

# Ramsey Water Treatment Plant

## AE2S Amendment 3 & Change Order 3 Discussion

By: Ryan Hanson, PE &  
Grant Meyer, PE

Date: July 8, 2025



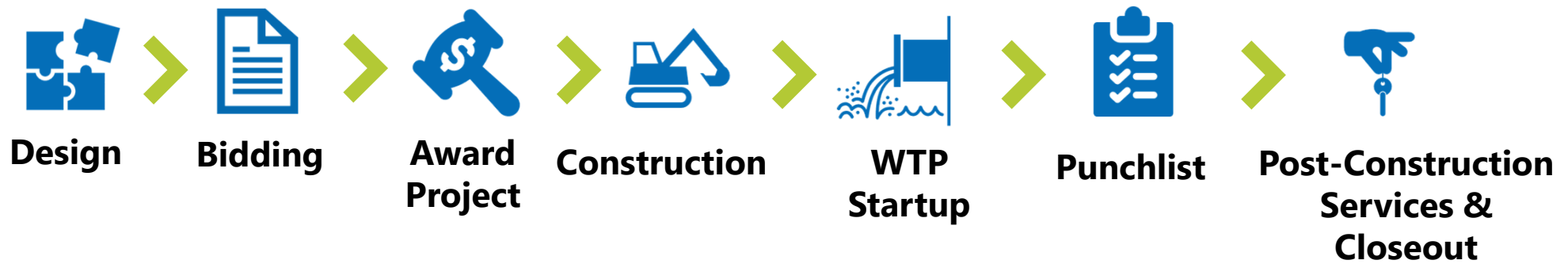
Picture Date: 11/23/24



# Ramsey Water Treatment Plant



## Major Project Timeline



# Ramsey Water Treatment Plant



## Pre-Bidding Meeting

- Attendance
  - AE2S
  - City of Ramsey
  - Magney Construciton
  - Gridor Construction
  - Rice Lake Construction
- Contractor expressed concerns with a May 1, 2025 completion
  - Complexity of project
  - Supply chain issues
- Contractor felt that Fall 2025 completion would add more flexibility

# Ramsey Water Treatment Plant



## Construction Bidding Results

Ramsey Water Treatment Plant  
 City of Ramsey  
 Ramsey, MN  
 AE2S Project No. P05434-2020-002  
 Bid Opening 1:00 PM CST, Thursday, March 9, 2023

**24-month Construction Timeline**  
 Substantial Completion: May 1, 2025  
 Final Completion: August 1, 2025

**28-month Construction Timeline**  
 Substantial Completion: September 1, 2025  
 Final Completion: December 1, 2025

Contractor	Download Addenda 1-3	Bid Security	Completed Bid Form	Contractor's License or Renewal	Responsible Contractor Certifications	Non-collusion Affidavit	MN Affirmative Action Certification Form	Governmental Certifications Form	Completed vBid Worksheet	Section 01 21 00 Allowances	Base Bid: Ramsey Water Treatment Plant Construction	Bid Alternate No. 1: Alternative Construction Completion Dates (Deduct)	Total Project Bid Price (Sum of Bid Prices A+B+C)
1 Magney Construction, Inc.	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$1,300,000.00	\$30,228,500.00	-\$50,000.00	\$31,478,500.00
2 Rice Lake Construction Grp.	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$1,300,000.00	\$34,325,300.00	-\$1,000,000.00	\$34,625,300.00
3 Gridor Constr., Inc.	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$1,300,000.00	\$37,672,500.00	-\$250,000.00	\$38,722,500.00
Engineer's Estimate											\$37,000,000.00		



Advanced Engineering and Environmental Services, LLC  
 Water Tower Place Business Center  
 6901 E Fish Lake Rd, Suite 184  
 Maple Grove, MN 55369  
 Tel: 763-763-5036

*Aaron Vollmer*  
 Aaron Vollmer, PE

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## Construction Bidding Award

