



AGENDA ITEM #13.

1415 Freeway Drive | Mount Vernon, Washington 98273 | (360) 424-7104 | SkagitPUD.org

August 12, 2025

MEMORANDUM

TO: George Sidhu, P.E., General Manager

FROM: Mark Handzlik, P.E., Engineering Manager

SUBJECT: SR9/SR20 Pipe Relocation Change Order

Requested Action:
Information only.

Background:

Earthworks Solutions, Inc. has successfully completed the SR-9 North of Kalloch Road and SR-20 at Olson Creek pipe relocation projects.

Upon contract completion, the total value of work performed at the estimated unit prices exceeded the original contract estimates by \$118,660.40 (excluding sales tax). In alignment with standard contracting practices, a reconciliation change order has been prepared to align the contract quantities and total amount with the actual work completed. This adjustment ensures accuracy in the final contract value and eliminates any uncertainty regarding contract closure.

While the reconciliation change order is within the general manager's spending authority, the cumulative total of this change—when combined with previously approved modifications by both the general manager and the commission—exceeds 20% of the original contract amount of \$737,137.25.

In compliance with Policy No. 1031, this memo serves as formal notification to the board that this threshold has been exceeded. A summary of the reconciled unit price items is inserted below.

Unit of Work	Bid Amount	Actual	Difference	% Over Contract	% of Total Contract
All Traffic Control	\$102,752.50	\$163,570.25	\$60,817.75	59%	7.60%
Field Extension of Pipe	\$198,283.00	243,564.25	\$45,281.25	23%	5.33%
All Other (includes deductions for deleted work)			\$12,111.40		1.51%
Total			\$118,210.40		14.77%

Fiscal Impact:

2025 Budget	
SR9	\$350,000.00
SR 20	\$600,000.00
Total	\$950,000.00

Contract	
Original	\$800,531.05
Change Order 1	\$221,577.14
Change Order 2	\$7,910.03
Change Order 3	\$32,013.92
Reconciliation	\$128,865.19
Total	\$1,190,897.33

Outside Funding	
2024 State Grant	\$538,000.00
2025 State Grant	\$300,000.00
Total	\$838,000.00

Fiscal Impact	\$352,897.33
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Enclosures: