

Memorandum



Date: October 7, 2026

To: Buchanan City Commission

From: Tony McGhee

Subject: Amendment to Current Sidewalk Replacement Program Contract

Background

In October 2025, the City Commission approved a contract with Astrong Construction for the City's As-Needed Sidewalk Repair Program in the amount of \$56,200. The program was established as a partnership between the City and adjacent property owners, with the City paying 50 percent of the cost and the property owner responsible for the remaining 50 percent.

The funding from last year's budget has now been committed, and staff is ready to begin using the allocation included in the current budget. We still have approximately six residents who would like to have their sidewalks completed this year. Unfortunately, there is not enough time remaining in the construction season to prepare another bid package, advertise the work, receive bids, award a contract, and still have the work completed before we lose the weather.

Staff approached Astrong Construction about amending its existing contract to keep the program moving through the fall and into next spring. Astrong has agreed to complete up to an additional 4,000 square feet of sidewalk at an all-in price of \$15 per square foot. This would represent a contract amendment not to exceed \$60,000, bringing the total authorized contract amount from \$56,200 to \$116,200.

The amendment would allow us to complete the sidewalks for residents who are ready to move forward this fall while reserving the remaining quantity for additional participants recruited over the winter. That work could then begin as soon as the weather allows next spring.

Importance of the Sidewalk Program

Sidewalks are basic community infrastructure. They provide a safe place for people to walk apart from vehicle traffic and connect residents to schools, parks, neighborhoods,

businesses, and the downtown. They are particularly important for children, seniors, people with disabilities, and residents who do not drive or have regular access to a vehicle. Well-maintained sidewalks also support accessibility, neighborhood appearance, public health, and the overall walkability of the community. Cracked, displaced, or deteriorated sidewalk panels can create trip hazards and barriers for people using wheelchairs, walkers, strollers, or other mobility devices.

For a number of years, the City did not undertake a significant or coordinated sidewalk replacement effort. As a result, we are working through years of deferred maintenance. This is not something we will correct in a single budget year, but the current cost-sharing program gives us a practical way to make steady progress while sharing the financial responsibility with the benefiting property owners. Stopping and starting the program unnecessarily will only slow that progress and allow the existing needs to continue growing.

Current Market Pricing

Staff reviewed current Michigan Engineers' Resource Library pricing to evaluate Astrong's proposed price against the market. MERL is a software suite developed by the Center for Technology & Training at Michigan Technological University to help Michigan transportation agencies and their consultants prepare construction estimates, evaluate bids, and administer public infrastructure projects. It includes MDOT pay-item information and weighted-average unit prices from projects throughout Michigan.

For the Southwest Michigan region, the current cost for the removal, disposal, and replacement of four-inch concrete sidewalk is approximately \$12 to \$13 per square foot. Those figures generally reflect the individual concrete pay items and do not include all of the costs associated with mobilization, traffic and pedestrian control, restoration, and managing smaller work areas spread across multiple properties. Once those costs are included, Astrong's proposed all-in price of \$15 per square foot is consistent with current market conditions.

The price trend also supports moving forward with the amendment. The U.S. Bureau of Labor Statistics Producer Price Index for ready-mix concrete increased from 386.359 in August 2025 to 395.186 in August 2026, an increase of approximately 2.3 percent over the past year. Most of that increase occurred during 2026, showing that concrete prices have again been moving upward after remaining relatively level through much of 2025.

The installed cost of sidewalk also includes labor, equipment, trucking, mobilization, restoration, and contractor capacity. A recent construction market forecast for Michigan projects overall bid-price inflation of approximately 5 to 6 percent during 2026 and another 3 to 5 percent during 2027. While that forecast covers the broader construction market and is not specific to sidewalk work in Buchanan, it reinforces that there is no strong reason to expect the installed cost of concrete sidewalk to be lower when the work is rebid next spring.

In short, the proposed \$15 per-square-foot price is market based, allows us to serve additional residents yet this year, and reduces the City's exposure to potential increases in material and labor costs over the winter.

Proposed Approach

Based on my 20 years of undertaking and advising communities on infrastructure projects, amending the existing contract is the most practical course of action. It allows us to continue serving residents who are prepared to participate, keeps a qualified contractor mobilized under an existing contract, and provides a known unit price for work completed this fall and next spring.

This approach will carry the program into the next budget process, when the Commission can determine whether it wants to continue funding the program for FY 2027/28. If additional funding is approved, staff would prepare a new bid package and competitively bid the next phase of the program.

The alternative would be to delay the work requested by the remaining residents until the spring and rebid the entire project at that time. This would slow the progress of a program that is already addressing years of deferred maintenance and expose both the City and participating property owners to the possibility of higher pricing.

Recommendation

Staff recommends that the City Commission authorize the City Manager to amend the existing As-Needed Sidewalk Repair contract with Astrong Construction to add up to 4,000 square feet of sidewalk removal, disposal, replacement, and associated work at an all-in unit price of \$15 per square foot, for a total additional amount not to exceed \$60,000.

The amendment would increase the total authorized contract amount from \$56,200 to an amount not to exceed \$116,200, with the additional work funded through the current sidewalk program allocation and completed during the fall of 2026 and the spring or early summer of 2027.