



ITEM REPORT UTILITIES COMMISSION

Agenda Date: 11/7/2024
Agenda Section: Information Only

Department Origination: Public Works

Agenda Item: 2024 Mill & Overlay and Full Depth Reclamation Improvements Project Monthly Update

Approval Required: No Action Required

BACKGROUND

On May 7, 2024, the City Council awarded the project to Knife River Corporation – North Central in the amount of \$3,843,672.50.

In the last month, Knife River has completed a majority of the punch list items. There are only a few items left for the contractor to complete. As noted in the Change Order #6, there will still be some items that need to be addressed in the spring. Turf establishment being one of the items. The other item is related to overlaying Kenwood Drive. During paving, Knife River did not establish a crown in the roadway per the construction plans. Currently there are no areas that are holding water on Kenwood but the roadway will be reviewed in the spring. Widseth is also completing a survey of the remaining roads to make sure a consistent crown was installed.

Widseth and Knife River have reviewed the possible items to be completed in the spring and have agreed upon an estimated retainage over the winter. A semifinal pay estimate will be brought to the Utility Commission and Council in December that reflects the adjusted retainage and pay out the remaining items completed in 2024. Widseth is still reviewing the other roadways to see if additional work will need to take place in the spring.

Change Order No. 6:

Change Order No. 6 includes the following items:

1. At the start of the project, it was estimated that \$50,000 could possibly be spent on sprinkler repair. This estimated number has been exceeded as the contractor continues to make repairs on the system. The above amount is what was billed to the contractor in this last pay period.
2. There was an error in the final topsoil quantity causing the final quantity to be high than the actual quantity needed. The contract states that if the final quantity used varies by 20% than the Contractor or Owner can request a change in bid price.
3. While the contractor was bidding the project, they did not have a clear understanding for this line item. They assumed this item was for using onsite material. When instead it was intended for virgin material to be brought on site. The Contractor requested a change in unit price to better represent the actual cost of the material. The final quantity also differs more than 20% of the estimated quantity.
4. This item also differed from the estimated quantity by more than 20%. The underlying bituminous in the mill and overlay was in better condition after milling than anticipated. There was much less full depth spot repair required.

5. The Contractor anticipated having additional reclaim material at the end of the project. They did not end up having any additional material and had to bring in additional material to complete the work. This item pays the contractor for this additional material.
6. During construction, the water table was found to be higher than expected. This caused an issue with sub cutting the roadway and compacting the subgrade. A nearby stormwater pond was pumped down to help lower the ground water level in this area so the contractor could complete the work in a correct manor. Pratt's Affordable Excavating was hired to complete this work.

Due to the contractor seeding after September 20th, staff is requesting to extend the final completion date to July 1st of 2025. A majority of the turf establishment on the project meets the specifications but there are a few areas that will need to be touched up in the spring. By extending the final completion date, this allows the contractor to reseed and establish growth before closing out the project. It is estimated that approximately 2 acres out of the planned 4 acres of seeding may need to be in the spring. The 2 acres is estimated based on areas not currently established and additional area for winter/salt kill.

Pay Estimate No. 6:

The Contractor has earned \$3,522,043.59 to date which represents 87.3% contract value. In accordance with the agreement, 5% of the revised contract value (\$201,682.12) is being retained which results in a total payment of \$777,280.94.

Budget Update:

The overall project budget is \$5,030,467.01 which was set at the assessment hearing. As the project moves forward and items are completed, Widseth updates the project budget with each pay estimate. With the projected overruns and underruns, there are no remaining contingencies in the project budget. This is based on Change Order #6. There are a couple minor items that will need to be addressed in the spring that have been included in the budget.

FINANCIAL IMPLICATIONS

STAFF RECOMMENDATIONS

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COUNCIL ACTION REQUESTED

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