- Bid Alternate No. 1 and the corresponding Engineering Amendment for a 28-month timeline would have cost just \$37,500 more than the Base Bid package
- AE2S Bid initially recommended Alternate No. 1 for City approval
- The City requested a revised recommendation to reject the alternate
  - AE2S noted that if the project timeline were to extend, additional engineering services would need to be evaluated
- On March 28, 2023, Council awarded the Base Bid and approved Engineering Amendment 1 for \$225,100

<b>Base Bid (24-month Construction Timeline)</b>	<b>Subtotal</b>
Magney Construction's Bid	\$30,228,500
Allowances	\$1,300,000
<b>Total Construction Award</b>	<b>\$31,528,500</b>
Engineering Amendment (to extend construction from 18 to 24 months)	\$225,100
<b>Subtotal</b>	<b>\$31,753,600</b>

<b>Bid Alternate No. 1 (28-month Construction Timeline)</b>	<b>Subtotal</b>
Magney Construction's Bid	\$30,228,500
Deduct	-\$50,000
Allowances	\$1,300,000
<b>Total Construction Award</b>	<b>\$31,478,500</b>
Engineering Amendment (to extend construction from 18 to 28 months)	\$312,600
<b>Subtotal</b>	<b>\$31,791,100</b>

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## Construction Contract Budget

<b>Construction Contract</b>	<b>Subtotal</b>
Construction Contract	\$31,528,500
Change Order No. 1 (Prevailing Wage)*	\$794,153.71
<b>Total Construction Contract</b>	<b>\$32,322,653.71</b>
Total Completed and Stored to Date	\$24,643,720.74
Retainage	\$1,232,186.04
<b>Total Compensated</b>	<b>\$23,411,534.70</b>
<b>Balance to Finish Plus Retainage</b>	<b>\$8,911,119.01</b>
<i>Percent Completed</i>	76.2%

\*To accommodate the City accepting state funding.

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## General Construction Contingency Allowance

- Construction Allowance intended to expedite Change Orders
- Net Allowance expenses to date has added 1.8% to the original base bid price
  - Industry standard typically ranges from 5%-15% of the bid amount (AWWA)
- Unused Allowance is credited back to the City
- **All parties have worked diligently to limit cost changes to the project**

General Construction Allowance	Subtotal
Contracted General Construction Allowance	\$950,000.00
Net Expenses to Date	\$546,960.50
<b>Available General Construction Allowance</b>	<b>\$403,039.50</b>
<i>Percent Used</i>	<i>57.6%</i>

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## Construction Contract Times

- Change Order 2 approved August 2024
  - Extended completion by 88 days due to DOLI and building permit delays (April 17 - July 25, 2023)
- Contractor expressed concerns that the 1:1 calendar extension did not fully capture the impact of losing three summer working months
- AE2S acknowledged that additional engineering support would be needed but committed to managing the budget and delaying an amendment request until necessary

Construction Contract Times	Date
Substantial Completion: Final Completion:	May 1, 2025 Aug 1, 2025
Change Order No. 2	+ 88 Days
<b>Total Contract Time Changes</b>	<b>+ 88 Days</b>
<b>Adjusted Substantial Completion:</b> <b>Adjusted Final Completion:</b>	<b>July 28, 2025</b> <b>October 28, 2025</b>

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## Requested Construction Contract Time Extension

Construction Contract Times	Date
Substantial Completion: Final Completion:	May 1, 2025 Aug 1, 2025
Change Order No. 2	+ 88 Days
<i>Requested Change Order No. 3</i>	+ 79 Days ( <i>Substantial</i> ) + 64 Days ( <i>Final</i> )
<b>Total Contract Time Changes</b>	<b>+ 167 Days (Substantial)</b> <b>+ 152 Days (Final)</b>
<b>Adjusted Substantial Completion:</b> <b>Adjusted Final Completion:</b>	<b>October 15, 2025</b> <b>December 31, 2025</b>

- Over the past 6 months, the Contractor kept the City informed they were working to stay on schedule but indicated a second extension might be necessary
- On May 7, 2025, the Contractor formally requested a 79-day extension
  - Due to increased curing time of winter concrete,
  - & process piping delivery delays

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## AE2S Construction Services Budget

