



ITEM REPORT CITY COUNCIL

Agenda Date: 11/18/2025
Agenda Section: Consent Agenda

Department Origination: Public Works

Agenda Item: Approve the J.R. Ferche, Inc Change Order No. 3 in the Increased Amount of \$238,065.24 and amend the project budget from \$3,589,186.15 to \$3,793,278.39 for the 2025 Design Road & TH 371 Stormwater Improvements Project, Municipal Project Number 4135

Approval Required: Simple Majority Vote

BACKGROUND

On July 15, 2025, the City Council awarded the project to J.R. Ferche, Inc in the amount of \$2,537,715.40.

In accordance with Article 11 of the Standard General Conditions of the Construction Contract, the contract documents may be amended or supplemented by Change Order. Change Orders amend or adjust contract price or contract times and can be initiated by the Owner or the Contractor.

Change Order No. 3 includes the following items:

1. A low point was unavoidable in the Mills GM Parking Lot. This area captures runoff from the parking lot drainage and would have spilled over the top back of curb over the boulevard and on to Dellwood Drive. This is not permitted by the City. An additional catch basin was installed to avoid runoff overtopping the curb and flowing into the street uncontrolled. This area of curb was disturbed due to the sanitary sewer service relocation caused by the installation of the 60" storm sewer.
2. During construction, the contractor encountered unforeseen issues underground that required additional work. The record drawings of the sanitary sewer serviced were conflicting and additional time and excavation were required to complete the sanitary sewer service installation. The contractor removed additional unknown services and was required to do additional work and testing to determine the which service was the correct connection. The sanitary sewer services were adjusted due to the sanitary sewer main relocation due to the installation of the 60" storm sewer.
3. Ferche's Bid for the temporary water was for domestic water service only. During installation, it was found that Mills GM's water service was both the fire suppression line and the domestic water service. Ferche's temporary water service did not have enough capacity to supply a fire suppression line. After reviewing with Ferche, it was decided they will maintain the fire suppression line and only work limited hours during the afternoon after Mills was closed to limit the time the fire suppression line was shut off. The cost associated with this item is Ferche's request for additional down time spent maintaining the fire suppression line in to Mills. The water shutdowns were due to the adjustment of the existing watermain to allow for the installation of the 60" storm sewer.
4. The hydrant at the intersection of Design Road and Golf Course Drive was moved from Design Road to Golf Course Drive. The grade was higher than the original location. The new location allowed for a better location to service the temporary water. The hydrant had a 12" extension installed to bring it to the correct elevation.
5. It was discovered the valve associated with Watermain replacement No. 3 was an 8" Valve and not a 6" Valve. The Contractor installed an 8" Gate Valve and Box and provided an adjusted price removing the cost of the 6" Gate Valve and Box.

6. It was discovered the existing saddles for the water services are the old style of non stainless steel and narrow. These are known to fail after adjustment and corrosion. The Contractor removed the existing narrow saddle and replaced it with a wide saddle over the existing hole in the watermain.
7. There was additional traffic control requested to help the local businesses with access. The Contractor installed business specific signage on local streets to help direct traffic to local businesses.
8. The sanitary sewer main running along Dellwood Drive was in conflict with the Jack and Bore equipment. Based on the elevation of the sanitary sewer and the required equipment, the 60" storm sewer would not have been able to be installed at the correct elevation. The Contractor set up a temporary bypass of the 10" sanitary sewer and lowered the sanitary sewer pipe to provide enough space for the jack and bore machine to be set properly. Once the jack and bore operation was completed and the 60" storm sewer pipe was installed, the temporary bypass of the 10" sanitary sewer pipe was restored. The cost provided in the change order reflects the total cost for the lowering.
9. During the design phase, the City was given a record drawing from the Whiskey Creek project that had the elevation of the 60" storm pipe at the connection point. During construction, it was found the pipe was 1.04' off from the provided elevation. Widseth worked with the contractor to reset the elevation of the pipe to get the storm sewer system to operate correctly. This caused a storm structure to be higher than anticipated. To allow for enough cover over the lid of the structure, the low point of the road was adjusted to the east. This time associated with this work includes grade adjustment of the road, demolition and reinstallation of storm sewer pipe and structures and geogrid above the storm structure to provide additional support of the roadway around the structure.
10. As the jack and bore operation reached the west side of TH 371, the excavation exposed an existing 12" RC storm pipe extending under TH 371. The pipe was determined to be left over from a previous project, was not day-lighted anywhere and was not filled as noted in the MNDOT as-builts. Per MndOT direction, the pipe was grouted to fill in the void and the excavation was filled back in.
11. During construction a yard light was damaged by a contractor. We were not able to determine who damaged the light. The City elected to have the light repaired and complete a change order to add the cost to the project.
12. The irrigation required more repair than originally estimated. The original estimate anticipated the salvaging of the irrigation systems, but the systems ended up needing a full replacement in the disturbed areas. The contractor was directed to restore the irrigation systems to the original working function which resulted in an overrun in the allowance. The cost for this item is less the plan allowance item as noted in the attached.

There was also a clerical error on the Change Order Form that was corrected. The Final Completion date was listed as 07-07-2025. The current agreement has the final completion date as 07-07-2026. This error was corrected on the change order form. Included in the change order is an itemized list of the additional costs with a detailed breakdown.

FINANCIAL IMPLICATIONS

The \$238,065.24 change order increases the total contract price from \$2,609,881.40 to \$2,847,946.64. The overall approved project budget is \$3,589,186.15 which was set at the time of Accepting the Bid. The project budget is currently \$3,793,278.39. This budget includes the items from Change Order 3 and the projected estimated plan quantity items. The costs associated with this change order are currently estimated to be \$75,598.69 of additional City cost and \$162,466.55 of eligible items to be paid with federal funds After this change order there is still an additional \$264,027 in available MndOT funding for this project.

STAFF RECOMMENDATIONS

The items included in Change Order No. 3 were preliminarily approved MndOT and is waiting for final MNDOT approval. City staff was made aware of the additional items. The Utilities Commission and Staff recommend approval of Change Order No. 3 in the increased amount of \$238,065.24.

COUNCIL ACTION REQUESTED

MOTION to approve the J.R. Ferche, Inc Change Order No. 3 in the Increased Amount of \$238,065.24 and amend the project budget from \$3,589,186.15 to \$3,793,278.39 for the 2025 Design Road & TH 371 Stormwater Improvements Project, Municipal Project Number 4135. Contingent on final MnDOT approval of Change Order 3.