



ITEM REPORT UTILITIES COMMISSION

Agenda Date: 8/5/2026
Agenda Section: Business Item

Department Origination: Public Works

Agenda Item: Adopt Resolution No. 2026-XXX Accepting Bid and Awarding Contract to Young Excavating for the 2026 CSAH 48 (Highland Scenic Road) Trail Connection Project, Municipal Project No. 4140

Approval Required: Simple Majority Vote

BACKGROUND

The plans, Right of Way Certificate, and specifications have been completed and reviewed by State Aid. They have also received final review and approval from the Central Office. The project was given federal authorization to advertise and bid on June 11th, 2026.

Resolution 2026-050 to authorize the advertisement of bids for the project was adopted at the July 7th City Council Meeting. The project was advertised July 8th, 15th, and 23rd of 2026 and bids were opened on July 30th, 2026 at 10:00 AM.

The following three (3) bids were received:

Contractor:	Bid Amount:
R.L Larson Excavating	\$1,517,745.80
Urban Companies	\$1,894,307.40
Young Excavating	\$1,489,037.63

Young Excavating of Hackensack, Minnesota is the lowest responsible bidder in the amount of \$1,489,037.63 for the 2026 CSAH 48 Trail (Highland Scenic Road) Trail Connection Project, Municipal Project No. 4140.

The total project cost estimate identified below in the Financial Implications section is based on the as-bid construction costs, costs to date, and cost participation policy that was approved with Crow Wing County.

Due to the federal funds on the project, the contract cannot be awarded until approval has been given from the MNDOT Office of Civil Rights (OCR) that the Disadvantaged Business Enterprise (DBE) Requirement has been met. The DBE requirement ensures that the contractor is offering equal employment opportunities. Approval was given on August 4th, 2026.

FINANCIAL IMPLICATIONS

The tables below reflect the updated costs after bid award and the project budget.

Budget Line Item	Project Costs Based on Engineers Estimate	Project Costs Based on Bid Award
Construction Segment 1 (TA Portion)	\$ 569,524.03	\$ 637,434.88
Construction Segment 2 (HSIP Portion)	\$ 741,147.35	\$ 851,602.75
Construction Total	\$ 1,310,671.38	\$ 1,489,037.63
Engineering Segment 1 (TA Portion)	\$ 182,609.29	\$ 179,901.50
Engineering Segment 2 (HSIP Portion)	\$ 237,637.71	\$ 240,345.50
Engineering Total	\$ 420,247.00	\$ 420,247.00
ROW Acquisition Segment 1 (TA Portion)	\$ 62,430.00	\$ 62,430.00
ROW Acquisition Segment 2 (HSIP Portion)	\$ 8,200.00	\$ 8,200.00
ROW Acquisition Total	\$ 70,630.00	\$ 70,630.00
City Legal Segment 1 (TA Portion)	\$ 4,500.00	\$ 4,500.00
City Legal Segment 2 (HSIP Portion)	\$ 5,500.00	\$ 5,500.00
City Legal	\$ 10,000.00	\$ 10,000.00
Wetland Bank Credit	\$ 1,478.89	\$ 1,478.89
Total Project Budget	\$ 1,813,027.27	\$ 1,991,393.52

Project Funding Group	Funding Based on Engineers Estimate	Funding Based on Bid Award
TA Grant (Segment 1)	\$ 455,619.22	\$ 461,369.00
HSIP Grant (Segment 2)	\$ 667,032.62	\$ 750,000.00
Crow Wing County	\$ 253,024.64	\$ 313,902.15
City of Baxter MSAS	\$ 458,734.98	\$ 649,928.04
Total Project Funding	\$ 1,834,411.46	\$ 2,175,199.19

City of Baxter:		
City of Baxter TA Cost Share (20%)	\$ 56,952.40	\$ 57,671.13
City of Baxter HSIP Cost Share (10%)	\$ 37,057.37	\$ 41,662.50
Remainder of Construction	\$ -	\$ 39,500.69
Engineering	\$ 302,286.58	\$ 286,233.61
ROW Acquisition	\$ 35,315.00	\$ 35,315.00
City Legal	\$ 5,000.00	\$ 5,000.00
Wetland Bank Credit	\$ 739.45	\$ 739.45
Total City Cost:	\$ 437,350.80	\$ 466,122.37
Available MSAS to City	\$ 458,734.98	\$ 649,928.04
Remaining City Cost (Amount needed to fund project)	\$ (21,384.19)	\$ (183,805.67)

The City's portion of the project consists of \$466,122.37. Staff is proposing to utilize state aid funds to pay for the City's portion of the project. There is \$649,928.04 eligible for state aid funds on the project meaning there is \$183,805.67 of eligible state aid not being utilized.

STAFF RECOMMENDATIONS

Staff recommends adoption of Resolution No. 2026-XXX Accepting Bid and Awarding Contract to Young Excavating for the 2026 CSAH 48 (Highland Scenic Road) Trail Connection Project, Municipal Project No. 4140.

COUNCIL ACTION REQUESTED

MOTION to adopt Resolution No. 2026-XXX Accepting Bid and Awarding Contract to Young Excavating for the 2026 CSAH 48 (Highland Scenic Road) Trail Connection Project, Municipal Project No. 4140.