- Proposal Construction Services Fee: **\$604,400**
  - Original Agreement assumed an 18 mos. construction timeline
- Amendment 1
  - Construction Services Phase: **\$225,100**
    - Extended construction timeline from 18 mos. to 24 mos. (through May 1, 2025)
- Amendment 2
  - Construction Services Phase: **\$2,683.15**
    - Additional field as-built survey to support Certificate of Survey
  - Engineering Design Phase: **\$14,640.69**
    - Additional effort to support City's Site Plan Review process
    - Stormwater redesign to address unexpected DOLI code changes

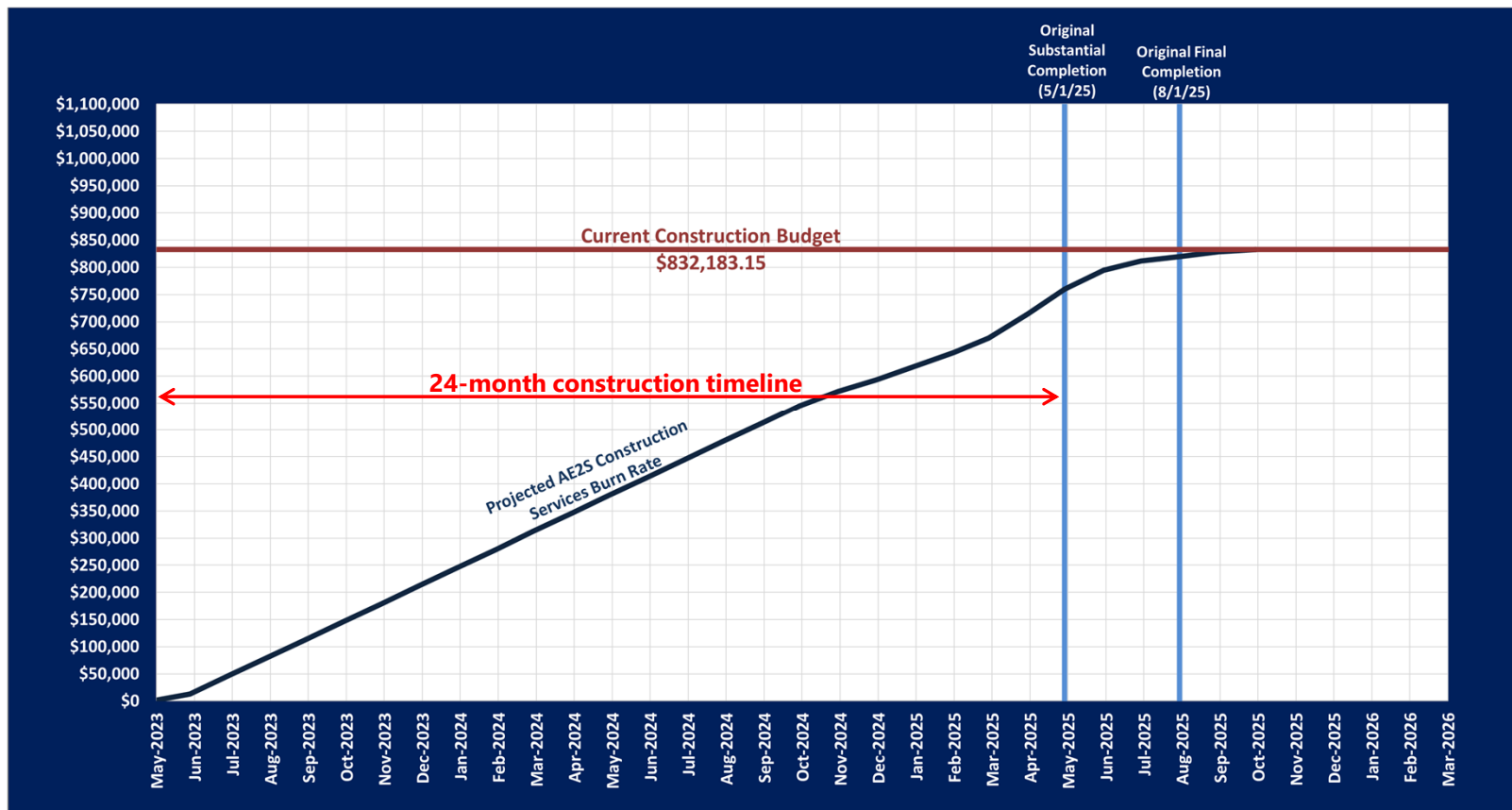
AE2S Construction Services	Subtotal
Construction Services Phase Fee	\$604,400
Amendment 1	\$225,100
Amendment 2	\$2,683.15
<b>Total Professional Fee</b>	<b>\$832,183.15</b>
Invoiced to Date (through May 1*)	\$716,069.19
<b>Balance to Finish Phase</b>	<b>\$116,113.96</b>
<i>Percent Completed</i>	<i>86.1%</i>

