



## REQUEST FOR ACTION CITY COUNCIL

Agenda Date: 10/20/2026  
Agenda Section: Consent Agenda

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**Department Origination:** Public Works

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**Agenda Item:** Approve the ASTECH Corporation Pay Estimate No. 1 in the amount of \$399,199.03 for the 2026 Micro Surfacing Project

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**Approval Required:** Simple Majority Vote

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### **BACKGROUND**

A preconstruction meeting was held with the contractor on Friday, July 31, 2026, at 9:00 a.m. where the project schedule was discussed. In August, Change Order No. 1 was approved to delay micro surfacing two weeks, with a substantial completion date of September 11<sup>th</sup>, for the following reasons:

- The start of the city-wide crack sealing project was delayed and delaying micro surfacing a couple of weeks to the week of August 31st or September 7th will allow the crack sealing material to harden before surfacing over it.
- The City has a watermain repair and storm sewer catch basin replacement on Edgewood Drive between Design Road and Clearwater Road to complete in Mid-August that will require excavation and paving to be completed at least one week before micro surfacing.

### **Construction**

- The mill and overlay of 2 sections of Dellwood Drive was completed on August 10, 2026, the streets to be micro surfaced have been crack sealed, and the city has completed watermain and storm sewer repair on Edgewood Drive.
- Pavement markings were removed September 1<sup>st</sup> and 2<sup>nd</sup>
- Micro surfacing was completed overnight September 14<sup>th</sup> to 17<sup>th</sup>
- Gate valve and manhole castings were adjusted September 21<sup>st</sup> to 23<sup>rd</sup>.

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.

The contractor has earned \$420,209.50 to date, which represents 70% of the contract's value. The payment includes the cost of unit price work completed through September 18, 2026. In accordance with the agreement the amount retained is 5%. The 5% retainage equals \$21,010.47, which results in a payment of \$399,199.03.

### **FINANCIAL IMPLICATIONS**

The project is funded by the Street Replacement Capital Fund utilizing the Franchise Fee's dedicated to the Pavement Management Plan to pay for construction costs, engineering fees, and other related project soft cost. Based on the bid results, the construction cost to complete the street segments identified for 2026 is \$602,415.58 and the engineering cost is \$59,312.00 for a total project cost of \$661,727.58.

The 2026 City of Baxter portion of the project is \$641,379.22 and City of Brainerd portion is \$20,348.36.

**STAFF RECOMMENDATIONS**

Utilities Commission and staff have no concerns with the work completed this period and recommend making the progress payment as outlined in Partial Pay Estimate No. 1.

**COUNCIL ACTION REQUESTED**

**MOTION** to approve the ASTECH Partial Pay Estimate No. 1 in the amount of \$399,199.03 for the 2026 Micro Surfacing Project.