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May 25, 2022

Mr. Trevor Walter, Public Works Director/City Engineer
City of Baxter
13190 Memorywood Drive
PO Box 2626
Baxter, MN 56425

RE: 2022 Inglewood Drive Railway Crossing & Associated Roadway Improvements Project
Proposal for Fee Amendment for Construction Materials Testing, Construction Administration,
Construction staking, Project Coordination, etc.

Dear Mr. Walter:

In February 2020, the City of Baxter entered into an agreement with Bolton & Menk to develop plans and complete construction administration the following year in 2021 for this Inglewood Drive Railway Crossing and Associated Roadway Improvements (Inglewood Drive) project. The original project extents were the relocation of the Knollwood Drive traffic signal and railroad crossing to Inglewood Drive, pavement rehabilitation on Foley Road, public utility improvements, and an improved configuration for the Forthun Road and Isle Drive intersection. During the design process, it expanded to include a Restricted Crossing Intersection (RCI) at T.H. 210/Knollwood, Mini-roundabout at Forthun-Isle, an extension of trail reconstruction east along Foley Road between Forthun and Elder Drive, an access road incorporation, pond expansion, a BNSF staging area, and elongation of left turn lanes at the intersection of TH 210/Inglewood Drive. In combination of these changes, the project schedule has stretch from early 2020 to June 2023, doubling the length of the schedule.

Included with the original RFP for this project was a Feasibility Report prepared by WSN and approved by the City Council on April 17, 2018 which defined the project limits and the funding for the project. Our construction fees and expected scope were originally based off that study. From the start of the project considering public utility improvements, vehicles and pedestrians, and outcomes of the MnDOT TH 210 corridor study, it became obvious we needed to re-evaluate intersection designs and engage the community on both intersection/crossing designs and public utilities. The project was delayed due to these reasons, wanting to align with the MnDOT TH 210 corridor study, and we wanted to make sure the final project extents fit the City's goals of the project.

From that delay, the RCI, mini roundabout, Foley Road trail reconstruction extension to Elder, and the Access Road designs were incorporated into the project. Addendum #3 addressed this issue of needed additional fees for designs and creation of a revised feasibility study for the project. In that feasibility study, we recycled the funding breakdown and splits of the original project area from the WSN feasibility study dated April 17, 2018 since that work was completed. We only focused on the newer additions to the project and how they were going to get funded. The critical funding topic of the new additions was the RCI since that was a MnDOT request. The City Council directed Bolton & Menk to work with MnDOT and make sure the funding responsibility of the construction and construction administration was going

to be 100% MnDOT with any engineering costs the responsibility of the city. MnDOT agreed and that funding arrangement remains in the same terms as of today.

As the project progressed to a 60% design level, the Bolton & Menk project team shared the plan set with MnDOT for their required functional team reviews. During the process, MnDOT stated they have \$1.1 million slated for the project in their State Transportation Improvement Program (STIP) but the funding splits will not reach that dollar amount because they did not follow their Cost Participation Policy. The Bolton & Menk team questioned this and discussed that a feasibility report and agreed costs between parties were already in-place and certain funding variances were applied because of the project background and uniqueness of the project. MnDOT stated they did not agree to the original WSN feasibility report and assumed that the \$1.1 million shared with MnDOT at the time by WSN followed the Cost Participation Policy. No evidence or documentation of this arrangement was found either.

Because of this problem, the approach to the project financials and plan set schedules had to be re-evaluated. In collaboration with City Engineering staff, it was decided to split the project into two, one project that would solely be funded by local city funds (Foley Road Project) and one that would consist of Federal, State, and local funds (T.H. 210/Inglewood Drive Project). The project with multiple funds also absorbed all the BNSF coordination which allowed the project team to be flexible with the project schedules which has proved to be advantageous in implementing the construction process to date. In addition, the construction work types between the projects were split to become more appealing for potential contractors and this change likely saved the city money in not needing to require State/Federal Wages over the entire project area.

The negative consequences of this decision were the need to split the plan set and specifications into two, remove the Foley Road portion from the Federal Environmental Clearance documents, complete two bid processes, and the plausibility to work with two contractors during construction. In combination with these outcomes, the city project financials still needed to be amended. Unexpected coordination with MnDOT was required to determine eligible LPP items and organization has been needed to re-align the State Aid route of Knollwood to apply State Aid funds to this project which allowed the City to offset some of the lost funding.

Within this context and background, we are requesting your consideration of the following fee amendment to our original engineering services agreement for the 2022 Inglewood Drive project. Note that during this project process, understanding the City's preferences and tendencies, specifically when it comes to funding and City Council coordination, has been an onerous task but an improving one. With this being the first time the Bolton & Menk Transportation Department project has worked with the City, some past inefficiencies can be traced to us and we have not included those expenses in our request. Lastly, certain tasks such as Construction Materials Testing were stated in the RFP to be negotiated prior to construction and weren't in our original proposal since it was undetermined what the task scope was going to be. Those costs and tasks are also included in this amendment.

