Substantial Completion, Quality Assurance, and Punch List

- Verify Quality Assurance/Quality Control inspections and testing conform to Contract Documents
- Conduct project walk through and generate punch list
- Complete punch list items and resolve outstanding deficiencies
- Complete regulatory closure items



**CONTRACTOR:** Knife River Construction

**PROJECT NO.:** 7303.4 CON / ER38YO(012)

**PROJECT:** On-System Roadway Rehabilitation – Clark Road 2025

**AS OF:** 12/15/2025

## PUNCH LIST – CONTRACTOR WORK TO BE COMPLETED



| NO. | LOCATION                   | REMARKS                     | IMAGE                                                                                | CONTRACTOR RESPONSE |                             | UNICO FINAL |         |
|-----|----------------------------|-----------------------------|--------------------------------------------------------------------------------------|---------------------|-----------------------------|-------------|---------|
|     |                            |                             |                                                                                      | CODE                | COMMENT                     | CODE        | COMMENT |
| 1.  | Northeast Clark & Nunneley | Corner of sidewalk cracked. |   |                     | Remove and replace concrete | C           | Done    |
| 2.  | Northeast Clark & Nunneley | Crack in retaining curb.    |  |                     | Patch                       | C           | Done    |

# Phase 2 – Contract and Payment Close-out

- Prepare and process:
  - Final change orders
  - Final progress estimate
- Execute Letter of Acceptance
- Issue Final Payment minus 5% retention
- Reconcile project costs and finalize budget

Town of Paradise  
Department of Public Works

## Acceptance Statement

March 31, 2026

On-System Roadway Rehabilitation - 2024

Town of Paradise, Butte County

Federal Project No. ER38YO (012) / HSIPL 5425(041)

Contract No. 7303.3 CON

I have examined the quantities of contract items and amounts indicated as payment on the Final Progress Payment. I agree to accept the total of \$5,637,358.43 as indicated, as the total amount earned for all work performed on the above project.

If an exception is filed by the contractor, it must be reviewed and resolved with the Town of Paradise, and another Acceptance Statement Must be submitted and approved by the Resident Engineer of this project. The engineer's signature indicates that the superseding acceptance statement has been approved.

EXCEPTIONS (Check One)

☒ None

☐ As indicated by attached letter

Dated: 3-31-26

Todd L Garman

By: Knife River Construction

Todd Garman, Construction Manager

Title  
3-31-26

Date

Jith Sanjiv

Resident Engineer's Signature

3/31/2026

Date

# Phase 3 – Town Acceptance

- Prepare Notice of Completion (NOC)
- Obtain Town Council acceptance
- Recordation of NOC
- Statutory claim period begins

RECORDING REQUESTED BY:

TOWN OF PARADISE

AND WHEN RECORDED MAIL TO:

TOWN CLERK  
TOWN OF PARADISE  
5555 SKYWAY  
PARADISE, CA 95969

2026-0011168

Butte

Keaton Denlay  
County Clerk-Recorder

04/16/2026 01:40 PM

**CONFORMED COPY**

Copy of document recorded.  
Has not been compared with original.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## NOTICE OF COMPLETION

Notice is hereby given:

1. The undersigned is Owner of the interest or estate stated below in the property hereinafter described.
2. The full name of the undersigned is Town of Paradise, a Municipal Corporation
3. The full address of the undersigned is 5555 Paradise, California 95969
4. The nature of the title of the undersigned is: IN FEE
5. The full names and full addresses of all persons, if any, who hold such interest or estate with the undersigned as joint tenants or as tenants in common are:

NAMES

ADDRESSES

None

6. The names of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work or improvements herein referred to:

NAMES

ADDRESSES

None

7. A work of improvement on the property hereinafter described was completed on May 23, 2025
8. The name of the original contractor, if any, for such work of improvement is Baldwin Contracting Company, Inc. dba Knife River Construction of Chico, CA
9. The property on which said work of improvement was completed is in the Town of Paradise, County of Butte, State of California, and is described as follows:  
On-System Road Rehabilitation Project 2024/ HSIP Systemic Intersection Safety Improvement Project 7303.3 CON REBID

10. The street address of said property is Various Roads, Paradise, CA  
(If no street address has been officially assigned, insert "None.")

