

REQUEST FOR COUNCIL ACTION

Meeting

Date: June 23, 2026

AGENDA SECTION: General Business	ORIGINATING DEPT: Administration
ITEM DESCRIPTION: SEH, Inc Contract Amendments	PREPARED BY: C.Roeder
City Engineer Obernolte has submitted contract amendments to the previous approved Supplemental Agreements. 2027 CIP for Environmental Phase I & II - \$61,500 (based on hours needed) Legacy Drive - Construction Staking - \$25,000 (based on hours needed) TH63 & Schumann Drive signal bidding and certified construction observation -\$42,000 (based on hours needed) <u>COUNCIL ACTION REQUESTED:</u> Authorize City Administrator Schimmel to execute the contracts as presented.	

Supplemental Letter Agreement

In accordance with the City of Stewartville Master Services Agreement for Professional Services between City of Stewartville ("Client"), and Short Elliott Hendrickson Inc. ("Consultant"), effective January 1, 2025, this Supplemental Letter Agreement dated June 23, 2026 authorizes and describes the scope, schedule, and payment conditions for Consultant's work on the Project described as: 2027 CIP Environmental Phase I & Phase II.

Client's Authorized Representative: Bill Schimmel

Address: 105 East 1st Street, Stewartville, Minnesota 55976, United States

Telephone: 507.533.4745

Email: bschimmel@stewartvillemn.com

Project Manager: Jenna Obernolte

Address: 3428 Lakeridge Place NW, Rochester, Minnesota 55901

Telephone: 507.316.6650

Email: jobernolte@sehinc.com

Scope: The Services to be provided by Consultant include a deep review of the Medium and High risk sites identified in the 2027 CIP-Stewartville Environmental Desktop Review dated June 17, 2026. Consultant will complete drilling, sampling and laboratory testing service to determine types and levels of contamination present within the existing ROW, which could be uncovered during construction. Consultant will prepare specifications and a work plan for the project bidding in order to mitigate contaminants disturbed during the construction project. Construction services are not included with this amendment.

Schedule: Consultant will start work for the Phase I and Phase II reports on July 1, 2026. Work will be completed in September of 2026.

Payment: The fee is hourly estimated to be \$61,500.00 including expenses and equipment.

The payment method, basis, frequency and other special conditions are set forth in attached Exhibit A-1. Additional work, if required, shall be compensated based on the hourly rates incorporated with the project.

Other Terms and Conditions: Other or additional terms contrary to the Master Agreement for Professional Services that apply solely to this project as specifically agreed to by signature of the Parties and set forth herein: None

Short Elliott Hendrickson Inc.

City of Stewartville

By: _____

By: _____

Full Name: Jenna R. Obernolte

Full Name: _____

Title: Client Service Manager

Title: _____

Exhibit A-1

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.

Supplemental Letter Agreement

In accordance with the Agreement for Professional Services between City of Stewartville ("Client"), and Short Elliott Hendrickson Inc. ("Consultant"), effective September 24, 2024, this Supplemental Letter Agreement dated June 23, 2026 authorizes and describes the scope, schedule, and payment conditions for Consultant's work on the Project described as: Legacy Drive Amendment for Staking and Construction Administration.

Client's Authorized Representative: Bill Schimmel

Address: 105 East 1st Street, Stewartville, Minnesota 55976, United States

Telephone: 507.533.4745

Email: bschimmel@stewartvillemn.com

Project Manager: Jenna Obernolte

Address: 3428 Lakeridge Place NW, Rochester, Minnesota 55901

Telephone: 507.316.6650

Email: jobernolte@sehinc.com

Scope: The Services to be provided by Consultant:

1. Construction administration services
2. Construction staking

Schedule:

Continued support on an on-call basis through project completion.

Payment:

The fee is hourly estimated to be \$25,000.00 including expenses and equipment.

The payment method, basis, frequency and other special conditions are set forth in attached Exhibit A-1.

Other Terms and Conditions: Other or additional terms contrary to the Master Agreement for Professional Services that apply solely to this project as specifically agreed to by signature of the Parties and set forth herein:
None

Short Elliott Hendrickson Inc.