\*May 1, 2025 was the budgeted Substantial Completion

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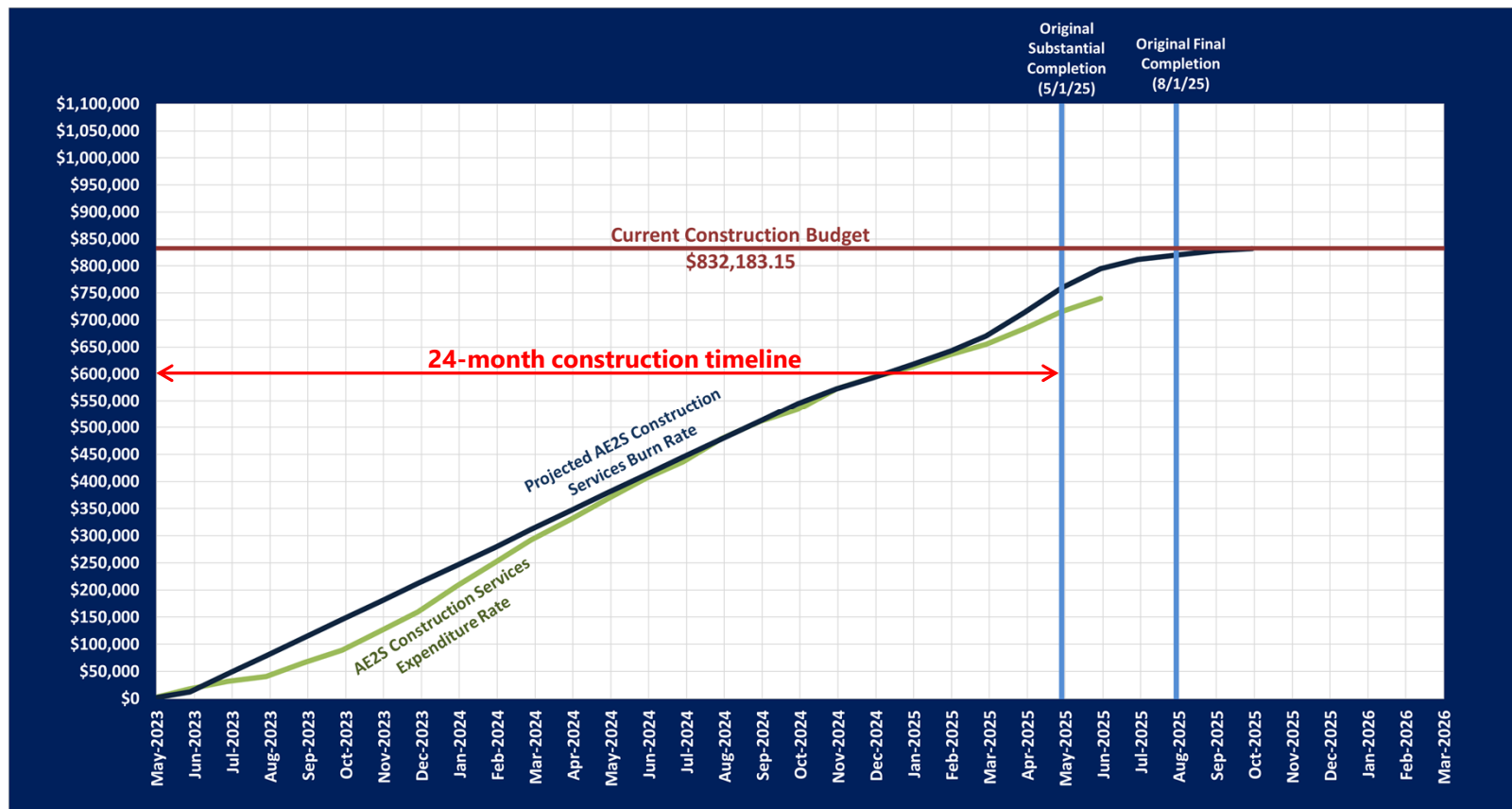
## AE2S Projected Burn Rate