Description of Tasks and Costs

- **20.0 – Foley Road Plan Set Revision and Specifications, Additional Bidding Services (~ 195 hours – \$28,775)**
Bolton & Menk split out the original total project area 60% plan set and created a city standard plan set for the Foley Road, Forthun Road, and Isle Drive components. Work required to make this split included new titlesheet, general layout, traffic control and staging, drainage revisions, earthwork modifications, and specification adjustments. An additional bidding and advertising process was required to bid this Foley Road project separate as well.
- **21.0 – Foley Road Project Memo Revisions (~ 115 hours – \$15,740)**
Bolton & Menk revised the original draft of the Federal Aid Project Memo to remove all Foley Road components. Coordination with Federal Aid was needed to determine that the two projects were independent of each other to meet the requirement of independent utility per the DCP guidelines. Lastly, during the middle of the memo review, FHWA required the endangered Grey Wolf amendment and evaluation for the project. This change was a federal process requirement that was not originally required for Project Memos prior to us starting the project.
- **22.0 – Foley Road Design/Construction Administration (~ 450 hours – \$59,000)**
With this project being split into two, it causes different schedules and coordination between two different contractors that increases the construction duration, the number of construction meetings needed, bid items to be measured and quantified, the number of invoices, and project updates at Utility Commission Meetings. We also lost the benefit of the project being constructed all at once and only over a year period per this change. Lastly, additional areas and designs were added in the Foley Road project from the original RFP that will need observation and additional field measurements during the construction process.
- **23.0 – Foley Road Additional Construction Surveying (\$44,000)**
A total of \$35,000 is in the current contract for construction surveying. This was prior to the mini roundabout, Foley Road trail reconstruction extension from Forthun to Elder, pond addition, R/W acquisition needs, and the Access Road incorporation. Like construction administration with the project being split into two, it causes different schedules which will be offsetting, and coordination between two different contractors which increases the amount of coordination to get the job completed and staked.
- **24.0 – Project Financial Planning, Additional Assessment Process (~ 220 hours – \$29,600)**
Because of the eligibility of the State LPP items and the splitting of the plan set into two, financial planning and agency involvement increased significantly. State Aid coordination was needed to relocate the State Aid route from Knollwood to T.H. 210 to Knollwood east down Foley Road and then north up the new portion of Inglewood Drive. Additional plan review from State Aid was required to obtain and determine the eligibility of the State Aid funds for these projects. With the Federal funding type, awarded to the City of Baxter not having an award letter, structuring how and where the Federal Funds can be applied was an extensive process. Coordination with Federal Aid, MnDOT D3 Planning, and the Region Five Development Commission was needed. Lastly, during the project lifespan, there has been five leadership

changes at each one of the agencies involved in this project that the team has been navigating. State Aid and the MnDOT D3 Project Manager were two of them that were the most impactful.

An additional Assessment Process was needed for this project for the Area Wide assessment of the TH 210/Inglewood Drive signal costs. The RFP only stated one assessment for the neighboring properties which has been fully executed. This additional area-wide assessment hearing will be completed after the bidding of the project in June. Estimated costs for this process are \$3,320.

- **25.0 – Right of Way Acquisition Support, Easement Acquisition, Offer Letters and Easement Documents, Negotiations and Signed Agreements, Home Depot Parcel, Steve Rehnblom Property (\$32,936)**

With Evergreen Land Services being removed from the project, Bolton & Menk, in collaboration with Bill Ludenia in completing the appraisals, had to complete the R/W acquisition process for the 15' D/U along the proposed Access Road. We estimated that \$1,260 was for preparing offer letters and easement documents and \$27,200 for Offers and Negotiation. These dollar amounts match up to the amounts that were approved for Evergreen.

Extra time was needed for sanitary sewer and watermain design for these acquired parcels, utility layouts used in discussions with owners and utility agencies, meetings, and cost estimates regarding the development of the Steve Rehnblom property was needed for R/W purposes of the project. We estimate these costs have been \$3,776.

Additional coordination was needed to obtain R/W documents from MnDOT at the existing Knollwood Drive Intersection. BNSF required existing plats, descriptions, and condemnation order documentation for the vacation of the crossing. We estimate these costs have been \$700.

- **26.0 – Project Newsletters and Communication during Construction (~ 120 hours – \$8,400)**

We understand that it is the City's preference to provide weekly public newsletters and project updates on the project website for the entire duration of construction. No communication was included in the original proposal during construction. Bolton & Menk would provide up to 40 weekly newsletters during the construction duration along with continued updates and email blasts to the project website.

- **27.0 – Foley Road Construction Materials Testing (Braun Intertec) (\$56,000)**

See attached proposal by Braun Intertec, Inc.