City of Stewartville

By: _____

By: _____

Full Name: Jenna R. Obernolte

Full Name: _____

Title: Client Service Manager

Title: _____

Exhibit A-1

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. 1. Transportation and travel expenses.
2. 2. Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets.
3. 3. Lodging and meal expense connected with the Project.
4. 4. Fees paid, in the name of the Client, for securing approval of authorities having jurisdiction over the Project.
5. 5. Plots, Reports, plan and specification reproduction expenses.
6. 6. Postage, handling and delivery.
7. 7. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
8. 8. Renderings, models, mock-ups, professional photography, and presentation materials requested by the Client.
9. 9. All taxes levied on professional services and on reimbursable expenses.
10. 10. Other special expenses required in connection with the Project.
11. 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.
12. 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.

Supplemental Letter Agreement

In accordance with the City of Stewartville Master Services Agreement for Professional Services between City of Stewartville ("Client"), and Short Elliott Hendrickson Inc. ("Consultant"), effective January 1, 2025, this Supplemental Letter Agreement dated June 23, 2026 authorizes and describes the scope, schedule, and payment conditions for Consultant's work on the Project described as: TH63 & Schumann Drive Signal bidding assistance and construction observation.

Client's Authorized Representative: Bill Schimmel

Address: 105 East 1st Street, Stewartville, Minnesota 55976, United States

Telephone: 507.533.4745

Email: bschimmel@stewartvillemn.com

Project Manager: Jenna Obernolte

Address: 3428 Lakeridge Place NW, Rochester, Minnesota 55901

Telephone: 507.316.6650

Email: jobernolte@sehinc.com

Scope: The Services to be provided by Consultant:

1. State contract & agreement coordination.
2. Bidding services
3. Construction staking
4. Construction observation with Resident Project Representative carrying Signal and Lighting Certification on a part-time basis

Resident Project Representative Services

RPR services will be provided in accordance with attached Exhibit B.

Schedule: Consultant is available to start immediately for bidding services. It is expected that construction services will be necessary in the fall & winter of 2026.

Payment:

The fee is hourly estimated to be \$42,000 including expenses and equipment.

The payment method, basis, frequency and other special conditions are set forth in attached Exhibit A-1. Additional work, if required, shall be compensated in accordance with the current Master Agreement Rates.

Other Terms and Conditions: Other or additional terms contrary to the Master Agreement for Professional Services that apply solely to this project as specifically agreed to by signature of the Parties and set forth herein: None.

Short Elliott Hendrickson Inc.

City of Stewartville

By: _____

By: _____

Full Name: Jenna R. Obernolte

Full Name: _____

Title: Client Service Manager

Title: _____

Exhibit A-1

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 B-4

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

Through part time on-site observation of the construction work in progress and field checks of materials and equipment by the Consultant's 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, construction plans, standard specifications, special provisions, field design changes, permits, manuals, addenda, clarifications, interpretations, change orders, and reviewed shop drawings. The duties and responsibilities of the RPR are further defined as follows:

A. General

Client has requested that part time construction observation be provided by the Consultant for this project. Part time construction observation is requested for the purpose of reducing the time that the RPR is on the project site during construction activities and/or for the need to only observe critical construction activities associated with the Work. Based on the part time nature of this request, Consultant will attempt to provide protection for the Client against defects and deficiencies in the Work during those time periods where the Consultant's RPR is on-site. For those time periods where the Consultant's RPR is not on site, either due to the part time nature of the construction observation being requested or by not being made aware that the construction activities are occurring by the contractor and/or Client, the Consultant shall have no responsibility in observing or documenting the Work performed by the contractor during these time periods. Furthermore, the Consultant will have no liability for contractor's failure to perform Work in accordance with the Contract Documents, including errors made during past or current construction completed while the Consultant's RPR was not on the site.

