



Staff Report

TO: City Council
FROM: Robert L. Vestal, Director of Public Works
DATE: August 19, 2025
SUBJECT: Union Pacific Railroad Contract Amendment (Contract No. C22-69)

Description: First Amendment to the Construction Agreement with Union Pacific Railroad (UPRR) for construction of the grade crossing for the Pennsylvania Avenue Widening Project (CIP 2017-009).

Background and Analysis:

On July 19, 2022, the City Council approved a construction agreement with Union Pacific Railroad (UPRR) for construction of new signals and an expanded railroad crossing on Pennsylvania Avenue for an amount not to exceed \$1,069,018. This agreement amount was based on estimates for construction costs provided by UPRR.

Per the agreement, the City is responsible to pay 100% of all actual costs incurred by the railroad in connection with the project. UPRR is only able to provide final actual costs once invoicing has been completed, which can take up to 180 days following the completion of construction. Final actual costs were provided to the City by UPRR in June of 2025, with a total final actual cost of \$1,274,018. The proposed amendment to the construction agreement was provided to the City by UPRR on July 2, 2025.

Project Status Update and Current Amendment Request

Construction of the project is complete, and the Notice of Completion (NOC) was approved by City Council on June 3, 2025.

An amendment to the construction agreement is required because the final actual cost to the railroad exceeds the original construction agreement amount. With approval of the agreement, the City can pay the one remaining invoice from UPRR and close the project.

The cost for Amendment No.1 represents an increase in cost of \$205,000. This results in a revised total contract cost not to exceed \$1,274,018. A summary of the contract amendments to date is provided in the following table.

| | |
|--------------------------|------------------------|
| <u>Agreement Summary</u> | <u>Original (2022)</u> |
| Original Agreement | \$1,069,018 |
| Amendment No. 1 | \$205,000 |

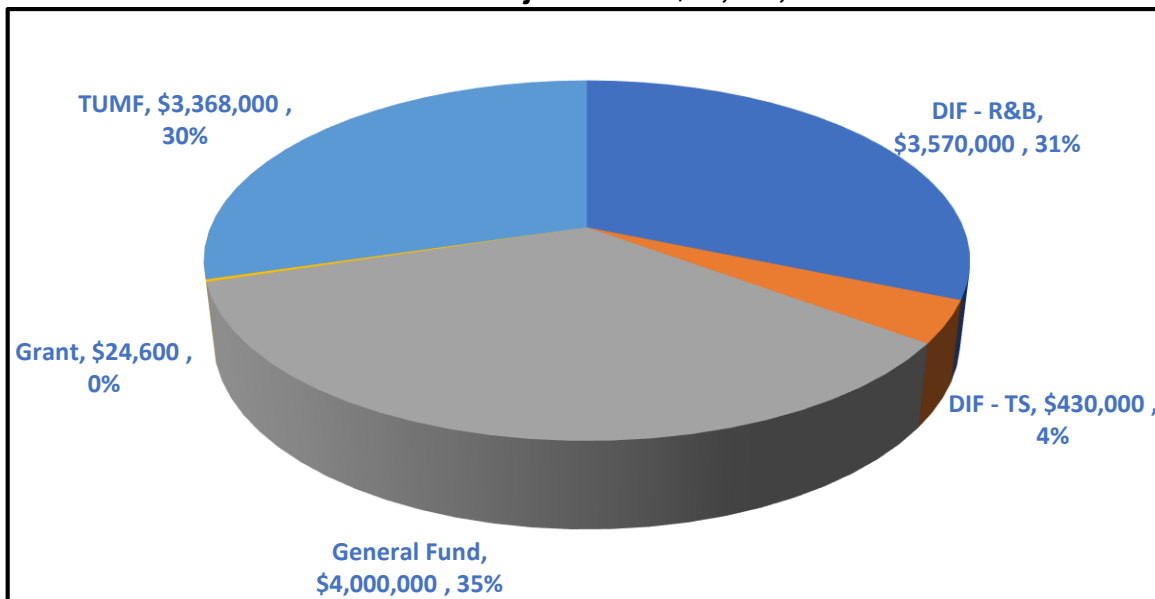
Total Agreement: \$1,274,018

Fiscal Impact:

The cost of preparing the staff report is estimated to be \$300.

The funding for this contract amendment will be paid from the Pennsylvania Avenue Widening Project (CIP2017-009) budget. Please refer to the following project accounting chart and table for a summary of project funding and budget:

CIP 2017-009 Pennsylvania Avenue Widening Project Funding Summary
Estimated Project Cost= \$11,392,600



CIP 2017-009 Pennsylvania Avenue Widening Project Budget Summary

| Project Component | Budget | Encumbered | Paid to Date | Remaining Budget |
|----------------------|-------------|---------------|---------------|------------------|
| Project Management | \$22,538 | \$(22,537) | \$(22,537) | \$1 |
| Preliminary Services | \$142,540 | \$(142,540) | \$(26,019) | |
| Environmental | \$164,026 | \$(163,708) | \$(163,708) | \$318 |
| Design | \$597,796 | \$(597,796) | \$(594,369) | |
| Permits | \$250,432 | \$(200,296) | \$(197,983) | \$50,136 |
| Right-of-Way | | | | |
| Construction | \$9,965,268 | \$(9,715,268) | \$(8,751,157) | \$250,000 |

| | | | | |
|-------------------------|---------------------|-----------------------|----------------------|------------------|
| Construction Management | \$200,000 | \$(37,510) | \$(31,876) | \$162,490 |
| Equipment | \$50,000 | \$(6,576) | \$(6,574) | \$43,424 |
| Total | \$11,392,600 | \$(10,886,231) | \$(9,794,223) | \$506,369 |

Recommended Action:

Approve the first amendment to the Construction Agreement with Union Pacific Railroad (UPRR) for the Pennsylvania Avenue Widening Project (CIP 2017-009) to increase the agreement by \$205,000 for a new total contract amount not-to-exceed \$1,274,018.

Approve a purchase change order to Purchase Order No. 22/23 1267 with Union Pacific Railroad (UPRR) for the Pennsylvania Avenue Widening Project (CIP 2017-009) increasing the not-to-exceed amount by \$205,000 for a revised total amount not-to-exceed \$1,274,018.

Attachments:

- A. First Amendment to the Construction Agreement with Union Pacific Railroad (UPRR)
- B. Original Agreement with UPRR