



**ITEM REPORT  
UTILITIES COMMISSION**

Agenda Date: 6/3/2026  
Agenda Section: Business Item

**Department Origination:** Public Works

**Agenda Item:** Approve the J.R. Ferche, Inc Partial Pay Estimate No. 6 in the amount of \$93,699.37 for the 2025 Design Road & TH 371 Stormwater Improvements Project, Municipal Project Number 4135

**Approval Required:** Simple Majority Vote

**BACKGROUND**

On April 15, 2025, the City Council awarded the project to J.R. Ferche, Inc in the amount of \$2,537,715.40. 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 by the Contractor and Engineer prior to submittal to the City for approval.

**Partial Pay Estimate No. 6:**

The work in this pay period consisted of Nelson Sanitation Televising the Lakes Dental Sewer Service, touching up the black dirt, reseed area that were either repaired or did not grow due to the winter salting and the release of a portion of the retainage. The work detailed above results in a payment of \$93,699.37.

**FINANCIAL IMPLICATIONS**

The Contractor has earned \$2,599,387.55 to date which represents 99.6% contract value. The retainage has been reduced to 150% of the remaining work to be completed. This equates to \$40,383.00 being retained and \$90,111.01 being released. Taking the amount earned, the released retainage and previous payment of \$2,465,305.18, this results in a total payment of \$93,699.37.

<b>PARTIAL PAY ESTIMATE</b>	<b>PAYMENT</b>
PAY ESTIMATE 1	\$292,603.86
PAY ESTIMATE 2	\$1,487,849.72
PAY ESTIMATE 3	\$652,852.10
PAY ESTIMATE 4	\$10,473.00
PAY ESTIMATE 5	\$21,526.50
PAY ESTIMATE 6	\$93,699.37
<b>TOTAL</b>	<b>\$2,599,004.55</b>

**Budget Update**

The current project budget is \$3,589,186.15. The table below breaks down of the change orders, current expenditures to date and the final projected project cost.

Budget Line Item	Project Budget	Added / Modified Items	Current Expenditures	Projected Final
Construction:	\$2,537,715.40		\$2,466,516.75	\$2,524,810.75
Change Order 1:		\$72,166.00	\$92,487.80	\$92,487.80
Change Order 2:		\$0.00		\$0.00
Change Order 3:		\$0.00		\$0.00
Change Order 4:		\$224,358.52		\$224,358.52

Reimbursement:		(\$6,546.96)		(\$6,546.96)
Contingencies	\$126,885.77			
Engineering	\$717,744.00		\$544,118.36	\$717,744.00
Bonding, Finance Admin., Mics.	\$206,840.98			\$210,382.10
<b>Total</b>	<b>\$3,589,186.15</b>	<b>\$289,977.56</b>	<b>\$3,103,122.91</b>	<b>\$3,763,236.21</b>

Based on the above projected final project cost, the project is approximately \$174,050.06 over budget. Change order #4 is currently estimated to be \$224,358.52, \$6,546.96 will be reimbursed by Widseth due to a design error, \$72,870.63 of which is additional City cost and \$144,940.93 of eligible items to be paid with federal funds. Change Order #4 is still under review by MNDOT and has not been officially approved. Widseth reviewed the quantities to date with the Contractor, and all outstanding items have been paid. The contractor will not be requesting any more quantities of items completed in 2025 for payment. The projected final project cost includes additional watering only as the contractor has completed the seeding in the spring which was less than anticipated. The final project cost is also dependent on the Engineering Fees. Widseth is tracking to be under budget, however the project still has many items that need to be completed as part of the Federal process. Widseth will continue to monitor and estimate the Engineering costs as the project continues.

**STAFF RECOMMENDATIONS**

Staff have no concerns with the work completed this period and recommend making the progress payment as outlined in Partial Pay Estimate No. 6.

**COUNCIL ACTION REQUESTED**

**MOTION** to approve the J.R. Ferche, Inc Partial Pay Estimate No. 5 in the amount of \$93,699.37 for the 2025 Design Road & TH 371 Stormwater Improvements Project, Municipal Project Number 4135.