

Memorandum

REPORT TO: City Commission

FROM: Griffin Nielsen, Project Engineer
Shawn Kohtz, Utilities Director

SUBJECT: Approve the resolution authorizing Change Order 01 with MJD Contracting, LLC for the Bozeman Sourdough Tank Improvements Phase I Project

MEETING DATE: May 12, 2026

AGENDA ITEM TYPE: Agreement - Vendor/Contract

RECOMMENDATION: Approve the resolution authorizing Change Order 01 with MJD Contracting, LLC for the Bozeman Sourdough Tank Improvements Phase I Project.

STRATEGIC PLAN: 4.3 Strategic Infrastructure Choices: Prioritize long-term investment and maintenance for existing and new infrastructure.

BACKGROUND: Attached is a copy of a resolution authorizing the City Manager to sign Change Order 01 for the Bozeman Sourdough Tank Improvements Phase I Project. The change order includes pricing adjustments for two work change directives, contract time adjustments for substantial and final completion, and price adjustments for assessment of liquidated damages.

Work Change Directive No. 1 added a 24-inch butterfly valve replacement to MJD Contracting LLC's (Contractor) scope of work, which was necessary to ensure the tank could be isolated while maintaining water to the distribution system after a water main leak was discovered on the tank's 24-inch effluent pipe. Work Change Directive No. 2 removed the installation of a ladder replacement from the contractor's scope of work to allow the tank to be returned to service. The change was necessary to ensure the tank was returned to service before the City could proceed with planned work on the City's Lyman water tank. The changes in contract time add 36 days to substantial completion to account for time needed to address drinking water standards certification for replacement hardware, and 98 days to final completion due to a delay in the delivery of the tank's replacement ladder.

Change Order 01 is the final change order and reconciles the contract price and contract days. The changes in cost and time for these items have been reviewed by the City's contracted engineer, AE2S, and determined to be reasonable and commensurate with the work involved.

UNRESOLVED ISSUES: None

ALTERNATIVES: As suggested by the Commission

FISCAL EFFECTS: Change Order No. 1 increases the contract price by \$18,532.08 from \$190,000.00 to \$208,532.08. Funding for the project is provided from the water fund as project W84 in the Capital Improvement Plan at the amount of \$627,800 budgeted within FY26. Sufficient funding is available for Change Order No. 1.

Attachments:

[SD Tank Improvements Ph I- CO 1-Resolution.pdf](#)

[SD Tank Improvements Ph I-MJD Contracting- CO 01.pdf](#)

Report compiled on: April 27, 2026