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## AE2S Expenditure Rate

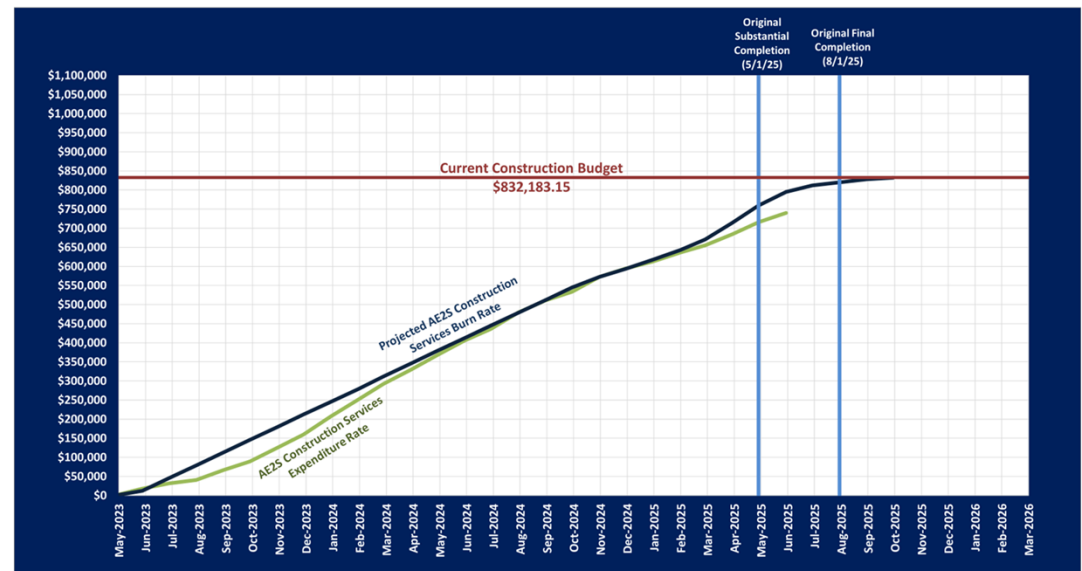


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## AE2S Expenditure Rate

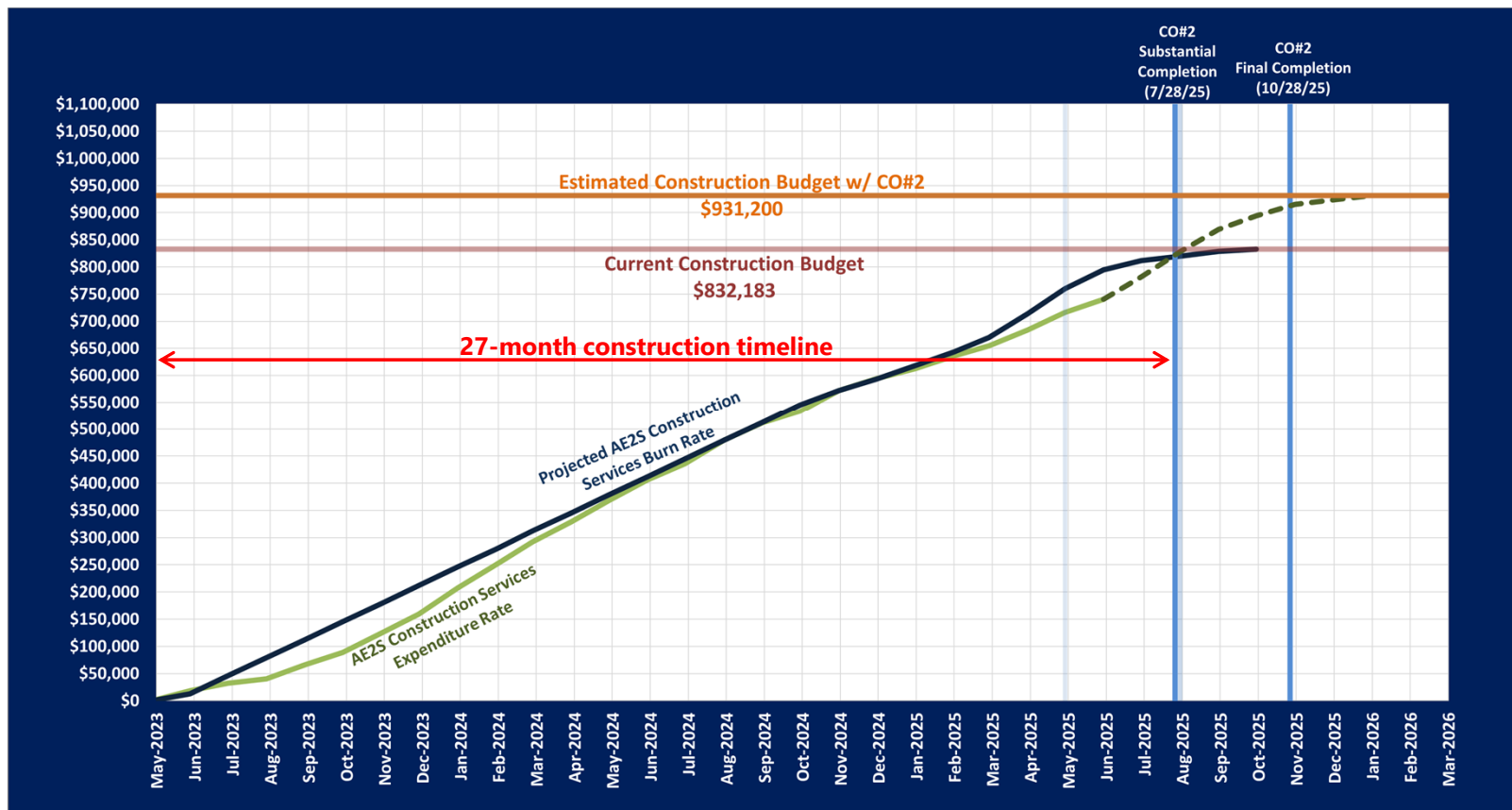
- AE2S remained committed to delivering high-quality construction services throughout the project
