City of Dyersville
City Administrator's Office

October 16, 2026

Mayor Jacque and City Council Members
City of Dyersville
Memorial Building
340 1st Avenue East
Dyersville, IA 52040

**RE: Resolution No. 89-26 Approving Supplemental Agreement No. 1 with Kirkham, Michael & Associates, Inc. for the US 52 U-STEP Design Project**

Dear Honorable Mayor Jacque and Council Members:

Resolution No. 89-26 approves Supplemental Agreement No. 1 with Kirkham, Michael & Associates, Inc. (Kirkham Michael) for added design work on the US 52 U-STEP project. The supplemental adds $42,670 to Kirkham Michael's contract and raises its not-to-exceed amount from $44,830 to $87,500.

On January 5, 2026, the Council approved Resolution No. 02-26, which accepted an Urban-State Traffic Engineering Program (U-STEP) agreement with the Iowa Department of Transportation. U-STEP is a state program that helps cities pay for safety and traffic improvements on state highways inside city limits. Our project covers US 52 from 12th Avenue to just north of 10th Avenue. It converts the roadside from an open ditch to curb, gutter, and storm sewer; closes the Colonial Inn Motel driveway and combines it with the south Tauke Motors driveway; and clears parked vehicles and other obstacles out of the state right-of-way. On February 16, 2026, the Council approved Resolution No. 14-26, which hired Kirkham Michael to design the project and prepare it for bidding.

As design moved forward, three pieces of work came up that were not in the original scope. First, the pavement changes next to Tauke Motors, including a ramp into the dealership's parking lot, need more survey and design than first planned. Kirkham Michael will also prepare a striping plan for the Tauke Motors parking stalls. That plan will be kept separate from the U-STEP plans because the Iowa DOT does not want private parking improvements shown in them. Second, Kirkham Michael will design a water main crossing US 52 that connects a 6-inch dead-end line on the west side to the 12-inch main on the east side. Third, Kirkham Michael will survey and plat the extra right-of-way in front of Tauke Motors and work with the Iowa DOT on the documents it needs to consider vacating that strip. Vacating means the DOT formally gives up right-of-way it no longer needs. That decision rests with the DOT.

Kirkham Michael bills at its standard hourly rates up to the not-to-exceed amount, so the City pays only for work actually performed. The Council should know that the U-STEP grant does not pay for design. Under paragraph 13 of Exhibit A to the U-STEP agreement, design, inspection, and administration costs are the City's responsibility. The grant shares only eligible construction and right-of-way costs, at 55 percent state and 45 percent City, up to the DOT project maximum of $159,414.42. The full $87,500 design fee is therefore a local cost. The added $42,670 will be paid from the Capital Projects Fund and is included in the Fiscal Year 2027 budget, which proceeds will be paid by the Debt Service Fund.

The supplemental keeps every other term of the February agreement in place, including the provision that Iowa law governs the contract. Kirkham Michael expects to begin the extra work this month without changing the overall project schedule, with bid letting now targeted for winter 2026 or 2027. The U-STEP agreement requires the project to be let within two years of the DOT's approval, a deadline that falls no earlier than January 2028. The current schedule fits within that window. One more requirement is worth noting. If the final construction estimate comes in 20 percent or more above the $241,537 estimate in the U-STEP agreement, the DOT must approve the increase before the City advertises for bids.

I recommend approval of Resolution No. 89-26.

If you have any questions or concerns, please don't hesitate to contact me at 875.7724 or via email at mmichel@cityofdyersville.com.

Sincerely,

Mick J. Michel,
City Administrator