While on-site, Consultant's RPR is an agent of the Client, will act as directed by and under the supervision of Consultant's project manager, and will confer with Consultant's project manager and Client regarding RPR's actions. RPR's dealings in matters pertaining to the on-site work shall in general be with Consultant's project manager and contractor assisting with keeping the Client informed 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's project manager. Consultant's RPR will endeavor to complete the below duties and responsibilities of the RPR as further defined in the Agreement of Professional Services Scope of Work and to the extent feasible based on the part time nature of the services.

B. Duties and Responsibilities of RPR

1. Schedules: Review the proposed construction schedule and schedule of values prepared by contractor; and consult with Client concerning acceptability.
2. Conferences and Meetings: Attend meetings with contractor, such as preconstruction conferences, progress meetings, and other project related meetings; and prepare and circulate copies of minutes thereof.
3. Liaison:
 - a. Serve as liaison with contractor, working principally through contractor's superintendent and assisting in understanding / communicating the intent of the Contract Documents.

- b. Assist in obtaining from Client additional information, when required for proper execution of the Work.
- 4. Review of Work, Observations and Tests:
 - a. While on site, conduct observations of the Work in progress to determine if the Work is in general proceeding in accordance with the Contract Documents.
 - b. Update the Client to keep them informed of issues and progress of the Work.
 - c. Notify the Client of any unanticipated project conditions, any observed Work believed to be unsatisfactory or defective and does not conform to the Contract Documents, any unauthorized Work, or any non-conforming materials that are subject to rejection.
 - d. Coordinate with the testing consultant to schedule testing and confirm compliance with the project requirements and the project Schedule of Materials Controls.
 - e. If unsafe conditions are observed, notify the contractor immediately, and if unresolved, notify the Consultant's project manager and Client for determination of possible suspension of Work.
- 5. Interpretation of Contract Documents: Report to Client when clarifications, interpretations, and requests for information regarding the Contract Documents are requested by contractor and transmit to contractor clarifications and interpretations as issued by Client.
- 6. Modifications:
 - a. Convey contractor's suggestions for modifications in construction plans and specifications to Client and assist with evaluation. Transmit to contractor decisions as issued by Client.
 - b. Provide assistance with preparation of final documentation of change orders and field design changes critical construction activities observed while on-site.
- 7. Records / Reporting:
 - a. Measure and document construction quantities that were placed while on-site, maintain an up to date item record account, and enter observed quantities into the Project filing system.
 - b. Maintain orderly files of project documentation.
 - c. Keep a diary, recording contractor's activities while RPR is on site including weather conditions, data relative to questions of change orders, or changed conditions, list of job site visitors, daily activities, decisions, photos, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Client.
 - d. Document changes in the plans and field conditions observed.
 - e. Prepare appropriate lists of observed items requiring completion or correction by the contractor.
 - f. Notify Consultant's project manager and Client immediately upon the occurrence of any accident.
- 8. Payment Requests: For observed portions of the Work review applications for payment for compliance with the established procedure for their submission and forward with recommendations to Client.
- 9. Completion:
 - a. Conduct final inspection in the company of Client and contractor and assist with preparation of a final list of items to be completed or corrected.
 - b. Observe that all items on final list have been completed or corrected and make recommendations to Client concerning acceptance.

C. Limitations of Authority

Resident Project Representative:

- 1. Shall not authorize any deviation from of the Contract Documents or substitution of materials or equipment, unless authorized by Client.
- 2. Shall not provide direction, superintendence, or guidance to the contractor, their crews, their subcontractors, or their suppliers on means and methods to accomplish the Work.
- 3. Shall not suspend any portion of the Work without explicit Client authorization.
- 4. Shall not exceed limitations of Consultant's authority as set forth in the Agreement for Professional Services.

5. Shall not undertake any of the responsibilities of contractor, subcontractors or contractor's superintendent.
6. Shall not advise on, issue directions regarding or assume control over safety precautions and programs in connection with the Work.
7. Shall not accept shop drawing or sample submittals from anyone other than contractor.
8. Shall not authorize Client to occupy the Project in whole or in part.
9. Shall not participate in specialized tests or inspections conducted by others except as specifically authorized by Client.