



MAYOR & COUNCIL COMMUNICATION

DATE: August 5, 2014
REGULAR
ITEM # 13

AGENDA ITEM: 39th Street North: Street and Sanitary Sewer Improvements – Accept Bids and Award Contract

SUBMITTED BY: Jack Griffin, City Engineer

THROUGH: Dean A. Zuleger, City Administrator

REVIEWED BY: Chad Isakson, Project Engineer
Cathy Bendel, Finance Director
Dave Snyder, City Attorney

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item.....City Engineer
- Report/Presentation.....City Engineer
- Questions from Council to Staff..... Mayor Facilitates
- Public Input, if Appropriate.....Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Engineering

FISCAL IMPACT: \$1,711,300 for the 39th Street: Street and Sanitary Sewer Improvements; and \$412,600 for the alternate bid package for Village East Trunk Sanitary Sewer: from TH 5 to south of the UP Railroad.

Approval of this resolution commits the council to entering into a construction contract for the project in the amount of \$1,414,861.80 and incurring the other project related construction costs including engineering construction administration, staking, inspection, record drawings, geotechnical services, and contingency budget in the amount of \$296,400.

Bids were also received for construction of the Village East Trunk Sanitary Sewer from TH 5 to south of the UP Railroad as an alternative for the Council to consider awarding as a part of this contract for the amount of \$345,597.00. Other project related construction costs including

engineering construction administration, staking, inspection, record drawings, geotechnical services, and contingency budget in the amount of \$67,000.

The project will be financed by a combination of funding sources including the levy of special assessments against the benefitting properties, \$1,329,880; City general funds for street and sidewalk cost participation, \$179,820; Park Funds for the Trail, \$59,700; Sewer Enterprise Funds for pipe oversizing, \$434,200; and Water Enterprise Funds for water system improvements, \$120,300. Non-residential properties will be assessed 80% of the total street, sidewalk and storm sewer project costs proportioned on the abutting property's front footage in relation to the total improved front footage. Sanitary sewer improvements will be assessed to benefitting property owners based on the projected sewage generation of each property (REC unit) within the entire trunk sewer service area in relation to the total contributing sewer service capacity.

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to consider accepting contractor bids and award a contract for the 39th Street North: Street and Sanitary Sewer Improvements. The recommended motion for this action is as follows:

“Move to approve Resolution No. 2014-63, Accepting Bids and Awarding a Contract to Geislinger & Sons, Inc., in the amount of \$1,760,458.80 for the 39th Street North: Street and Sanitary Sewer Improvements including Add Alternate No. 1.”

LEGISLATIVE HISTORY/BACKGROUND INFORMATION:

Bids were received, publicly opened, and read aloud on Thursday July 10, 2014. The City Engineer and design consultant has prepared and attached the Tabulation of Bids and a letter of recommendation for the award of the contract. The City received four (4) bids for this project, with Geislinger & Sons, Inc. providing the lowest combination base bid and alternate bid in the total construction amount of \$1,760,458.80.

Bid amounts exceeded the feasibility report estimated construction costs. The higher pricing appears to be due to contractor availability relative to the growing volume of work available to contractors, in particular utility contractors. Due to the receipt of four competitive bids, it appears that rebidding the project will not result in lower costs.

A stakeholder meeting was held on July 21, 2014 to review the increased project costs and associated assessment amounts to each stakeholder. The consensus of the meeting was to proceed with award of the contract for construction in 2014. Agreements have been prepared and provided to property owners for review and signature to amend each property's assessment amount to cover the increased costs for the project. If signature is not received the original Waiver Agreement remains in effect in the lower assessment amount.

Contractor references for Geislinger & Sons, Inc. were reviewed and verified. The City Engineer and his consultant are therefore recommending that the Council award the contract to the lowest responsible bidder, Geislinger & Sons, Inc., as outlined in the attached letter.

The City Council approved the Plans and Specifications for the 39th Street North: Street and Sanitary Sewer Improvements on June 17, 2014, and authorized staff to advertise the Project for bids. The Village East Trunk Sanitary Sewer segment from TH5 to south of the UP Railroad was incorporated into this project as an add alternate bid package. The Project was advertised on QuestCDN.com and in the Oakdale-Lake Elmo Review in accordance with the Minnesota Competitive Bidding requirements. The improvements include:

- Reconstruction of 39th Street North from State Highway 5 to CSAH 17. The street improvements are proposed to be an extension of the Village Parkway street section as envisioned in the Village area plan.
- An 8-foot bituminous trail along the north boulevard and a 6-foot sidewalk along the south boulevard in order to maintain the extension of Village Parkway.
- Replacement of the existing storm sewer conveyance system along 39th Street North.
- Extension of 10 and 12-inch diameter trunk sanitary sewer in connection with the Village East Trunk Sanitary Sewer extension.
- Installation of 11 service stubs to existing properties along 39th Street North to provide owners with the opportunity to hook up to municipal sewer.
- An alternate bid package that includes the Village East Trunk Sanitary Sewer Improvements: Trunk Highway 5 to south of the Union Pacific Railroad; consisting of the installation of 2,000 feet of 15-inch trunk sanitary sewer.

RECOMMENDATION:

Staff is recommending that the city council approve Resolution No. 2014-63, thereby accepting contractor bids and award a contract for the 39th Street North: Street and Sanitary Sewer Improvements. The recommended motion for this action is as follows:

“Move to approve Resolution No. 2014-63, Accepting Bids and Awarding a Contract to Geislinger & Sons, Inc., in the amount of \$1,760,458.80 for the 39th Street North: Street and Sanitary Sewer Improvements including Add Alternate No. 1.”

ATTACHMENT(S):

1. Resolution No. 2014-63 Accepting Bids and Awarding a Contract.
2. Location Map.
3. Tabulation of Bids and Engineer’s Letter of Award Recommendation.
4. Project Schedule.