



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 Change Order No. 2 Extending the Substantial and Final Completion Dates for the 2024 Mill & Overlay and Full Depth Reclamation Improvements Project, Municipal Project Number 4424

Approval Required: Simple Majority Vote

BACKGROUND

On May 07, 2024, the City Council awarded the project to Knife River Corporation – North Central in the amount of \$3,843,672.50.

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. 2 includes extending the substantial and final completion dates for Edgewood Drive & Elder Drive Trail. The current substantial and final completion dates for the residential area projects is August 16 and August 30, respectively and the commercial area projects is September 20 and October 4, respectively. Knife River Corporation is requesting to extend only the Edgewood Drive and Elder Drive Trail portion of the commercial area projects. They are proposing to extend the substantial and final completion dates to October 18 and November 1, respectively. The reason Knife River is requesting this contract time extension is because they are being mindful of the area businesses and trying to work with them limiting the duration in which they are affected by construction and when the best time to close the roads is with relation to regional attractions. Knife River has been conscious on adjusting their schedule by a week or two in the commercial districts so businesses can be open during Lakes Jam, Independence Day, BIR Nationals, etc. The original plan was to complete Dellwood Drive and Edgewood Drive at the same time. Knife River would like to try and minimize the closure time by only closing one road at a time so they can concentrate on that road to help speed up the construction process. Knife River is currently working at a good pace and the weather has only held them up a little bit. If weather like this continues, it could likely cause more delays and the proposed additional contract time will allow them to still complete the work. Knife River anticipates the additional working phase will take three weeks, but they have requested four due to the weather patterns we have received already this year.

FINANCIAL IMPLICATIONS

This change order does not have any immediate financial implications however there will likely be additional cost such as Engineering fees and turf establishment. Widseth is currently tracking under budget for their construction services with their not to exceed contract based on the current contract completion dates. By extending the project, there will likely be one additional pay estimate to process and additional construction observation services that will be required from the loss of efficiencies of having one inspector managing both Edgewood Drive and Dellwood Drive at the same time. The exact dollar amount is hard to estimate but as a worst-case scenario, there could be up to \$54,000 in additional engineering fees if full-time construction services are required for four more weeks. There would likely be minimal if any additional fees due to how the budget is currently tracking and the reduced work

efforts with the proposed phasing. Widseth and city staff will continue to monitor the engineering budget as we get closer to the end of the project and provide this information in the monthly updates to the Utilities Commission.

By extending the completion date it could push the seeding later in the fall where the weather may not allow for the turf root system to establish properly before winter resulting in winter kill. If both the Edgewood Drive and Elder Drive trail turf required 100 percent reseeding, the total cost associated with the turf could increase by as much as \$33,000.

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 \$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.

STAFF RECOMMENDATIONS

Change Order No. 2 was requested by Knife River Corporation in response to staff's concerns with limiting the duration of construction activities in the commercial district and working around the Lakes Jam, Independence Day, and BIR Nation weekends. Staff recommends approval of Change Order No. 2 Extending the Substantial and Final Completion Dates.

Additionally, with the traffic control signage required for Dellwood Drive and Edgewood Drive, it would be a safety concern to have two massive/major detour routes set up on TH 371 and Woida Road for Edgewood Drive and Dellwood Drive at the same time.

There could and will likely be additional costs associated with the extension but what was provided in this Item Report is what staff believes is a worst-case scenario.

COUNCIL ACTION REQUESTED

MOTION to approve the Knife River Corporation – North Central Change Order No. 2 Extending the Substantial and Final Completion Dates for the 2024 Mill & Overlay and Full Depth Reclamation Improvements Project, Municipal Project Number 4424.