



January 16, 2026

City of Sidney  
ATTN: Jeff Hintz, PWD  
115 2<sup>nd</sup> Street SE  
Sidney, MT 59270

RE: North Park Elevated Water Tower Replacement – Contract Amendment #3 to Task Order #7  
WR2300047

Mr. Hintz,

Thank you for the opportunity to prepare Contract Amendment #3 to Task Order #7 for the North Park Elevated Water Tower Replacement Project.

For reference, the North Park Elevated Water Tower Replacement Project is split into three (3) Phases. Each Phase has a separate set of construction documents, construction contract, and Contractor.

1. Phase 4A is the Water Main Improvements Project, contracted to Western Municipal Construction.
2. Phase 4B is the North Park Elevated Water Tower Replacement Project, contracted to Maguire Iron.
3. Phase 4C is the North Park Site Improvements Project, which has not been fully designed yet.

A summary of the proposed scope of services and associated compensation and timelines is below.

Contract Amendment #3 to Task Order #7 contains three (3) main services:

1. *Increases* Funding Assistance Compensation
2. *Adds* Design Engineering + Bidding or Negotiation Services for Phase 4C (Park + Site Improvements)
3. *Adds* Construction Engineering Services for Phase 4B (Tower Replacement)

## Funding Assistance

The compensation for Funding Assistance is increased by \$20,000 to \$45,000. The timeline for completion is increased to Winter 2027, consistent with the completion of construction of Phase 4A and Phase 4B.

The previous allocation of \$25,000 has been expended by closing out the City's previous SRF loan; managing and closing out the City's ARPA grant; and correspondence with DEQ and SRF staff to agree on eligibility of using loans for a portion of the construction of Phase 4C.

The increase of \$20,000 for Funding Assistance is included in the Project Budget dated 9/22/2025 and approved by the Council on 10/6/2025 (Attachment #2). The total amount for Grant Management in the Project Budget is \$50,000, leaving \$5,000 for contingency.

## Design Engineering + Bidding or Negotiation Services – Phase 4C

The compensation for Design Engineering + Bidding or Negotiating Services for Phase 4C (Park + Site Improvements) is \$153,000. The timeline for Phase 4C is December 2026.

The fee and scope of work (Attachment #1) is based on discussions with the City and SRF the last 18+ months, the Exhibit outlining SRF funding eligibility dated 9/5/2025, preliminary drawings for a building in Quillings Park developed by A&E Design dated 5/9/2020, and the Schematic Master Plan and Renderings dated August 2025. The fee includes bidding and negotiation services for the park + site improvements but does not include bidding and negotiation services for a new multipurpose restroom/concession building.

Interstate Engineering will subcontract to SDI Architects + Design for architectural and MEP design services of the ~800SF multipurpose restroom/concession building. The exact configuration of the building's interior and exterior furnishings and finishes will be developed in collaboration with the City.

The addition of \$153,000 for Design Engineering + Bidding or Negotiation Services for Phase 4C is included in the Project Budget dated 9/22/2025 and approved by the Council on 10/6/2025 (Attachment #2).

## Construction Engineering Services – Phase 4B

The compensation for Construction Engineering Services for Phase 4B (Tower Replacement) is \$400,000, billed at our standard hourly rates. The timeline for completion is Winter 2027, consistent with Maguire Iron's schedule (Attachment #3).

Interstate Engineering will subcontract to KLM Engineering for assistance during construction. KLM Engineering is a consulting firm out of Woodbury, Minnesota who specializes in inspection of water storage tanks. Based on Maguire Iron's construction schedule (Attachment #3), KLM will provide 2 weeks of shop inspection during sandblasting and priming, 6 trips of on-site inspection during tank erection and welding operations, 8 weeks of full time, on-site inspection during field painting, 1 trip on-site nearing substantial completion, and 1 trip on-site for inspection prior to the expiration of Maguire Iron's warranty. KLM Engineering will assist with submittal and drawing reviews applicable to their inspection activities, attend the preconstruction meeting(s) and applicable construction meetings, and provide on-call support as needed throughout construction.

Interstate Engineering will also subcontract to Prairie Engineering for assistance during construction. Prairie Engineering provided the electrical engineering design drawings and will provide 2 trips on-site for inspection during the electrical portion of the work. Prairie Engineering will provide submittal and drawing reviews applicable to their inspection activities, attend the preconstruction meeting(s) and applicable construction meetings, and provide on-call support as needed throughout construction.

Interstate Engineering will provide the remaining construction engineering services for the duration of the two-year construction project, including but not limited to: submittal and drawing reviews, preparation and facilitation of all construction meetings, on-site observation, City representation, preparation and facilitation of all contractual paperwork, record drawings and certification to DEQ, and project management.

A budget for construction engineering services was estimated by applying all team members' assumption and scope of services to the construction schedule submitted by Maguire Iron (Attachment #3). The fee for this work is estimated at \$590,000, or \$190,000 over the amount included in the Project Budget dated 9/22/2025 and approved by the Council on 10/6/2025 (Attachment #2).

Interstate Engineering recognizes that the schedule submitted by Maguire Iron is conservative and structured to last the entire duration of the time allotted in the construction contract. With Maguire Iron's conservative schedule, coupled with Interstate Engineering's local presence and familiarity with the City of Sidney leadership and staff, Interstate Engineering proposes to initially reduce the fee for construction engineering services to the amount included in the Project Budget. Interstate Engineering will reassess the fee and scope of services at the end of Maguire Iron's Mobilization #1 with the City of Sidney. Interstate Engineering will only provide the amount of on-site observation that is warranted by the Contractor's construction efforts and/or the comfortability of Interstate Engineering and the City of Sidney with Maguire Iron's construction efforts versus the amount budgeted using Maguire Iron's schedule.

The addition of \$400,000 for Construction Engineering Services for Phase 4B (Tower Replacement) is included in the Project Budget dated 9/22/2025 and approved by the Council on 10/6/2025 (Attachment #2).

We look forward to continued support of the City of Sidney's goals and objectives for the North Park Water Tower Replacement Project.

If you have any comments or questions, please contact me on my cell phone at 406.480.2889.

Respectfully,  
INTERSTATE ENGINEERING



Jordan Mayer, PE  
Client Manager

#### Attachments

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