



REQUEST FOR ACTION CITY COUNCIL

Agenda Date: 6/2/2026
Agenda Section: Consent Agenda

Department Origination: Public Works

Agenda Item: Adopt Resolution 2026-042 for Accepting the Bid from Anderson Brothers Construction Company in the amount of \$1,215,289.64 for the 2026 Mill & Overlay Improvements Project Municipal Project No. 4426

Approval Required: Simple Majority Vote

BACKGROUND

Pursuant to authority of the City Council and after proper legal advertisement, bids for the above referenced project were obtained at 10:00 A.M., in the Baxter City Hall on Thursday, April 16, 2026.

The following three bids were received:

Anderson Brothers Construction Company	\$1,215,289.64
Ideal Construction, Steven F. Kobliska & Sons, LLC	\$1,379,270.05
Knife River Corporation – North Central	\$1,379,807.00
Engineers Estimate	\$1,176,391.65

As a whole, the project is estimated to be \$152,931.22 or 10.1% over the Feasibility Study budget. Even though the project cost went up, the assessments went down by approximately \$300 per assessment. The main reason for the increase in project cost is related to the watermain improvements. The watermain improvements came in \$222,801.81 over the estimate in the Feasibility Report. The Feasibility Report cost estimate was based on previous years cost estimates with an adjustment for inflation and overall final quantity compared to the previous quantity. There are four main drivers for the watermain improvements cost.

The first is related to the exploratory excavations to review the watermain tee materials. If a watermain tee is found to be plastic, it will be replaced with a ductile iron tee. Based on 2024 Hydrant and Plastic Tee Review Report, the watermain tees in the Timberlane Area are likely ductile iron and the Cherrywood area is likely plastic. If the Timberlane areas does not require any watermain replacements, the project cost could be reduced by \$70,906. With the Cherrywood Area being likely plastic, the \$30,155 should stay in the budget.

The second driver in the watermain costs is related to Hydrant Restoration. Hydrant Restoration involves removing the interior components of the hydrant and replacing some of the wearing parts. On previous projects, there have been hydrants that can't be fully restored because the hydrants won't come full apart. To make sure the City has a fully functioning hydrant, they have elected to replace those hydrants. In the plans, we estimate half of the hydrants can't be restored. This allows us to have a price to replace the hydrant and reduce the chances of a costly change order. If the three hydrant replacements are not required, this would reduce the project cost by \$28,242. Each year there has been at least 1 hydrant that has not been able to be fully restored.

The third item are the 6" gate valve replacements. There is a significant amount of valves within the project area and each year there are a few that are found to be not fully operational. Additionally, if the hydrant can't be fully restored, often the valve is not fully operational as well. There are six 6" gate valve replacements in the plan. If no valves are replaced with this project, this would reduce the project cost by another \$25,271.

The fourth item is dewatering for the watermain work. In past projects, dewatering has not been an issue to complete the watermain repairs. There are areas of the City that do have high water table but the areas we are working so far have been dry. Similarly, with this year’s project, dewatering was not anticipated as surrounding areas indicated the water table could be 1-2 feet below the watermain. In the construction document, dewatering was initially made incidental. During bidding, there were multiple calls regarding dewatering. Since the dewatering was made incidental to the watermain items, the concern was that we could get inflated bids to take into account dewatering. Since soil borings were not completed as part of this project, there was no definitive way to determine if the water table was going to cause issues. An addendum was drafted adding dewatering by the each to the contract for select areas. The total bid price for the dewatering is \$71,620. The guidance in the construction documents is to use exploratory excavation hours to determine if dewatering is required prior to setting up the dewatering. If no dewatering is used on the project, this could save an additional \$71,620 of the project budget.

In total, if the above four items are reduced as explained, the total project cost could be reduced by approximately \$196,039.

Below is a table comparing the Current Project Budget and the budget from the Feasibility Report.

RESIDENTIAL M&O ASSESSMENT CALCULATIONS		BIDDING	FEASIBILITY REPORT	DIFFERENCE	% CHANGE
ESTIMATED TOTAL PROJECT COST:		\$1,664,146.56	\$1,511,215.34	\$152,931.22	10.1%
ESTIMATED ASSESSABLE PROJECT COST:	62.41%	\$1,038,586.23	\$1,083,863.39	-\$45,277.16	-4.2%
ESTIMATED ERU'S:		143	143		
ESTIMATED ERU ASSESSMENT:		\$7,262.84	\$7,579.46	-\$316.62	-4.2%
CITY COSTS:					
ROADWAY:		\$27,839.67	\$71,270.68	-\$43,431.01	-60.9%
STORM SEWER:		\$205,485.09	\$186,647.51	\$18,837.58	10.1%
WATERMAIN:		\$392,235.57	\$169,433.76	\$222,801.81	131.5%
TOTAL CITY COST	37.59%	\$625,560.33	\$427,351.95	\$198,208.38	46.4%
ASSESSMENT SUMMARY					
ASSESSMENTS TO BENEFITTING PROPERTIES:		\$1,038,586.23	\$1,083,863.39	-\$45,277.16	-4.2%
ESTIMATED TOTAL PROJECT COST:		100.00%	\$1,664,146.56	\$1,511,215.34	\$152,931.22

FINANCIAL IMPLICATIONS

Upon award of the construction contract, the City will begin incurring costs associated with construction including monthly payment applications from the contractor. The total estimated cost of the improvements is \$1,664,146.56 which includes contingencies and estimated engineering, legal, finance and other project related costs. The total portion of the cost to be paid by the City is estimated to be \$625,560.44 and the portion of the cost proposed to be assessed to benefiting property owners is \$1,038,586.12.

STAFF RECOMMENDATIONS

Staff recommends adoption of Resolution 2026-042 Accepting the Bid from Anderson Brothers Construction Company in the amount of \$737,884.85 for the 2026 Mill & Overlay Improvements Project, Municipal Project No. 4426.

COUNCIL ACTION REQUESTED

MOTION to adopt Resolution 2026-042 Accepting the Bid from Anderson Brothers Construction Company in the amount of \$1,215,289.64 for the 2026 Mill & Overlay Improvements Project Municipal Project No. 4426.