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March 11, 2025

RE: Agreement for Professional Services  
Construction and Post-Construction  
2025 Street and Utility Improvement  
Project SEH No. NEWPR 179117

Matt Rynda - Public Works Director  
City of New Prague  
118 Central Avenue North  
New Prague, MN 56071-1534

Dear Matt:

Please consider this proposal for construction services related to the 2025 Street and Utility Improvement Project.

### **PROJECT SCOPE AND PROPOSED FEES**

This is broken down between phases of the project. Phases 1 (Feasibility Report) and Phase 2 (Final Design and Bidding, Right of Way) were previously approved by council. This proposal includes the final engineering services related to completion of the project.

### **CONSTRUCTION SERVICES**

#### **Task 4.1 – Construction Administration (\$62,400 Lump Sum)**

This task is associated with administration of the project, including preparation and administration of the construction contract, weekly construction meetings, project updates to residents, pay applications, shop drawing reviews, and general coordination of the project with the Contractor and City. As part of a State Aid Project, it also includes submittals to MnDOT State Aid for funding and to meet requirements. With two State Aid Project numbers, it is expected there will be additional work when compared to the previous year's project.

#### **Phase 4.2 – Construction Staking (\$51,000 Hourly Not to Exceed)**

This task is associated with providing field construction staking for the full project including streets, sanitary sewer, water main, and storm sewer. We are proposing to complete this service as hourly as the time and cost involved is highly influenced by Contractor schedule and phasing.

#### **Phase 4.3 – Construction Observation (\$321,500 Hourly Not to Exceed)**

This task is for providing construction observation and resident project representative (RPR) services. Services include monitoring and observing construction progress, compliance with the project specifications, representation of the engineer on the project, liaison between the contractor and the residents and City.

We will provide construction observation services (Resident Project Representative – RPR) on a full-time basis, based on the work happening at a particular time. At times during peak construction activity, we may provide additional field staff to meet the needs of the project at a given time. We will maintain daily construction records and quantities and will prepare record drawings upon completion of the project. Detailed explanation of the scope of RPR services is provided in the attached Exhibit B – RPR.

We are estimating the typical work week to include 55 hours of construction observation per week from April through of October 2025 with some part time at the beginning and end of the project. Work weeks

Engineers | Architects | Planners | Scientists

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may exceed 60 hours some week, but 55 hours is used as an average over the 25 weeks with shorter weeks as the project ramps up early and slows down in the spring. There is also time in the spring of 2026 for project closeout, warranty reviews, punch list reviews, and final paving. Eight weeks of work is estimated with a second RPR on-site to assist during peak construction periods. This work is proposed at an hourly, not to exceed basis. John Voigt is the proposed primary RPR on the project.

Previous experience with this contractor has resulted in construction schedules less than allowed in the Contract. Though a schedule has not yet been provided, we expect the overall time of construction may be less than the contract allows and that construction staking and RPR services may be reduced accordingly. There may be additional time for a second RPR if multiple crews are on-site earlier in the project.

#### **PHASE 4 - POST CONSTRUCTION SERVICES**

##### **Task 4.1– Assessments (\$8,400 Lump Sum):**

This task is for preparing the final assessment roll, preparing, and sending out notices of assessment, preparing related resolutions and agenda reports, attending council meeting / public hearing and sending out the final notice of assessment. An additional review of the preliminary assessments rates will also be completed with this task.

##### **Task 4.2 – Record Drawings (\$24,800 Lump Sum):**

This task is for providing record drawings of the work completed under this project. This would be for all work within the proposed project.

#### **TOTAL FEES**

An outline of the total engineering fees for the project

Task 1.0 Feasibility Report	\$73,200	(Previously Approved)
Task 2.0 Final Design and Bidding	\$202,400	(Previously Approved)
Task 3.0 Right of Way Services	\$2,000	(Previously Approved)
<i>Task 4.0 Construction Services</i>	<i>\$434,900</i>	
<i>Task 5.0 Post Construction Services</i>	<i>\$33,200</i>	
<b>Total Proposed Engineering Fees</b>	<b>\$745,700</b>	

Engineering fees are estimated at 17.8% of the low bid construction cost. Please contact us with any questions or comments concerning this proposal/agreement.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC



