



City Council Memorandum

To: Mayor Fasbender & City Council Members
From: Nick Egger – Public Works Director
Date: May 12, 2020
Item: Reject Bids – 2020 Mill & Overlay Program

Council Action Requested:

The council is requested to reject the bids received for the 2020 Mill & Overlay Program.

Background Information:

Six bids were received and opened for the 2020 Mill & Overlay Program on Thursday, March 26, 2020.

<u>Bidder</u>	<u>Amount</u>	<u>Alternate</u>
Bituminous Roadways	\$539,476.65	\$22,148.13
McNamara Contracting	\$540,805.44	\$23,804.81
Park Construction	\$557,313.83	\$12,807.35
T.A. Schifsky & Sons	\$629,391.00	\$20,712.47
Minnesota Paving & Materials	\$650,279.32	\$14,437.94
Northwest Asphalt	\$668,463.70	\$14,218.30

Financial Impact:

The majority of work in this project was to be funded from general fund dollars. Although the bids were competitive and in reasonably close range to construction cost estimates, with much uncertainty as to what impact the COVID-19 pandemic will have on the project's primary funding source, staff is recommending rejection of the bids at this time. Because the project was bid as a large package to include uniform pricing for work items on the City's local and State Aid streets, there is not a legally available opportunity to reduce or modify the scope to carve out and separate only the work that could be funded by other sources, such as the State Aid segments on West 15th Street or South Frontage Road.

Staff Recommendation:

The bid bond that guarantees prices expires on May 26th, and due to the continuing financial uncertainties that tie into the local sources of funding, staff recommends rejection of the bids. In addition, staff recommends taking some time for the financial picture to come into better focus and to look for possible opportunities for carrying out a portion of the work, such as 1) the event of a federal stimulus program that seeks "shovel ready" projects, and/or 2) a revised project scope that includes only streets on the State Aid system that can be funded purely with money from the City's Municipal State Aid account. In either case, a new solicitation for bids would be required.

Attachments:

- Resolution
- Project Map

CITY OF HASTINGS

DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. _____

**RESOLUTION RECEIVING AND REJECTING BIDS
2020 MILL & OVERLAY PROGRAM**

WHEREAS, pursuant to an advertisement for bids for contracted pavement mill and overlay work, the following bids were received on March 26, 2020, and tabulated according to law:

<u>Bidder</u>	<u>Base Bid</u>	<u>Add Alternate</u>
Bituminous Roadways	\$539,476.65	\$22,148.13
McNamara Construction	\$540,805.44	\$23,804.81
Park Construction	\$557,313.83	\$12,807.35
T.A. Schifsky & Sons	\$629,391.00	\$20,712.47
Minnesota Paving & Materials	\$650,279.32	\$14,437.94
Northwest Asphalt	\$668,463.70	\$14,218.30

and

WHEREAS, the City desires to complete this work, but remains uncertain as to impacts on local funding resources specific to this project resulting from the COVID-19 pandemic.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HASTINGS AS FOLLOWS:

1. The City hereby rejects the bids.
2. Staff is directed to keep watch for the creation of new external funding resources and to explore possible scope adjustments that would allow for a new solicitation of bids in the future.

ADOPTED BY THE CITY COUNCIL OF HASTINGS, MINNESOTA, THIS 18TH DAY OF MAY 2020.

Ayes:

Nays:

ATTEST:

Julie Flaten, City Clerk

Mary D. Fasbender, Mayor

SEAL



2020 Mill & Overlay Program

- South Frontage Rd: General Sieben Dr to Pleasant Dr
- 15th St: General Sieben Dr to Wyndham Hill Dr
- Northridge Dr: General Sieben Dr to Pleasant Dr

State Aid Eligible Segment

Local Funding Only

Pedestrian Ramp Improvements

