

MEMORANDUM

To **City of Deadwood**

From Towey Design Group

Date September 1, 2026

Subject Change Order No. 2 - Highway 85 Watermain Extension Project

Contractor Underground Construction, Inc.

This memorandum accompanies Change Order No. 2 submitted by Underground Construction, Inc. for the Highway 85 Watermain Extension Project. Towey Design Group has reviewed and approved the proposed change order.

Change Order No. 2 provides for an adjustment to the contract amount and a 14-calendar-day extension related to the following additional work:

1. Additional asphalt removal, subbase work, base course, and asphalt pavement along Railroad Avenue.
2. Additional asphalt pavement and base course installed in the parking lot immediately south of the Railroad Avenue connection.

The attached final quantity estimate provides the completed quantities and associated costs for this work.

Final Quantity Summary

Asphalt Removal

The completed quantity of asphalt removal is consistent with the quantity included in the original change order.

Subbase Work

The completed subbase work is consistent with the work included in the original change order.

Asphalt Pavement

The final asphalt pavement quantity was 486.9 tons, which was higher than originally estimated for the following reasons:

- Additional asphalt surfacing was installed in the parking areas along U.S. Highway 14A/85, immediately south of Railroad Avenue. This work was paid at

the contract bid price and was included within the plan quantity near the beginning of the project in late 2025.

- The additional asphalt reduced unnecessary joints between the new and existing pavement.
- Additional pavement was required to accommodate revisions to the water main alignment resulting from conflicts with the Lead Sanitary District sewer main.
- The original estimate assumed that Railroad Avenue would generally be 20 feet wide, with limited sections measuring 22 feet wide. The actual pavement width is approximately 22 feet along most of Railroad Avenue between Sampson Street and McKinley Street.

Base Course

The final base-course quantity was 961.77 tons, which was higher than originally estimated for the following reasons:

- Additional base course was installed in the parking areas along U.S. Highway 14A/85, consistent with the additional asphalt surfacing described above.
- The original estimate assumed a primarily 20-foot-wide pavement section, with a few 22-foot-wide sections. The actual pavement width is approximately 22 feet along most of Railroad Avenue between Sampson Street and McKinley Street.
- Poor soil conditions and local springs encountered along portions of Sampson Street and Railroad Avenue required additional base-course material. Based on geotechnical engineering recommendations, the street section included 12 inches of base course in soft areas and 8 inches in the typical section.
- Approximately 340 tons of additional base course were installed because of poor soil conditions along Sampson Street.
- Approximately 620 tons of additional base course were installed due to the expanded pavement area in the parking lots, the greater-than-assumed width of Railroad Avenue, and poor soil conditions along Railroad Avenue.

The quantities stated above represent the final completed quantities for asphalt removal, asphalt pavement, and base course associated with Change Order No. 2.

Contract-Time Adjustment

Because of the additional work described in Change Order No. 2, Underground Construction, Inc. has requested a 14-calendar-day contract-time extension.

The contractor and engineer are also reviewing other change requests that include additional contract-time extensions:

Change Order Request Requested Extension

COR 10	2 calendar days
COR 12	7 calendar days
COR 13	7 calendar days
COR 14	6 calendar days
Change Order No. 2	14 calendar days
Total	36 calendar days

Towey Design Group has no objection to the requested time extensions based on the information currently available. The additional requests remain under discussion and will be addressed through separate change-order documentation, as applicable.

Recommendation

Towey Design Group recommends that the City of Deadwood approve Change Order No. 2, including the additional payment based on the attached final quantity estimate and the associated 14-calendar-day extension. When combined with the time extensions currently under discussion, the total requested extension is 36 calendar days.

Attachment: Final Quantities Estimate for Change Order No. 2