Chris Knutson, PE  
Client Service Manager  
(Lic. MN)

#### Attachments

1. Task Hour Budget
2. Supplemental Letter Agreement

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2025 Street and Utility Project

New Prague, Minnesota

March 11, 2025

**DETAILED TASK HOUR BUDGET/COST ANALYSIS**

	Knutson Project Eng PE	Voigt Sr RPR	TBD Jr RPR	Brinkman Admin Tech	Totals
<b>Task 3.1 - Construction Administration:</b>					
Const Project Management / Calls / Doc. Mgmt (assume Avg 2 hrs/wk X 30 wks)	60			12	72
MnDOT Submittals and Pay Requests	8				8
Prepare / Coordinate construction contracts	6			5	11
Preconstruction meeting/Prepare / agenda / minutes	8			2	10
Const. Progress Meetings / Field visits / minutes / (assume weekly over 30 weeks = 30X4 hrs)	120				120
Project updates - (assume approx. 30)	30			15	45
Pay Estimates / Review / Estimates of Project Costs & Funding Breakdowns (assume monthly 8 x 5 hrs)	40			5	45
Subtotal Hours this Task:	272	0	0	39	311
<b>Subtotal Fee this Task:</b>	<b>\$62,400</b>				

<b>Task 3.2 - Construction Staking</b>	<b>Subtotal Fee this Task:</b>	<b>\$51,000</b>
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<b>Task 3.3 - Construction Observation (RPR):</b>					
RPR Daily Duties (assumed: 4 wks@20hrs+25wks@55hrs+3wks@40hrs = 1575 hrs)		1575			1575
Second RPR Assistance (assumed: 8 wks@40hrs = 320 hrs)			320		320
Subtotal Hours this Task:	0	1575	320	0	1895
<b>Subtotal Fee this Task:</b>	<b>\$321,500</b>				

<b>Total Fee Construction Engineering:</b>	<b>\$434,900</b>
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<b>Task 4.1 - Assessments (City Only Task):</b>					
Prepare and Finalize Assessment Roll / Meet with Staff to Review	10			4	14
Prepare/Review Notice of Assessment Hearing for Mailing and Publications	2			10	12
Prepare Agenda Reports and Resolutions (2 meetings)	4			1	5
Prepare for and attend Assessment Hearing	7				7
Provide follow up information to city / Send out Final Notices	3			6	9
Subtotal Hours this Task:	26	0	0	21	47
<b>Subtotal Fee this Task:</b>	<b>\$8,400</b>				

<b>Task 4.2 - Record Drawings</b>					
Prepare Record Drawings		128	16		144
Review, Submittal, and Distribution of Record Drawings	2	4			6
Subtotal Hours this Task:	2	132	16	0	150
<b>Subtotal Fee this Task:</b>	<b>\$24,800</b>				

<b>Total Fee Post-Construction Engineering:</b>	<b>\$33,200</b>
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**Exhibit A-1**  
**to Supplemental Letter Agreement**  
**Between City of New Prague (Client)**  
**and**  
**Short Elliott Hendrickson Inc. (Consultant)**  
**Dated March 17, 2025**

**Payments to Consultant for Services and Expenses**  
**Using the Hourly Basis Option**

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

**A. Hourly Basis Option**

The Client and Consultant select the hourly basis for payment for services provided by Consultant. Consultant shall be compensated monthly. Monthly charges for services shall be based on Consultant's current billing rates for applicable employees plus charges for expenses and equipment.

Consultant will provide an estimate of the costs for services in this Agreement. It is agreed that after 90% of the estimated compensation has been earned and if it appears that completion of the services cannot be accomplished within the remaining 10% of the estimated compensation, Consultant will notify the Client and confer with representatives of the Client to determine the basis for completing the work.

Compensation to Consultant based on the rates is conditioned on completion of the work within the effective period of the rates. Should the time required to complete the work be extended beyond this period, the rates shall be appropriately adjusted.

