



ITEM REPORT UTILITIES COMMISSION

Agenda Date: 12/4/2024
Agenda Section: Business Item

Department Origination: Public Works

Agenda Item: Approve the Knife River Corporation – North Central Final Pay Estimate No. 9 in the amount of \$38,330.17 and amend the project budget in the increased amount of \$5,657.73 from \$2,376,379.07 to \$2,382,036.80 for the 2023 Knollwood Drive Improvements Project, Municipal Project Number 4132

Approval Required: Simple Majority Vote

BACKGROUND

On February 21, 2023, the City Council awarded the project to Knife River Corporation – North Central in the amount of \$1,676,520.50.

Article 15 of the Standard General Conditions of the Construction Contract outlines the process for making progress payments to the Contractor. Progress payments for unit price contracts are made based on the number of units completed during the pay period. The application is reviewed and approved by the Contractor and Engineer prior to submittal to the City for processing.

Final Pay Estimate No. 9 is presented in the amount \$38,330.17. The payment includes the remaining cost of unit price work completed on the project and releasing the remaining retainage.

In January of 2024, the budget was amended to be \$2,376,379.07. With the final pay estimate, the final project cost is \$2,382,036.80. This results in the project being over the originally approved budget set when adopting the assessment roll by \$169, 195.54. A couple of the reasons the project is over budget is listed below.

- Excavation Special (Pond Excavation) – Additional excavation was required in the stormwater ponds located on the Forestview Middle School site to bring the bottom of the ponds 6” below the end of stormwater inlet apron.
- Common Labor, Skid loader, and Street Sweeping - These items are included in the quantities to pay for miscellaneous construction and clean up items. The quantities exceeded planned quantity because they were used to compensate the Contractor for assistance with private utility company relocation efforts.
- Bituminous Driveway Replacement - Additional driveway replacement was necessary to address grading and drainage issues. These driveways were removed further back than planned to address these issues.
- 6” Concrete Walk, Truncated Domes and Signage– Additional trail/pedestrian crossings were added after the project was bid to provide pedestrian connectivity to intersecting streets on the west side of Knollwood Drive.
- Turf Establishment - Project cost saving measures were implemented during the project which included removing sodding item and replacing it with seeding and an organic matrix. This was a significant savings, but anticipated quantities were exceeded due to slightly larger seeding areas than estimated in the stormwater ponds and slightly wider seeding areas for the roadway construction with the private utility relocations.
- Hydrant & Valve Replacement – There were hydrants that could not be fully restored as specified in the contract so City staff elected to replace those hydrants to keep them operational.

- Televising & Jetting Sanitary & Storm Sewer – This item was not included in the original project budget and has become a standard practice by the City to jet and televise before and after a project.
- Engineering Fee Amendment – there were additional services completing the stormwater pond cleaning and restoration work on the Forestview Middle School site. The Council approved the fee amendment on October 17, 2023.

The items listed above are the major contributors to the project budget overrun. There were other items with minor over and underruns in the final quantity. A spreadsheet of the current project budget has been submitted to City staff for review.

FINANCIAL IMPLICATIONS

The Contractor has earned \$1,848,381.35 to date which represents 100% contract work. The retainage has been reduced to zero. The resulting in a final payment of \$38,330.17. The final budget number does still include City administrative, financing and Legal costs on a percentage basis. City staff is reviewing the final City costs for the project.

STAFF RECOMMENDATIONS

Staff have no concerns with the work completed this period and recommend making final payment as outlined in the Final Pay Estimate No. 9. As stated above, Knife River has submitted all final closeout documents.

COUNCIL ACTION REQUESTED

MOTION to approve the Knife River Corporation – North Central Final Pay Estimate No. 9 in the amount of \$38,330.17 and amend the project budget in the increased amount of \$5,657.73 from \$2,376,379.07 to \$2,382,036.80 for the 2023 Knollwood Drive Improvements Project, Municipal Project Number 4132.