- City staff confirmed their satisfaction with our level of effort
- As of Substantial Completion (May 1, 2025), \$116,100 remained in AE2S's budget
- Based on the original construction timeline, this remaining budget was expected to be sufficient for project closeout



# Ramsey Water Treatment Plant



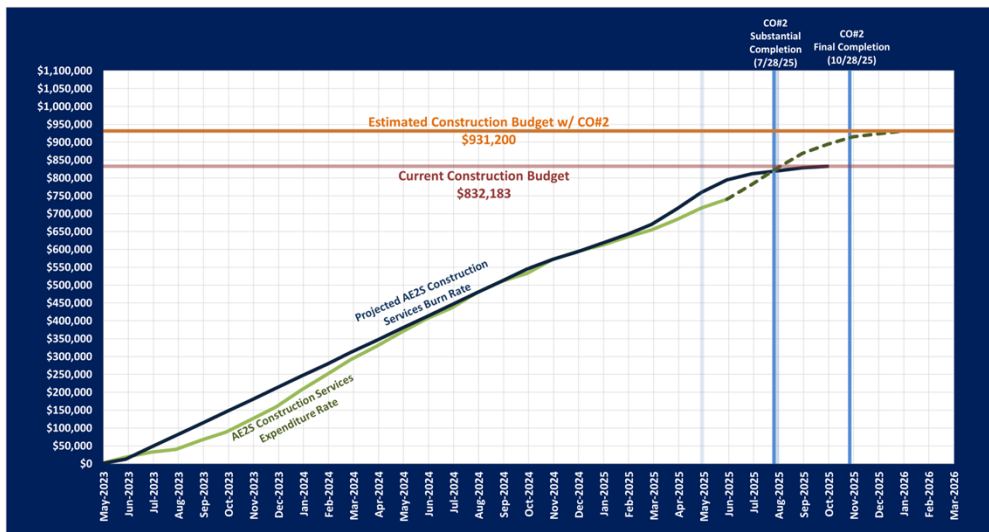
## Projected Expenditures (Through July 28, 2025)



