



MEMORANDUM

To: Mayor Olson & City Council Members

From: Norm Beagley, MPA, P.E., Assistant City Manager, City Engineering

Date: March 31, 2022

Re: Change Order, J-U-B Engineers Design Contract Santaquin Main Street Improvements

On June 15, 2021, the City Council approved design for the (mostly) MAG funded contract with J-U-B Engineers for the Main Street Improvements Phases 4 and 5 (300 East to 600 West) design.

Since that time, using contract contingency funds, we have worked with J-U-B Engineers to design the full replacement of the existing water line that runs along the north side of Main Street. As some of you may know, that existing water line is very old and has failed multiple times over the last several years, causing leaks and damage to the UDOT Main Street roadway improvements. Therefore, it was decided that, along with the Main Street reconstruction project, it was prudent to design the full replacement of this water line so that this could be constructed at the same time as the overall Main Street improvements within the next couple of years, as City's funding allows.

Also since that time, using project contingency funds, we have worked with J-U-B Engineers to design the future traffic signal at the intersection of Main Street and Center Street. This future signal is contained within the City's current executed agreement with UDOT and can/will be constructed once UDOT required traffic volumes and other criterion ("warrants") are met. It was decided that design of this signal was prudent at this time, even though actual construction of a signal is not currently warranted. Completing the signal light design now as a component of this project fully prepares the intersection for future signal light construction when the signal light is warranted by UDOT standards and ensures that Main Street widening improvements related to this project will not interfere with this future enhancement.

Due to these two additions to J-U-B's original contract scope, the project contingency funds have been exhausted.

There is now need to replace some of these contingency funds in order to cover additional project design costs. Design of the signal and the water line replacement has added additional work not previously contemplated in the amounts allocated for these two design elements. This additional scope of work would add \$16,700 to the J-U-B contract.

Additionally, per the City's contract with J-U-B (which is similar to other professional services contracts the City has entered into) there is also a cost escalation clause that allows for incremental, yearly cost increases due to inflation, salaries, etc. This cost escalation has happened and is to cover their remaining professional services J-U-B has yet to perform under the contract. The amount of this cost escalation is \$45,000.

It should be noted that this cost escalation is only for their remaining work and is not effective retroactively for design work that has already been performed.

When then City Council originally decided to award the design contract with J-U-B, they wisely approved designing the full project all at one time (even though there are two separate funding availabilities). That combination of efforts was estimated to save the City approximately \$200,000 in design costs for the entire project. With this change order, some of the anticipated savings is not able to be realized by the City due to inflation. However, there is still a realized savings to the City of approximately \$136,100.

With this Change Order, the total proposed J-U-B contract amount of \$912,636.00 still makes the overall design costs lower than typical industry standard costs for design services for retrofit/reconstruct transportation projects of this nature, with an overall percentage of 9.39% of the estimated project costs of \$9.72M. Typical industry standard costs for this type of reconstruction work normally fall within a range from 10% - 12% of construction costs.

There is sufficient MAG funding to cover these additional design costs for the project.

For your consideration I have attached the proposed contract Change Order to add \$61,700 to the current J-U-B Main Street Design contract.

I am happy to answer any questions that you may have regarding this item.

Suggested motion: Approve Change Order #2 to the J-U-B Engineers contract for design of the Main Street Improvements project (Phases 4 & 5) in a not to exceed Change Order amount of \$61,700 (making the total design contract amount \$912,636.00).