



## STAFF REPORT

DATE: August 21, 2018

**CONSENT**

ITEM #: 6

**AGENDA ITEM:** 2018 Mill and Overlay Project – Reject Bids

**SUBMITTED BY:** Jack Griffin, City Engineer

**REVIEWED BY:** Kristina Handt, City Administrator  
Rob Weldon, Public Works Director  
Amanda Groh, Project Engineer

---

**ISSUE BEFORE COUNCIL:** Should the City Council reject bids for the 2018 Mill and Overlay Project?

**BACKGROUND:** Each year the City implements preventive maintenance work on the public streets consisting of minor reconstruction and subgrade correction, resurfacing, mill and overlays, crack sealing, seal coating, and patching. The annual Preventive Street Maintenance Program employs a cost effective approach for street repairs to extend the life expectancy of the pavements. Streets selected for the Preventive Street Maintenance Program are determined by using a pavement management system where each street pavement in the City is assigned a condition rating based on visual inspection of the pavement distresses and observed deterioration. The number of streets selected each year is dependent upon the amount of funding available for the program. Streets that have exceeded their life expectancy and can no longer be effectively maintained are programmed for reconstruction in the City's Capital Improvement Program.

For 2018, the following streets were identified for mill and overlay improvements:

- Iris Avenue N from CSAH 14 to 37<sup>th</sup> Street North, including 450 feet of full depth patching.
- 37<sup>th</sup> Street N from Iris Avenue N to Ironwood Trail N.
- Ironwood Trail N from 35<sup>th</sup> Street N to 37<sup>th</sup> Street N, including 65 feet of full depth patching.
- 35<sup>th</sup> Street N from Iris Avenue N to Ironwood Trail N, including 785 feet of full depth patching.

A “mill & overlay” is a street maintenance technique that requires the removal of the top pavement layer of the street by the grinding action of a large milling machine. After the top layer is removed, a new layer of bituminous pavement is placed. Prior to the mill and overlay, localized areas with significant distress and potential subgrade failure are corrected by completing a full depth patch (removal and replacement of the entire aggregate base and pavement layers). The mill and overlay will remove the surface distresses, improve ride quality, and will preserve the lower portion of the pavement. Cracks that extend the full depth of the pavement are likely to reflect into the new pavement within two years of construction.

**PROPOSAL DETAILS/ANALYSIS:** Bids were received, publicly opened, and read aloud on Monday, August 6th, 2018. A Tabulation of Bids and a letter of recommendation for the rejection of the bids has been prepared and attached. The City received 4 bids for this project, with North Valley, Inc. providing the lowest bid in the amount of \$319,385.95, which is approximately \$33,000 over the engineer's estimate.

Staff is recommending that the City Council reject the bids as outlined in the attached letter. Staff feels that contractors are extremely busy this year and were not able to accommodate the City's schedule without increasing their unit prices. Staff's intent is to rebid the project together with the 2019 Mill and Overlay

Project hoping to obtain lower unit pricing with a larger scale project and bid earlier in the year. The Project was advertised on QuestCDN.com and in the Oakdale-Lake Elmo Review in accordance with the Minnesota Competitive Bidding requirements.

**FISCAL IMPACT:** None.

**RECOMMENDATION:** Staff is recommending that the City Council approve, *as part of the Consent Agenda*, Resolution No. 2018-095, rejecting bids for the 2018 Mill and Overlay Project. If removed from the consent agenda, the recommended motion for the action is as follows:

*“Move to approve Resolution No. 2018–095, rejecting bids for the 2018 Mill and Overlay Project.”*

**ATTACHMENTS:**

1. Resolution Rejecting Bids.
2. Engineer’s Letter of Recommendation to Reject Bids and Tabulation of Bids.

**CITY OF LAKE ELMO  
WASHINGTON COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 2018-095**

**A RESOLUTION REJECTING BIDS FOR THE 2018 MILL AND  
OVERLAY PROJECT**

**WHEREAS**, pursuant to an advertisement for bids for the 2018 Mill and Overlay Project, bids were received, opened, and tabulated according to law, and bids were received complying with the advertisement; and

**WHEREAS**, bids were tabulated, checked and summarized to verify that all requirements of the submittal were met; and

**WHEREAS**, the project engineer reviewed the bids and has provided a letter recommending the rejection of all bids.

**NOW, THEREFORE, IT IS HEREBY RESOLVED,**

1. That the City Council rejects all bids on the 2018 Mill and Overlay Project.
2. The City Clerk is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE TWENTY-FIRST DAY OF  
AUGUST 2018.**

**CITY OF LAKE ELMO**

By: \_\_\_\_\_  
Mike Pearson  
Mayor

(Seal)

ATTEST:

\_\_\_\_\_  
Julie Johnson  
City Clerk

**TABULATION OF BIDS**

2018 MILL AND OVERLAY PROJECT  
LAKE ELMO, MN  
PROJECT NO. 2018.111



BIDS OPENED: AUGUST 6, 2018 3:00PM

ITEM

| NO.                   | ITEM  | UNIT | QUANTITY | Hardrives, Inc |                      | McNamara    |                      | North Valley |                      | T.A. Schifski |                      |
|-----------------------|---|------|----------|----------------|----------------------|-------------|----------------------|--------------|----------------------|---------------|----------------------|
|                       |   |      |          | Unit Price     | Total                | Unit Price  | Total                | Unit Price   | Total                | Unit Price    | Total                |
| 1                     | MOBILIZATION  | LS   | 1.00     | \$ 26,235.13   | \$ 26,235.13         | \$16,250.00 | \$ 16,250.00         | \$10,516.12  | \$ 10,516.12         | \$ 30,000.00  | \$ 30,000.00         |
| 2                     | TRAFFIC CONTROL   | LS   | 1.00     | \$ 3,327.15    | \$ 3,327.15          | \$7,000.00  | \$ 7,000.00          | \$3,252.41   | \$ 3,252.41          | \$ 2,575.00   | \$ 2,575.00          |
| 3                     | INLET PROTECTION  | EA   | 14.00    | \$ 151.13      | \$ 2,115.82          | \$150.00    | \$ 2,100.00          | \$130.10     | \$ 1,821.40          | \$ 87.55      | \$ 1,225.70          |
| 4                     | BIOROLL DITCH CHECK                                       | EA   | 4.00     | \$ 166.36      | \$ 665.44            | \$280.00    | \$ 1,120.00          | \$271.04     | \$ 1,084.16          | \$ 154.50     | \$ 618.00            |
| 5                     | SAWCUT PAVEMENT (ALL TYPES)                               | LF   | 84.00    | \$ 3.93        | \$ 330.12            | \$5.00      | \$ 420.00            | \$7.43       | \$ 624.12            | \$ 3.09       | \$ 259.56            |
| 6                     | MILL 1.5" OF EXIST. BITUMINOUS PAVEMENT                   | SY   | 8,400.00 | \$ 2.06        | \$ 17,304.00         | \$3.25      | \$ 27,300.00         | \$2.01       | \$ 16,884.00         | \$ 1.55       | \$ 13,020.00         |
| 7                     | REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT (DRIVEWAY) | SY   | 350.00   | \$ 5.57        | \$ 1,949.50          | \$10.00     | \$ 3,500.00          | \$3.50       | \$ 1,225.00          | \$ 6.00       | \$ 2,100.00          |
| 8                     | REMOVE & DISPOSE OF EXIST. BITUMINOUS PAVEMENT            | SY   | 2,100.00 | \$ 3.69        | \$ 7,749.00          | \$5.00      | \$ 10,500.00         | \$3.68       | \$ 7,728.00          | \$ 2.25       | \$ 4,725.00          |
| 9                     | REMOVE & DISPOSE OF CONCRETE CURB (ALL TYPES)             | LF   | 1,320.00 | \$ 8.27        | \$ 10,916.40         | \$12.00     | \$ 15,840.00         | \$6.13       | \$ 8,091.60          | \$ 5.97       | \$ 7,880.40          |
| 10                    | REMOVE AND REPLACE CLASS 6, AGGREGATE BASE, 100% CRUSHED  | TN   | 1,060.00 | \$ 36.86       | \$ 39,071.60         | \$27.00     | \$ 28,620.00         | \$29.05      | \$ 30,793.00         | \$ 24.00      | \$ 25,440.00         |
| 11                    | TYPE SP 12.5 BITUMINOUS NON-WEARING COURSE (SPNWB230B)    | TN   | 340.00   | \$ 88.60       | \$ 30,124.00         | \$75.00     | \$ 25,500.00         | \$71.52      | \$ 24,316.80         | \$ 76.00      | \$ 25,840.00         |
| 12                    | TYPE SP 9.5 BITUMINOUS WEARING COURSE (SPWEA330B)         | TN   | 1,010.00 | \$ 83.11       | \$ 83,941.10         | \$65.00     | \$ 65,650.00         | \$71.96      | \$ 72,679.60         | \$ 153.60     | \$ 155,136.00        |
| 13                    | BITUMINOUS MATERIAL FOR TACK COAT                         | GAL  | 790.00   | \$ 1.69        | \$ 1,335.10          | \$2.00      | \$ 1,580.00          | \$3.52       | \$ 2,780.80          | \$ 7.50       | \$ 5,925.00          |
| 14                    | 2360 TYPE LV4 BITUMINOUS WEAR COURSE, DRIVES              | SY   | 350.00   | \$ 37.09       | \$ 12,981.50         | \$25.00     | \$ 8,750.00          | \$24.12      | \$ 8,442.00          | \$ 90.00      | \$ 31,500.00         |
| 15                    | ADJUST MANHOLE  | EA   | 14.00    | \$ 914.67      | \$ 12,805.38         | \$550.00    | \$ 7,700.00          | \$796.84     | \$ 11,155.76         | \$ 785.00     | \$ 10,990.00         |
| 16                    | ADJUST VALVEBOX   | EA   | 6.00     | \$ 519.48      | \$ 3,116.88          | \$475.00    | \$ 2,850.00          | \$287.30     | \$ 1,723.80          | \$ 365.00     | \$ 2,190.00          |
| 17                    | CONCRETE CURB AND GUTTER (ALL TYPES)                      | LF   | 1,320.00 | \$ 32.18       | \$ 42,477.60         | \$23.00     | \$ 30,360.00         | \$29.26      | \$ 38,623.20         | \$ 27.70      | \$ 36,564.00         |
| 18                    | 4" PVC PERF EDGE DRAIN W/BACKFILL & WRAP                  | LF   | 1,400.00 | \$ 26.37       | \$ 36,918.00         | \$20.00     | \$ 28,000.00         | \$24.94      | \$ 34,916.00         | \$ 28.34      | \$ 39,676.00         |
| 19                    | CONNECT TO EXISTING STORM STRUCTURE                       | EA   | 6.00     | \$ 277.26      | \$ 1,663.56          | \$750.00    | \$ 4,500.00          | \$1,029.93   | \$ 6,179.58          | \$ 1,030.00   | \$ 6,180.00          |
| 20                    | DRAINTILE CLEANOUT  | EA   | 10.00    | \$ 138.63      | \$ 1,386.30          | \$300.00    | \$ 3,000.00          | \$189.72     | \$ 1,897.20          | \$ 650.00     | \$ 6,500.00          |
| 21                    | 2X3 CATCH BASIN W/CASTING                                 | EA   | 1.00     | \$ 2,793.26    | \$ 2,793.26          | \$6,825.00  | \$ 6,825.00          | \$3,198.20   | \$ 3,198.20          | \$ 2,800.00   | \$ 2,800.00          |
| 22                    | STORM SEWER MANHOLE                                       | EA   | 1.00     | \$ 5,397.99    | \$ 5,397.99          | \$7,830.00  | \$ 7,830.00          | \$6,071.16   | \$ 6,071.16          | \$ 2,800.00   | \$ 2,800.00          |
| 23                    | CLASS 3 RIP RAP W/GEOTEXTILE FABRIC                       | CY   | 16.00    | \$ 282.81      | \$ 4,524.96          | \$180.00    | \$ 2,880.00          | \$140.94     | \$ 2,255.04          | \$ 154.50     | \$ 2,472.00          |
| 24                    | DITCH GRADING   | LF   | 25.00    | \$ 88.72       | \$ 2,218.00          | \$65.00     | \$ 1,625.00          | \$102.00     | \$ 2,550.00          | \$ 25.75      | \$ 643.75            |
| 25                    | IMPORT AND PLACE TOPSOIL (LV)                             | CY   | 110.00   | \$ 34.71       | \$ 3,818.10          | \$50.00     | \$ 5,500.00          | \$51.05      | \$ 5,615.50          | \$ 28.84      | \$ 3,172.40          |
| 26                    | SEEDING, FERTILIZER AND WOOD FIBER BLANKET                | SY   | 110.00   | \$ 8.87        | \$ 975.70            | \$4.00      | \$ 440.00            | \$13.01      | \$ 1,431.10          | \$ 3.61       | \$ 397.10            |
| 27                    | SODDING   | SY   | 1,040.00 | \$ 21.07       | \$ 21,912.80         | \$9.00      | \$ 9,360.00          | \$13.01      | \$ 13,530.40         | \$ 8.24       | \$ 8,569.60          |
| <b>TOTAL BASE BID</b> |   |      |          |                | <b>\$ 378,054.39</b> |             | <b>\$ 325,000.00</b> |              | <b>\$ 319,385.95</b> |               | <b>\$ 429,199.51</b> |