**B. Expenses**

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client. Their costs are not included in the hourly charges made for services but instead are reimbursable expenses required in addition to hourly charges for services and shall be paid for as described in this Agreement:

1. Transportation and travel expenses.
2. Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets.
3. Lodging and meal expense connected with the Project.
4. Fees paid, in the name of the Client, for securing approval of authorities having jurisdiction over the Project.
5. Plots, Reports, plan and specification reproduction expenses.
6. Postage, handling and delivery.
7. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
8. Renderings, models, mock-ups, professional photography, and presentation materials requested by the Client.
9. All taxes levied on professional services and on reimbursable expenses.
10. Other special expenses required in connection with the Project.
11. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses.

**C. Equipment Utilization**

The utilization of specialized equipment, including automation equipment, is recognized as benefiting the Client. The Client, therefore, agrees to pay the cost for the use of such specialized equipment on the project. Consultant invoices to the Client will contain detailed information regarding the use of specialized equipment on the project and charges will be based on the standard rates for the equipment published by Consultant.

The Client shall pay Consultant monthly for equipment utilization.

**Exhibit A-2**  
**to Supplemental Letter Agreement**  
**Between City of New Prague (Client)**  
**and**  
**Short Elliott Hendrickson Inc. (Consultant)**  
**Dated March 17, 2025**

**Payments to Consultant for Services and Expenses**  
**Using the Lump Sum Basis Option**

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

**A. Lump Sum Basis Option**

The Client and Consultant select the Lump Sum Basis for Payment for services provided by Consultant. During the course of providing its services, Consultant shall be paid monthly based on Consultant's estimate of the percentage of the work completed. Necessary expenses and equipment are provided as a part of Consultant's services and are included in the initial Lump Sum amount for the agreed upon Scope of Work. Total payments to Consultant for work covered by the Lump Sum Agreement shall not exceed the Lump Sum amount without written authorization from the Client.

The Lump Sum amount includes compensation for Consultant's services and the services of Consultant's Consultants, if any for the agreed upon Scope of Work. Appropriate amounts have been incorporated in the initial Lump Sum to account for labor, overhead, profit, expenses and equipment charges. The Client agrees to pay for other additional services, equipment, and expenses that may become necessary by amendment to complete Consultant's services at their normal charge out rates as published by Consultant or as available commercially.

**B. Expenses Not Included in the Lump Sum**

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client and shall be paid for as described in this Agreement.

1. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
2. Other special expenses required in connection with the Project.
3. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses not included in the Lump Sum amount.



**Exhibit B**  
**to Supplemental Letter Agreement**  
**Between City of New Prague (Client)**  
**and**  
**Short Elliott Hendrickson Inc. (Consultant)**  
**Dated March 17, 2025**

**A Listing of the Duties, Responsibilities and**  
**Limitations of Authority of the Resident Project Representative**

Through more extensive on site observations of the construction work in progress and field checks of materials and equipment by the Resident Project Representative (RPR), Consultant shall endeavor to provide further protection for Client against defects and deficiencies in the work of contractor (Work); but, the furnishing of such services will not make Consultant responsible for or give Consultant control over construction means, methods, techniques, sequences or procedures or for safety precautions or programs, or responsibility for contractor's failure to perform the Work in accordance with the Contract Documents. Contract Documents are the documents that govern or are pertinent to contractor's Work including but not limited to the agreement between Client and contractor, the contractor's bid, the bonds, specs, drawings, field orders, addenda, clarifications, interpretations, approved shop drawings and reports collectively called the Contract Documents. The duties and responsibilities of the RPR are further defined as follows:

**A. General**

RPR is an agent of Consultant at the site, will act as directed by and under the supervision of Consultant, and will confer with Consultant regarding RPR's actions. RPR's dealings in matters pertaining to the on site work shall in general be with Consultant and contractor keeping the Client advised as necessary. RPR's dealings with subcontractors shall only be through or with the full knowledge and approval of contractor. RPR shall generally communicate with Client with the knowledge of and under the direction of Consultant.

