



ITEM REPORT UTILITIES COMMISSION

Agenda Date: 7/6/2022
Agenda Section: Business Item

Department Origination: Public Works

Agenda Item: Amend the Water Treatment Plant Filter Reconstruction and Needs Assessment Project Budget from \$2,195,360.00 to 2,252,601.94

Approval Required: Simple Majority Vote

BACKGROUND

The Council awarded the construction contract for the Water Treatment Plant Improvements Project to Northern Plains Contracting Inc. for the lump sum price of \$1,598,000.00. The notice to proceed was issued on August 23, 2021 and the Contractor began work on September 7, 2021. The project budget was initially set at \$2,182,550 and was amended at the February 15, 2022 City Council meeting to \$2,195,360 due to additional construction observation efforts that were required by the League of Minnesota Cities Insurance Trust and recommended plant improvements that were not planned for when the original budget was set.

Throughout construction, and as the WTP was returned to service several issues came up that required additional work to be completed under the construction Contract or by the City. The following paragraphs describe changes to the budget.

- Change Order No. 1 was approved in the amount of \$208,194.54 by the City Council on December 21, 2021.
- Change Order 2 was approved in the amount of \$49,163.19 by the City Council on March 15, 2022.
- Change Order 3 was approved in the amount of \$27,276.40 by the City Council on March 22, 2022.
- Change Order 4 was approved in the amount of (-\$18,270.57) by the City Council on June 21, 2022.
- Change Order 5 is being considered at this meeting in the amount of \$4,102.00.
- SEH Contract Amendment Nos. 1-3 have been approved by the City Council in the total amount of \$83,843.64.
- AE2S contracts over that expected during the budgeting phase have been approved by the City Council in the amount of \$49,475.00.
- Miscellaneous project costs paid by the City throughout the project total \$5,057.74.

When these items are totaled, the amended project budget is not enough to cover all costs. Currently, the total project cost is \$2,252,601.94.

FINANCIAL IMPLICATIONS

Project Budget Update:

- Project Budget that was presented at March 22, 2022 Joint Utilities Commission & City Council Meeting was \$2,225,360 but formally the approved budget is \$2,195,360.

Construction Contract: \$1,598,000 (including \$50,000 Owner's Allowance)

- Contingency: \$319,600
- Engineering: \$185,050
 - SEH: \$176,050
 - AE2S: \$9,000

- Soft Costs: \$79,900
- LMCIT Required Full-Time Inspection (after 7/15/2021): \$12,810 LMCIT (included in SEH Amendment No. 2)
- Contingency Items
 - Engineering Amendments:
 - SEH Amendment No. 1: \$100
 - SEH Amendment No. 2: \$26,723.64 (not including \$12,810 LMCIT above)
 - SEH Amendment No. 3: \$25,020.00
 - AE2S: \$49,475
 - Change Order No. 1: \$208,194.54
 - Change Order No. 2: \$49,163.19
 - Change Order No. 3: \$27,276.40
 - Change Order No. 4: (\$18,270.57)
 - Change Order No. 5 (in progress): \$4,102.00
 - Misc. Costs (Underdrain Shipping, Vonco, Filter Trough Repairs): \$5,057.74
- Estimated Total Budget Remaining: (\$57,241.94)
- Amended Project Budget Required: \$2,252,601.94

STAFF RECOMMENDATIONS

Staff recommends amending the Water Treatment Plant Filter Reconstruction and Needs Assessment Project budget from \$2,195,360.00 to \$2,252,601.94.

COUNCIL ACTION REQUESTED

Motion to amend the Water Treatment Plant Filter Reconstruction and Needs Assessment Project budget from \$2,195,360.00 to \$2,252,601.94.