



Legislation Text

File #: Res. 2018-042, **Version:** 1

City Council Meeting Date: April 17, 2018

To: Mayor and City Council
City Administrator

From: David Bennett, Public Works Director/City Engineer
Sean Simonson, Engineering Manager

Consider Accepting Bids and Awarding Contract for the 2018 Division Street and Seventh Street Reconstruction, Washington Street Mill and Overlay and Various City Parking Lots (STR2018-A37)

Action Requested:

The City Council approves the attached Resolution accepting bids and awarding the contract for the 2018 Division Street and Seventh Street Reconstruction, Washington Street Mill and Overlay and Various City Parking Lots (STR2018-A37).

Summary Report:

The City Council is being asked to award the contract for the 2018 Division Street and Seventh Street Reconstruction, Washington Street Mill and Overlay and Various City Parking Lots (STR2018-A37). Plans and Specifications were completed by the Design Engineer, S.E.H. Engineers, and at the March 6, 2018 City Council Meeting, the Council authorized the advertisement for bids via Resolution 2018-025. The project was advertised for the minimum 21 days as required by Minnesota Statutes Chapter 429. The ad for bid was published in the Northfield News, on the MnDOT eAdvert site and City of Northfield website.

The project scope includes work on the following streets (Attachment 2):

- Division Street from Eight Street to Sixth Street (Reconstruction)
- Seventh Street from Water Street to Washington Street (Reconstruction)
- Washington Street from Woodley Street to Second Street (Mill and Overlay)
- City Hall Parking Lot (Mill and Overlay)
- Washington Street and Fifth Street Parking Lot (Mill and Overlay)
- Washington Street Parking Lot 1 (Third Street Lot - Reclamation)
- Washington Street Parking Lot 2 (Grand Event Center - Pavement and subgrade reconstruction)

The City received three (3) competitive bids, which were publicly opened and tabulated on April 5, 2018 at 2:00 p.m. The bids ranged from \$3,724,562.80 to \$4,066,768.80 (Attachment 3) with the lowest responsible bidder being Swenke Ims Contracting, LLC with a total bid amount of \$3,724,562.80. This compared to the engineers estimate of \$3,622,481.35. This project is identified in the 2018 - 2022 Capital Improvement Plan (CIP), and funding for the project is a combination of enterprise funds, special assessments, Municipal State-

Aid (MSA) and bonding.

Staff is recommending moving forward with the award of the project. The project costs are within 1% of the engineers estimate and shown below in the Financial Impact section. There is a slight increase in the amount needed for Bonding from \$1.3 Million to \$1.46 Million. The Finance Director has reviewed and notes that the 1% increase in project cost equates to a 0.2% increase in the levy.

Alternative Options:

Option 1:

City Council could alter the Project Scope on the Spring Creek Road Reconstruction and eliminate the non-MSA eligible portion from Jefferson Parkway to Superior Drive. This would be a way to offset debt financing. Staff does not recommend this option.

Financial Impacts:

Allocation of dedicated 1% of the estimated construction costs for public art has been incorporated into the estimates below for the project area. This work will be processed separately in conformance with the Public Art Policy and comprehensive plan.

ESTIMATED TOTAL PROJECT COSTS		
PROJECT AWARD		
	ENGINEER'S ESTIMATE	AWARD BID COSTS
Street	\$2,913,098	\$3,042,277
Storm Sewer	\$256,025	\$357,468
Sanitary Sewer	\$273,843	\$130,526
Watermain	\$283,941	\$231,538
<i>Subtotal</i>	\$3,726,907	\$3,761,808
Contingency (10%)	\$372,691	\$376,181
<i>Construction Total</i>	\$4,099,598	\$4,137,989
<i>Overhead (12%)</i>	\$491,952	\$496,559
PROJECT COSTS	\$4,591,549	\$4,634,548

TOTAL PROJECT FUNDING - AWARD		
PROJECT AWARD		
FUNDING SOURCE	ENGINEER'S ESTIMATE	AWARD BID FUNDING
Bonding	\$1,299,273	\$1,463,787
Assessments	\$408,132	\$391,822
Storm Fund	\$315,423	\$133,388
Sanitary Fund	\$337,375	\$160,808
Water Fund	\$349,816	\$285,255
MSA	\$1,881,530	\$2,199,489
TOTAL FUNDING	\$4,591,549	\$4,634,548

The total project cost includes funding for construction contingency, 1% of the construction costs for Art, and contract overhead. The actual bid prices are less than 1% above the Engineer's Estimate performed at the time plans were approved, and the advertisement for bids was ordered. Staff has evaluated the bids, and found that the cost of the Landscape Enhancements came in at a much higher rate than initially anticipated. Engineering Staff has consulted with the Finance Director, and this increase in the bonding required will be incorporated into future bonding projections.

Tentative Timelines:

See the Project Process (Attachment 4) for upcoming project milestones.