



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Meeting Date:</b>	Wednesday, January 23, 2019
<b>Category:</b>	NEW BUSINESS
<b>Type:</b>	ACTION
<b>Subject:</b>	Project Y62: TH 23 and Saratoga Street Intersection Improvements – Consider Change Order No.11 Consider Final Pay Request #11.
<b>Background Information:</b>	<p>The construction contract for City of Marshall Project Y62 was awarded to the Robert R. Schroeder Construction Co. of Glenwood, Minnesota. The original construction contract pursuant to bid, was in the amount of \$4,898,698.46. Change orders 1, 2 and 3 have previously been approved in the additional amount of \$31,600. Total approved bid to date for the construction project totals \$4,930,150.48. The project has been completed. The as-built unit prices resulting from the end of the construction project came in under budget and are in the amount of \$4,821,063.50. Of the final amount due, prior payment requests 1-10 have been paid to contractor in the amount of \$4,717,858.37. The total amount due to the contractor is \$103,205.13.</p> <p>While the construction project came in under budget, the project was not completed on time pursuant to the terms of the contract. Contract calls for liquidated damages in the amount of \$1,500 per day for each day that the contract is not completed on time.</p> <p>The contractor was requesting payment in the full amount of \$103,205.13. During the construction project, the City eliminated an underground sprinkler system. The contractor was requesting profit off of the sprinkler system not installed. Sprinkler system would have resulted in approximately \$31,600 worth of profit to the contractor. Contractor was requesting \$134,805.13 for final payment. The City sought to impose liquidated damages in the amount of \$54,750. (36 ½ days late)</p> <p>There were ongoing settlement discussions between City Attorney and contractor. It was finally agreed that sprinkler system profits would not be paid and further the parties agreed to 28 days' worth of liquidated damages totaling \$42,000. Therefore, Change Order No. 4 seeks a reduction in the final payment due to contractor in the amount of \$42,000. Final pay request as approved would be in the amount of \$61,205.13. Final amount earned by the contractor is therefore \$4,779,063.50. Contract came in under budget by 2.24%.</p> <p>Consulting engineer has verified that lien waivers and IC-134's have been provided.</p>
<b>Fiscal Impact:</b>	<p>Change Order No. 4 results in a contract decrease in the amount of \$42,000.</p> <p>The final pay order results in final payment to contractor in the amount of \$61,205.13. Final payment to contractor results in 2.24% savings over the original budget resulting in the contract payments being \$109,086.98 less than the contract amount.</p>
<b>Alternative/Variations:</b>	No alternative actions recommended.
<b>Recommendations:</b>	That the Council approve Change Order No. 4 to Robert R. Schroeder Construction Co. of Glenwood, Minnesota resulting in a contract decrease in the amount of \$42,000 for the above-

	<p>referenced project. That the Council approve final pay to Robert R. Schroeder Construction Co. of Glenwood, Minnesota in the amount of \$61,205.13. Final pay results in contract savings in the amount of \$109,086.98.</p>
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