# FOCUS ENGINEERING, inc.

Cara Geheren, P.E. 651.300.4261  
Jack Griffin, P.E. 651.300.4264  
Ryan Stempski, P.E. 651.300.4267  
Chad Isakson, P.E. 651.300.4283

August 13, 2018

Honorable Mayor and City Council  
City of Lake Elmo, Minnesota

2018 Mill and Overlay Project  
City of Lake Elmo, Minnesota  
FOCUS Project No. 2018.111

Dear Mayor and City Council:

Bids for the 2018 Mill and Overlay Project, were received on August 6, 2018, at 3:00 PM with the following results:

| <b>Contractor</b>          | <b>Base Bid</b> |
|----------------------------|-----------------|
| North Valley, Inc.         | \$319,385.95    |
| McNamara Contracting, Inc. | \$325,000.00    |
| Hardrives, Inc.            | \$378,054.39    |
| T.A. Schifsky & Sons, Inc. | \$429,199.51    |
| Engineer's Estimate        | \$285,810.00    |

A complete Tabulation of Bids is enclosed for your information.

Staff recommends that you reject the bids for the 2018 Mill and Overlay Project as the low bid was approximately \$33,000 over the engineer's estimate.

Please contact me with any questions you may have.

Sincerely,



Amanda E. Groh, P.E.  
Project Engineer

Enclosure

cc: Jack Griffin, City Engineer