



ITEM REPORT UTILITIES COMMISSION

Agenda Date: 6/5/2024
Agenda Section: Other Business

Department Origination: Public Works

Agenda Item: Approve the Knife River Corporation – North Central Pay Estimate 1 in the amount of \$96,041.91 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.

Pay Estimate 1 is presented in the amount \$96,041.91. 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 \$106,713.23 to date which represents 2.7% contract value. In accordance with the agreement, 10% of the amount earned (\$10,671.32) is being retained which results in a total payment of \$96,041.91.

Budget Update

The limited items that have been completed thus far appear to be accurate with the estimated quantities. There has been some additional signage requested for traffic control, but the Contractor is working with their sub to determine the additional cost. Widseth will track the quantities which are anticipated to exceed the estimated quantities from the contract and include those in the Financial Implications.

STAFF RECOMMENDATIONS

Staff have no concerns with the work completed this period and recommend making progress payment as outlined in Pay Estimate 1.

COUNCIL ACTION REQUESTED

MOTION to approve the Knife River Corporation – North Central Pay Estimate 1 in the amount of \$96,041.91 for the 2024 Mill & Overlay and Full Depth Reclamation Improvements Project, Municipal Project Number 4424.