**B. Duties and Responsibilities of RPR**

1. Schedules: Review the progress schedule, schedule of shop drawing submittals and schedule of values prepared by Contractor and consult with Consultant concerning acceptability.
2. Conferences and Meetings: Attend meetings with contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.
3. Liaison:
  - (a) Serve as Consultant's liaison with contractor, working principally through contractor's superintendent and assist in understanding the intent of the Contract Documents; and assist Consultant in serving as Client's liaison with contractor when contractor's operations affect Client's on-site operations.
  - (b) Assist in obtaining from Client additional information, when required for proper execution of the Work.
4. Shop Drawings and Samples\*:
  - (a) Record date of receipt of shop drawings and samples.
  - (b) Receive samples furnished at the site by contractor, and notify Consultant of availability of samples.
  - (c) Advise Consultant and contractor of the commencement of any Work requiring a shop drawing or sample if the submittal has not been approved by Consultant.
5. Review of Work, Observations and Tests:
  - (a) Conduct on-site observations of the Work in progress to assist Consultant in determining if the Work is in general proceeding in accordance with the Contract Documents.
  - (b) Report to Consultant whenever RPR believes that any Work is unsatisfactory, faulty or defective or does not conform to the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise Consultant of

- Work that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.
- (c) Determine if tests, equipment and systems start-ups and operating and maintenance training are conducted in the presence of appropriate personnel, and that Contractor maintains adequate records thereof; and observe, record and report to Consultant appropriate details relative to the test procedures and start-ups.
  - (d) Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections and report to Consultant.
6. Interpretation of Contract Documents: Report to Consultant when clarification and interpretations of the Contract Documents are requested by contractor and transmit to contractor clarifications and interpretations as issued by Consultant.
  7. Modifications: Consider and evaluate contractor's suggestions for modifications in drawings or specifications and report with RPR's recommendations to Consultant. Transmit to contractor decisions as issued by Consultant.
  8. Records:
    - (a) Maintain at the job site orderly files for correspondence, reports of job conferences, shop drawings and samples, reproductions of original Contract Documents including all addenda, change orders, field orders, additional drawings issued subsequent to the execution of the construction contract, Consultant's clarifications and interpretations of the Contract Documents, progress reports, and other related documents.
    - (b) Keep a diary or log book, recording contractor hours on the job site, weather conditions, data relative to questions of change orders, or changed conditions, list of job site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Consultant.
    - (c) Record names, addresses and telephone numbers of all contractors, subcontractors and major suppliers of materials and equipment.
  9. Reports:
    - (a) Furnish Consultant periodic reports as required of progress of the Work and of contractor's compliance with the progress schedule and schedule of shop drawing and sample submittals.
    - (b) Consult with Consultant in advance of scheduled major tests, inspections or start of important phases of the Work.
    - (c) Draft proposed change orders and Work, obtaining backup material from contractor and recommend to Consultant change orders, and field orders.
    - (d) Report immediately to Consultant and Client upon the occurrence of any accident.
  10. Payment Requests: Review applications for payment with contractor for compliance with the established procedure for their submission and forward with recommendations to Consultant, noting particularly the relationship of the payment requested to the schedule of values, Work completed and materials and equipment delivered at the site but not incorporated in the Work.
  11. Certificates, Maintenance and Operation Manuals: During the course of the Work, verify that certificates, maintenance and operation manuals and other data required to be assembled and furnished by contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have this material delivered to Consultant for review and forwarding to Client prior to final payment for the Work.
  12. Completion:
    - (a) Before Consultant issues a certificate of substantial completion, submit to contractor a list of observed items requiring completion or correction.
    - (b) Conduct final inspection in the company of Consultant, Client, and contractor and prepare a final list of items to be completed or corrected.
    - (c) Observe that all items on final list have been completed or corrected and make recommendations to Consultant concerning acceptance.

**C. Limitations of Authority**

Resident Project Representative:

1. Shall not authorize any deviation from the Contract Documents or substitution of materials or equipment, unless authorized by Client.
2. Shall not exceed limitations of Consultant's authority as set forth in the Agreement for Professional Services.
3. Shall not undertake any of the responsibilities of contractor, subcontractors or contractor's superintendent.
4. Shall not advise on, issue directions regarding or assume control over safety precautions and programs in connection with the Work.
5. Shall not accept shop drawing or sample submittals from anyone other than contractor.
6. Shall not authorize Client to occupy the Project in whole or in part.
7. Shall not participate in specialized field or laboratory tests or inspections conducted by others except as specifically authorized by Consultant.