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MEMORANDUM

Engineering Services

Date: August 3, 2026

To: Mayor Jackola and City Council
From: Kenny Cannady-Shultz, Assistant City Engineer
Subject: Additions to the Grant and Sherman Full Street and Utility Reconstruction Project
Project No. 25705

Background

On June 9, 2026, Staff opened bids for the Full Street and Utility Reconstruction, Grant Street (Fifth Street to Park Street) and Sherman Street (Second Street to Main Street) Project. The low bid, submitted by MVG Construction, of \$2,840,000 (including the Sherman Street Additive) was well below the engineer's estimate, and even after incorporating the Sherman Street Additive, approximately \$500,000 in budgeted project funds remain available.

During design, Staff was concerned about high bid prices, so they limited scope in the following areas to save cost:

- Minimizing the amount of curb and gutter, sidewalk, and driveway replacements along Grant Street from Park to Third Street.
- Limiting work in Second Street to utilities and trench patching only.

Upon reviewing the bid prices submitted by MVG, Staff determined that the following work could be added back into the project:

- Full replacement of curb and gutter, sidewalk, and driveways along Grant Street: \$120,000.
- Grind and inlay of Second Street, along with full replacement of the curb and gutter, sidewalk, and driveways: \$150,000.

The project has incorporated another outstanding sanitary sewer need identified through the City's Private Sewer Lateral Replacement Assistance Program and is also addressing cross-connections (storm drainage improperly routed to the sanitary sewer) as they are uncovered during construction. Minor water main extensions have also been recommended to support future system needs and protect newly rebuilt streets. The combined cost of these miscellaneous utility additions is approximately \$90,000.

Staff is proposing to add the above-mentioned items to the contract via a Project Change Order with Mid-Valley Gravel. The total estimated change order is \$360,000, leaving

approximately \$140,000 in contingency funding to handle unforeseen issues during construction.

Recommendation

Staff recommends that the City Council approve an additional \$360,000 to complete the change-order work described above.