



REQUEST FOR ACTION CITY COUNCIL

Agenda Date: 7/15/2025
Agenda Section: Consent Agenda

Department Origination: Public Works

Agenda Item: Adopt Resolution 2025-059 for Accepting the Bid from J.R. Ferche, Inc in the amount of \$2,589,186.15 for the 2025 Design Road & TH 371 Stormwater Improvements Project Municipal Project No. 4135

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 Friday June 20, 2025. There were four bids submitted at the time of the bid opening. Two of the four bids were found to be non-responsive. Additional details on the two non-responsive bids can be found in the attached Award Recommendation letter. The two bids that were found to be responsive are listed below.

The following two bids were received:

J.R. Ferche, Inc	\$2,537,715.40
Pratt's Affordable Excavating, Inc	\$2,747,788.00
Engineer's Estimate	\$3,379,173.14

Final estimated costs splits, and assessment calculations were completed. A comparison of the current estimated project costs and assessments is shown in the table on the next page:

2025 Design Road & TH 371 Stormwater Improvement Project

	Improvement Hearing		Final Project Budget
Estimated Total Project Cost:	\$4,197,698		\$3,589,186.15
MNDOT Funding Sources			
Protect Funds (ATP 3)	\$625,000		\$194,945.87
MNDOT District 3 Funds	\$2,400,000		\$2,400,000.00
MNDOT Summary			
Roadway:	\$232,635		\$282,836.45
Water:	\$242,491		\$191,148.17
Sanitary Sewer:	\$333,171		\$287,369.48
Storm Sewer:	\$2,216,703		\$1,833,591.76
Total Estimated MNDOT Cost:	\$3,025,000		\$2,594,945.86
 Remaining Total Project Cost	 \$1,172,698		 \$994,240.29
 Assessable Costs:	 \$438,565	 37%	 \$469,543.37
Cost per Assessable foot:	\$198.27		\$212.27
 City Cost Summary:			
Roadway:	\$56,458		\$57,189.41
Water:	\$58,850		\$38,650.08
Sanitary Sewer:	\$80,857		\$58,105.98
Storm Sewer:	\$537,968		\$370,751.45
Total Estimated City Cost:	\$734,133	63%	\$524,696.92
			53%

As shown above, the construction costs came in lower than the engineers' estimate. The roadway costs came in slightly higher than estimated, which resulted in the assessable costs increasing slightly. The underground utility work did come in lower than anticipated, which is likely due to having an underground utility contractor as the prime contractor. With a reduction in estimated project cost, the funding was also reduced to only cover the eligible items. If change orders are required and if they are eligible for funding, the City does have additional ATP 3 Protect Grant funds available to pull from. The additional ATP 3 funding is approximately \$430,0054.13. If change orders are required on non-eligible costs, they would increase the City's total cost on the project. The project's funding sources and uses are shown in Exhibit A.

Due to the short time frame between receiving bids and awarding the contract to be able to complete construction in 2025, the Assessment Hearing is tentatively scheduled for September 25th, 2025. This differs from the City's normal operating procedure of holding the Assessment Hearing prior to the award of the Contract however it still meets the requirements of the Chapter 429 Assessment Statutes.

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 \$3,589,186.15 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 \$524,696.92 and the portion of the cost proposed to be assessed to benefiting property owners is \$469,543.37, resulting in MNDOT Funding covering the remaining \$2,594,945.86.

The project qualifies for utilization of the city's Municipal State Aid construction dollars. On April 1st, City Council adopted Resolution 2025-037 authorizing advancement of municipal state aid funds for this project, with the intention to utilize the state aid funds to reimburse city cost for the project.

STAFF RECOMMENDATIONS

Staff recommend adopting of Resolution 2025-059 Accepting the Bid from J.R. Ferche, Inc in the amount of \$2,537,715.40 for the 2025 Design Road & TH 371 Stormwater Improvements Project Municipal Project No. 4135.

COUNCIL ACTION REQUESTED

MOTION to adopt Resolution 2025-059 Accepting the Bid from J.R. Ferche, Inc in the amount of \$2,537,715.40 for the 2025 Design Road & TH 371 Stormwater Improvements Project Municipal Project No. 4135.