



ITEM REPORT CITY COUNCIL

Agenda Date: 7/16/2024
Agenda Section: Consent Agenda

Department Origination: Public Works

Agenda Item: Approve the Knife River Corporation – North Central Partial Pay Estimate No. 2 in the amount of \$420,910.54 for the 2024 Mill & Overlay and Full Depth Reclamation Improvements Project, Municipal Project Number 4424

Approval Required: Simple Majority Vote

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.

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.

Partial Pay Estimate No. 2 is presented in the amount \$420,910.54. The payment includes the cost of unit price work completed during this pay period and releasing a portion of the retainage.

FINANCIAL IMPLICATIONS

The Contractor has earned \$574,391.61 to date which represents 14.7% contract value. In accordance with the agreement, 10% of the amount earned (\$57,439.16) is being retained which results in a total payment of \$420,910.64.

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. The project budget is currently at \$4,851,152.13, in total, there is \$179,314.88 remaining in the project budget contingencies. This does not include the possible increase in the engineering contract or additional turf establishment in 2025.

There are a couple items coming up in Change Order 3 that will impact the project budget. This dollar amount has not been determined at this time, but we do not anticipate the cost for Change Order 3 to exceed \$50,000.

STAFF RECOMMENDATIONS

Staff have no concerns with the work completed this period and recommend making progress payment as outlined in Partial Pay Estimate No. 2.

COUNCIL ACTION REQUESTED

MOTION to approve the Knife River Corporation – North Central Partial Pay Estimate No. 2 in the amount of \$420,910.54 for the 2024 Mill & Overlay and Full Depth Reclamation Improvements Project, Municipal Project Number 4424.