



ITEM REPORT UTILITIES COMMISSION

Agenda Date: 6/8/2022
Agenda Section: Business Item

Department Origination: Public Works

Agenda Item: Award the Base Bid to ASTECH Corporation of St. Cloud, Minnesota in the amount of \$306,774.40 for the 2022 Micro Surfacing Improvements Project

Approval Required: Simple Majority Vote

BACKGROUND

The City Pavement Management Plan identifies the residential area generally located west of Memorywood Drive, north of TH 210, east of Oakwood Drive and south of Cedar Scenic Road as a pavement maintenance project utilizing micro surfacing in 2022. These segments were identified as micro surfacing candidates as they have 2019 PASER ratings of 6 & 7 and exhibit slight to moderate surface distress.

The proposed schedule for the project is:

- May 4, 2022 – Utility Commission approves plans and specifications and authorizes bidding.
- May 17, 2022 – City Council approves plans and specifications and authorizes bidding.
- May 18, 2022 and May 25, 2022 – Bid Advertisement
- **June 2, 2022 – Bid Opening**
- **June 8, 2022 – Bid Recommendation to Utility Commission**
- June 21, 2022 – Bid Recommendation to City Council
- Project Completion date is September 15, 2022

Pursuant to authority of the City Council and after proper legal advertisement, bids for the above referenced project were opened and read aloud at Baxter City Hall at 11:00 A.M. on Tuesday, June 2, 2022. One bid was received from ASTECH Corp. of St. Cloud, Minnesota for the Base Bid in the amount of \$306,774.40 and Bid Alternate #1 in the amount of \$142,007.50 for a Total Bid amount of \$448,781.90.

The Base Bid includes Micro Surfacing Fairview Road, Norway Drive, Meredith Drive, Lancer Drive, Lancer Place, Shadowwood Drive, Honeysuckle Way and Michelle Circle. Bid Alternate #1 includes Micro Surfacing Travine Drive, Paper Birch Drive, and Deerwood Road.

Due to the increase in bid unit costs 18,500 square yards of Micro Surfacing planned for 2022 will not be completed. The City Pavement Management Plan cost estimates are based on a unit cost of \$5 per square yard of bituminous surface to be Micro Surfaced. The 2022 Project Bid resulted in a unit cost of \$7.69 per square yard. We do not anticipate the price of Micro Surfacing to return to 2021 levels which will affect the city's ability to complete planned pavement management projects in subsequent years.

City staff has requested Bolton & Menk present a proposal at the June 8, 2022 Utilities Commission meeting to update the annual budget of the micro surfacing portion of pavement management plan and analyze if an increase in franchise fee rates is warranted to fund the program.

FINANCIAL IMPLICATIONS

Based on the proposed project scope, the estimated cost for construction based on past projects was \$310,000 for a total estimated project cost of \$336,660 including engineering. The project is funded through franchise fees designated for street pavement management improvements. The Project Bid was structured to include 70% (by area) of the identified streets as a base bid and the remaining 30% as a bid alternate to structure a project to be in the range of a construction cost of \$310,000

The total low bid is approximately 6% higher than the Engineer's estimate of \$422,383.00. Attached is the bid award letter and bid abstract for this project. The city had budgeted a construction cost of \$310,000.00. The cost per square yard for the 2022 Micro Surfacing Bid is \$7.69 which is a 62% increase from the 2021 Micro Surfacing Bid of \$4.79. We anticipated higher bids in 2022 based on the increased cost of bituminous materials.

STAFF RECOMMENDATIONS

Staff recommend awarding the Base Bid to ASTECH Corporation of St. Cloud, Minnesota in the amount of \$306,774.40 and not awarding Bid Alternate #1 in the amount of \$142,007.50.

COUNCIL ACTION REQUESTED

Motion to award the Base Bid to ASTECH Corporation of St. Cloud, Minnesota in the amount of \$306,774.40 for the 2022 Micro Surfacing Improvements Project.