Dated: April 14, 2026

Signature of Owner  
named in Paragraph 2:  
**TOWN OF PARADISE**

By:

Michael O'Brien  
Interim Town Manager, Town of Paradise

- Obtain As-built plans and operations and maintenance manuals
- Warranty documentation
- 5% Retention release (35 days post-Notice of Completion)
- Prepare project file for final records retention



# Phase 5 – Warranty Period

- One-year warranty monitoring
- Contractor responsible to repair defects attributable to faulty workmanship or defective materials
- Ensures project integrity and performance

Bond No. 190056194/108032808

## Bond of Faithful Performance

On-System Roadway Rehabilitation 2024  
Federal Project No. ER38Y0(012)/ HSIPL 5425(041)  
Contract No. 7303.3 CON REBID

KNOW ALL MEN BY THESE PRESENTS, THAT WE, Baldwin Contracting Company, Inc. dba Knife River Construction, the Contractor in the contract hereto annexed, as principal, and Liberty Mutual\* as surety, are held and firmly bound unto the Town of Paradise in the sum of Four Million Eight Hundred Thirty Five Thousand\*\*(\$ 4,835,562.88) lawful money of the United States, being one hundred percent (100%) of the contract amount, for which payments, well and truly to be made, we bind ourselves, jointly and severally, firmly by these presents.

Signed, sealed and dated June 24, 2024.

The condition of the above obligation is that if said principal, as Contractor in the contract hereto annexed, shall faithfully perform each and all of the conditions of said contract to be performed by Contractor, and shall furnish all tools, equipment, apparatus, facilities, transportation, labor and material, other than material, if any, agreed to be furnished by the Town, necessary to perform and complete, and to perform and complete in a good workmanlike manner, the project work of the **On-System Roadway Rehabilitation 2024**, in strict conformity with the terms and conditions set forth in the contract hereto annexed, then this obligation shall be null and void, otherwise to remain in full force and effect, and that said surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the contract or to the project work to be performed thereunder or the specifications accompanying the same, shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the contract or to the project work or to the specifications.

As a condition precedent to the satisfactory completion of the said Contract, the above obligation in above-stated amount shall hold good for a period of one (1) year after the recording of the notice of completion, during which time if the Contractor, its heirs, executors, administrators, successors or assigns shall fail to make full, complete, and satisfactory repair and replacements or totally protect the Agency from loss or damage made evident during the period of one (1) year from the date of recording of the notice of completion, and resulting from or caused by defective materials or faulty workmanship in the prosecution of the work done, the above obligation in the above-stated amount shall remain in full force and effect. However, anything in this paragraph to the contrary notwithstanding, the obligation of the Surety hereunder shall continue so long as any obligation of the Contractor remains.

Surety further agrees, in case suit is brought upon this bond, that it will pay, in addition to the basic obligation herein, a reasonable attorney's fee to be awarded and fixed by the Court and to be taxed as costs and to be included in the judgment therein rendered.

Baldwin Contracting Company, Inc. **Richard A. Lanier**  
dba Knife River Construction  
*[Signature]*  
Estimating Manager

Contractor  
Liberty Mutual Insurance Company &  
Travelers Casualty and Surety Company of America

Surety *[Signature]*  
Haley Pflug, Attorney-in-Fact

Approved as to form:

*[Signature]*  
Town Attorney, Town of Paradise



On-System Roadway Rehabilitation 2024  
Contract No. 7303.3 CON REBID

\*Insurance Company & Travelers Casualty and Surety Company of America  
\*\*Five Hundred Sixty Two & 88/100

Town of Paradise  
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# Conclusion

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- CIP closeout is the final stage of the project lifecycle and is a critical component of project delivery
- Ensures all objectives, deliverables, and contractual obligations have been met
- Provides structured record retention needed for audits and future reference





Questions?