# Ramsey Water Treatment Plant



## Projected Expenditures (Through July 28, 2025)

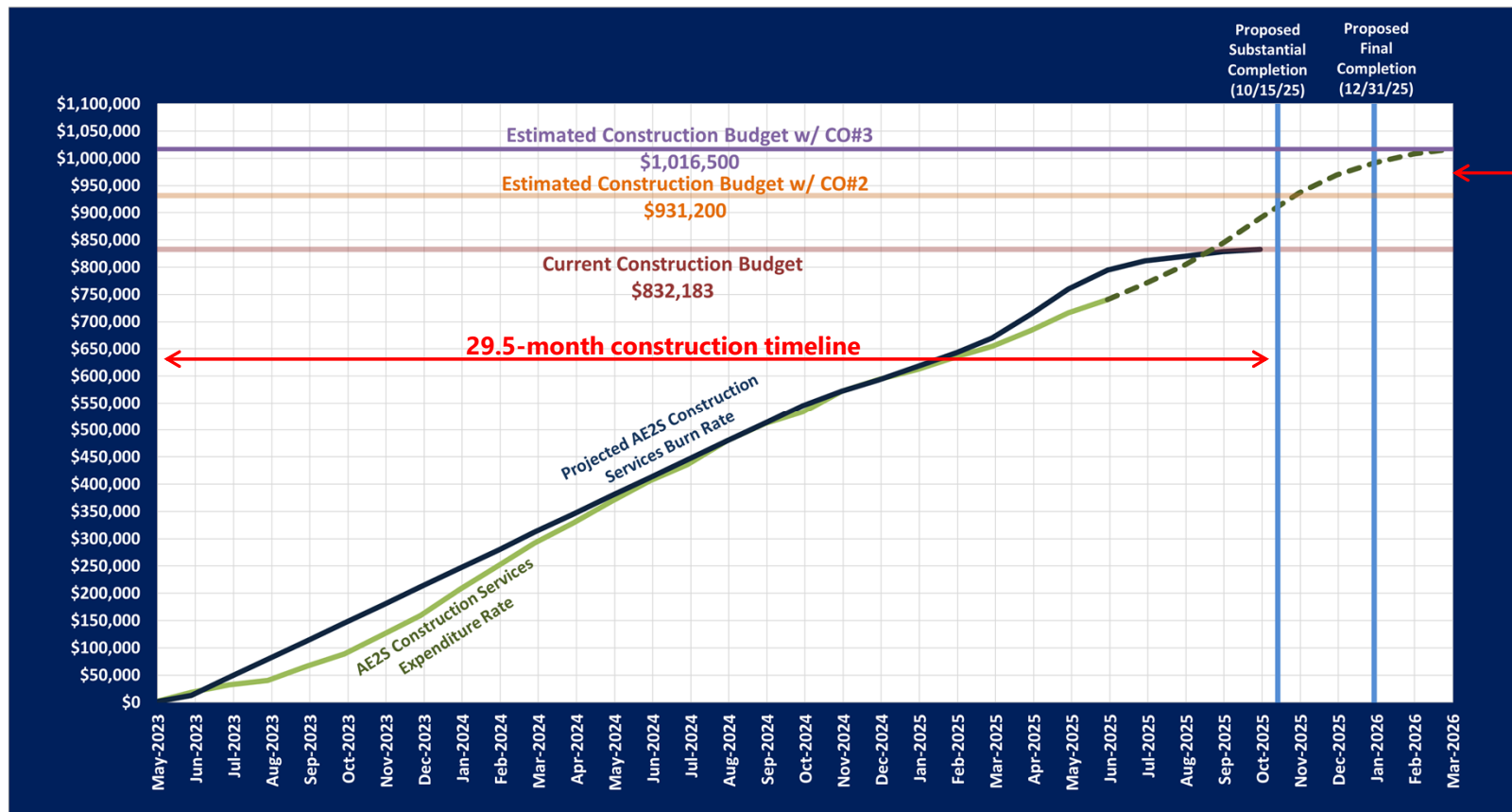


- January 2025 Budget Status Report submitted to Council projected that the budget would be exhausted by August, leaving no budget for startup and closeout
- AE2S delayed requesting an amendment until necessary
- AE2S estimates that an additional \$99,000 would have been needed to complete the project for the first extension

# Ramsey Water Treatment Plant



## Projected Expenditures (Through October 15, 2025)



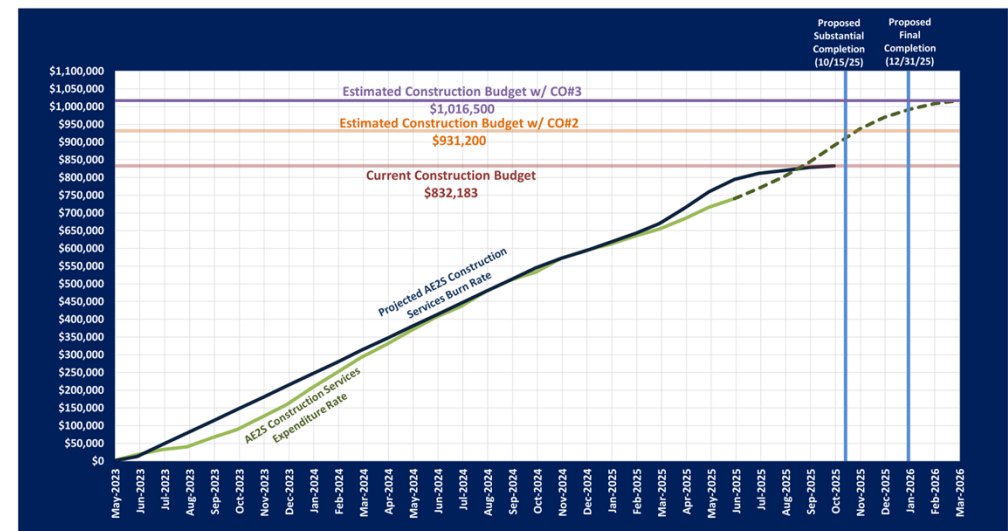
Estimated \$85,300 for additional 2.5-month extension

# Ramsey Water Treatment Plant



## Projected Expenditures (Through October 15, 2025)

- At the March 2025 progress meeting, Magney informed AE2S and the City that an extension request was in progress
- On March 26, Magney submitted an updated schedule showing Substantial Completion in October
- On April 1, AE2S and the City met to discuss the potential extension and AE2S's continued support through startup
- On May 7, the Contractor formally requested an extension through October 15
- Amendment 3 requests \$184,300 in additional funds to support services from May 1 through the extended completion date of October 15



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## Summary

- Amendment 1 supported construction services for a 24-month timeline through May 1, 2025. We are now being asked to provide the same level of service through October 15 — an additional 5.5 months.
- AE2S communicated the likely need for an amendment early in the project
- This request does not increase the level of effort — it simply extends the same level of service over a longer construction timeline
- The WTP project has delivered strong value for the City of Ramsey
  - The awarded bid came in \$6.5M below the Engineer's Estimate of \$37M
  - Responsible design and construction oversight has limited change orders to just 1.8%, well below industry standards
- AE2S respectfully requests **\$184,300** to continue to provide the necessary services to accommodate the new Substantial Completion date of October 15

# Thank you! Questions?



| Advanced Engineering and Environmental Services, LLC