FOLEY ROAD IMPROVEMENT PROJECT REQUESTED TOTAL (\$274,451)

- **30.0 – TH 210/Inglewood Drive Plan Set Revision and Specifications (~ 220 hours – \$24,700)**

Bolton & Menk split out the original total project area 60% plan set and created a State & Federal standard plan set for the T.H. 210 and Inglewood Drive components. With the addition of State Aid funds mid-way through the plan production, the plan set needed to be revised to meet State Aid Standards. Evaluation of staging and traffic control between the two projects were needed to avoid contractor conflicts during construction. Lastly, a field site meeting was

held between the City of Baxter Police Department, MnDOT D3 Traffic staff, Bolton & Menk, and MnDOT Signals to discuss the Emergency Vehicle Preemption System (EVP) of the proposed signal at TH 210/Inglewood Drive which was unexpected but required to confirm that the system will work for all parties, specifically the police department.

- **31.0 – TH 210/Inglewood Drive Design/Construction Administration (~ 355 hours – \$42,925)**
With this project being split into two, it causes different schedules and coordination between two different contractors that increases the construction duration, the number of construction meetings needed, bid items to be measured and quantified, the number of invoices, and project updates at Utility Commission Meetings. With the design project schedule being extended another year, additional meetings, RCAs, and Utility Commission updates were completed. We also lost the benefit of the project being constructed all at once and only over a year period per this change.
- **32.0 – TH 210/Inglewood Drive Construction Surveying (\$25,000)**
An addition of an RCI, full depth reconstruction of the Knollwood Drive Leg, the BNSF staging area near the signal, and elongation of the left turn lanes at Inglewood Drive over the project life span has increased the survey needs for the project. Like construction administration with the project being split into two, it will cause different construction schedules and coordination between two different contractors which increases the amount of coordination to get the job completed and staked.
- **33.0 – BNSF Maintenance Agreement Lump Sum Payment (~ 48 hours – \$9,600)**
Per input from City Engineering staff and the City Council at meetings of October 5, 2021 and April 5, 2022, Bolton & Menk was directed to pursue and obtain a 40-year lump sum maintenance fee with BNSF per the required C&M agreement. BNSF requires all local municipalities to provide maintenance costs on each at-grade crossings that are newly constructed by the local municipality. Typically, BNSF charges the municipality annually for any maintenance provided tied to that particular year for a 40-year duration. The lump sum approach, which was collaborated with BNSF by Bolton & Menk and written into the final C&M agreement, is a replacement to the annual invoices over the lifespan of the crossing. Paying the 40-year lump sum fee provides the following benefits to the city:
 - Removes future payments for a 40-year duration
 - Eliminates uncertainty of inflation and additional expenses the railroad might leave the city burdened with
 - Eradicates the varying expense spikes that annual payments can produce
 - Allows BNSF to invest this one-time payment in absorbing additional future maintenance costs instead of afflicting them onto the city in the future. They take on all liability.

The additional coordination and meetings with BNSF and MnDOT Rail, communication needs on the process to the City such as project check-ins and City Council appearances, and coordination with MnDOT SALT on eligibility of the lump sum payment was not within the original scope or RFP for this project.

- **34.0 – TH 210/Inglewood Drive Construction Materials Testing (Braun Intertec) (\$35,375)**
See attached proposal by Braun Intertec, Inc.

TH 210/INGLEWOOD DRIVE IMPROVEMENT PROJECT REQUESTED TOTAL (\$137,600)

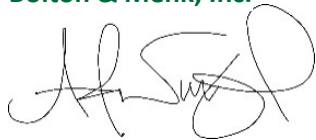
With Evergreen Land Services being removed from the project, the full authorized amount of **\$78,785** will not be spent. Evergreen only fulfilled **\$12,726** of their contract which consisted of pulling titlework, mailing out questionnaires, and obtaining contact information. Therefore, **\$66,059** of the remaining amount should be removed from our requested amendment cost, which comes to a revised total of **\$345,992**. ($\$412,051 - \$66,059 = \$345,992$)

In summary, we are requesting a not to exceed increase of **\$345,992** to the current total contract amount of **\$776,360** for an amended not to exceed total contract amount of **\$1,122,352**. Combining the two expected construction costs of **\$5,584,412**, this requested amount is **20.1%** of the project total, below the 22% (anticipated \$1,228,570) used in planning numbers.

Thank you for the opportunity to present this fee amendment proposal. Please feel free to contact me at 651-503-5700 or via e-mail at aaron.warford@bolton-menk.com if you have any questions or if you require additional information.

Sincerely,

Bolton & Menk, Inc.



Aaron Warford, P.E.
Principal Engineer

We hereby accept this proposal and authorize Bolton & Menk, Inc. to proceed with this work.

Accepted:

Darrel Olson, Mayor

Kelly Steele, Asst. Administrator/City Clerk

Date:
