



ITEM REPORT CITY COUNCIL

Agenda Date: 11/21/2023

Agenda Section: Consent Agenda

Department Origination: Public Works

Agenda Item: Approve the RL Larson Excavating, Inc. Pay Estimate No. 10 (Final) in the amount of \$57,799.58 and increasing the project budget by \$2,448 to \$4,973,828 for the 2022 Foley Road, Isle Drive, and Forthun Road Improvements Project, City Improvement No. 4114

Approval Required: Simple Majority Vote

BACKGROUND

The City Council awarded the construction contract for the 2022 Foley Road, Isle Drive, and Forthun Road Improvements Project to RL Larson Excavating, Inc. on April 5, 2022 in the amount of \$3,539,601.51. The notice to proceed was issued on April 6, 2022 and the contractor began work on May 31, 2022.

The project was substantially complete on Friday, October 28, 2022. The final completion date was previously extended to June 16, 2023 to allow for the completion of punchlist items and final acceptance of turf establishment. With the late spring snowmelt, relatively quick transition to higher temperatures in May and June, and the lack of rain the seeded areas have not progressed to 70% coverage needed for final acceptance. In July the final completion date was revised to October 13, 2023. In August 2023 RL Larson over seeding needed areas with a Brillion Seeder on approximately 80% of the project and the turf has now been established.

On August 1, 2023 the city was notified by MPCA of a reported diesel spill in the project staging area adjacent to Grouse Drive. The spill was located outside the area where RL Larson had utilized for the project, and it was not apparent when the spill had occurred as the site had not been utilized by project contractors in the past month. Environmental staff from Widseth took DRO and VOC samples and determined the soil could be transported to the Crow Wing County Landfill. Widseth staff submitted required documentation for the soil to be transported to the Crow Wing County Landfill and on August 18, 2023 were on-site to verify the extent of contaminated soil when Pratt's Affordable Excavating removed soil over an 8' x 10' area ranging in depth from 1.5 feet to 3.0 feet. Pratt's Affordable Excavating hauled the contaminated soil to the Crow Wing County Land Fill and placed topsoil to replace the removed material.

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 a 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. 10 is presented in the amount of \$57,799.58. The payment includes reducing the 1.5% held as retainage in Pay Estimate No. 9 to 0% for the Final Pay Estimate.

FINANCIAL IMPLICATIONS

The construction portion of the project budget is \$3,716,582 which equals the bid amount of \$3,539,602 plus 5%, \$176,980. As of August 25, 2023 the construction portion of the project equals \$3,853,306 which consists of \$3,583,370 of unit price as bid work and \$269,936 in change order items. Project construction is \$136,724 over budget as of 8/25/2023. Also included in the current construction total is \$35,958 of water and sewer improvements to parcel 40070817 that will be passed through to the property owner.

Since the Assessment Hearing on February 24, 2022 the engineering, legal, financial, and land acquisition costs have been finalized between the 2022 Foley Road, Isle Drive, and Forthun Road project and the 2022-23 TH 210 and Inglewood Drive Improvement project. The engineering and land acquisition costs at the assessment hearing were based on estimated percentage. The figures listed in the current column are based on actual land acquisition costs and engineering reflecting totals approved by the city. These revisions have resulted in lowering the estimated engineering, legal, financial, and administrative cost from \$1,251,842 to \$1,113,679 which includes Bolton & Menk Fee Amendment No. 7 in an additional amount of \$61,893 which was approved on June 20, 2023. The city has negotiated an assessment agreement in the amount of \$45,487 with the property owner of parcel 40070817 for sewer and water and engineering cost for improvements installed to the property for future development.

Including Invoice 4848 in the amount of \$1,784.25 from Pratt's Affordable Excavating and Widseth Invoices totaling \$5,058.82 the current overall project cost is \$4,973,828 or \$2,448 above the current project budget of \$4,971,380. Bolton & Menk time associated with coordinating the contaminated soil cleanup has been billed through the project.

2022 FOLEY ROAD, ISLE DRIVE & FORTHUN ROAD PROJECT		
COMPARISON OF TOTAL PROJECT COSTS TO DATE		
Item Description	Assessment Hearing / As Bid (2/24/22)	Current Construction (9/29/2023)
CONSTRUCTION COSTS	\$3,539,602	\$3,583,370
City Post-Bid Contingency (5%) / Change Orders	\$176,980	\$269,936
TOTAL CONSTRUCTION COSTS	\$3,716,582	\$3,853,306
Engineering Design (10%)	\$434,055	-
Nelson Sanitation	\$5,487	\$5,487
Land Acquisition (Evergreen Land Services)	\$78,785	-
Appraisal Services (Bill Ludenia)	-	\$34,500
Construction Engineering (12%)	\$520,865	-
Easement Acquisition Land Fees	\$32,500	\$40,400
WSN Feasibility Study (Moved to TH 210 & Inglewood Drive Project)	\$20,868	-
Bonding and City Administration (2%)	\$70,792	\$70,792
Final Legal and Other Costs (2.5%)	\$88,490	\$88,490
Bolton & Menk Engineering/Construction Admin Contract	-	\$873,910
Pratt's Excavating (Diesel Spill Cleanup)		\$1,784
Widseth (Diesel Spill Testing & Reporting)		\$5,059
Crow Wing Power	-	\$100
TOTAL ENGINEERING COSTS	\$1,251,842	\$1,120,522
CITY PROJECT BUDGET	\$4,968,424	\$4,973,828
Foley Road Trail Forthun Road to Elder Drive Removed From Project	-\$42,531	
Parcel 40070817 Assessment Agreement	\$45,487	
UPDATED CITY PROJECT BUDGET	\$4,971,380	\$4,973,828

STAFF RECOMMENDATIONS

Staff have no concerns with the work completed this period and recommend making final payment as outlined in Pay Estimate No. 10 (Final) in the amount of \$57,799.58 and increasing the project budget by \$2,448 to \$4,973,828. The contractor has submitted the required IC134's to the City and the check can be released.

COUNCIL ACTION REQUESTED

MOTION to approve the RL Larson Excavating, Inc. Pay Estimate No. 10 (Final) in the amount of \$57,799.58 for the 2022 Foley Road, Isle Drive, and Forthun Road Improvement Project, City Improvement No. 4114 and increasing the project budget by \$2,448 to \$4,973,828.