



## REQUEST FOR ACTION CITY COUNCIL

Agenda Date: 8/20/2024  
Agenda Section: Consent Agenda

**Department Origination:** Public Works

**Agenda Item:** Adopt Resolution 2024-075 Accepting the Bid from Pratt's Affordable Excavating, Inc. in the amount of \$551,053.20 for the 2024 CSAH 77 Utility Improvements Project, Municipal Project Number 4118.

**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 10:30 A.M., in the Baxter City Hall on Tuesday, July 15, 2024.

The following four bids were received:

Pratt's Affordable Excavating, Inc.	\$551,053.20
JR Ferche, Inc.	\$556,031.05
Northdale Construction Co.	\$628,806.65
R.L. Larson Excavating, Inc.	\$638,512.16

A comparison of the current estimated project costs and assessments compared to the numbers presented at the Improvement Hearing is as follows:

	Improvement Hearing	Current Estimate
<b>Water</b>		
Estimated Project Cost:	\$580,630	\$504,726.35
Estimated City Contribution (15%):	<u>\$87,095</u>	<u>\$75,708.95</u>
Remaining Assessable Project Cost:	\$493,535	\$429,017.40
Total Assessable Area (SF):	710,645	710,645
Cost per Assessable SF:	\$0.6945	\$0.6037
<b>Gravity Sanitary Sewer</b>		
Estimated Project Cost:	\$223,145	\$227,541.55
Estimated City Contribution (15%):	<u>\$33,470</u>	<u>\$34,131.23</u>
Remaining Assessable Project Cost:	\$189,675	\$193,410.31
Total Assessable Area (SF):	710,645	710,645
Cost per Assessable SF:	\$0.2669	\$0.2722
<b>Forcemain</b>		
Total Estimated Project Cost:	\$157,385	\$120,231.38
Estimated City Contribution (100%):	\$157,385	\$120,231.38
Assessable Project Costs:	\$0	\$0

### **Project Cost Summary**

Assessed Costs:	\$683,210	\$622,427.71
City Costs:	<u>\$277,950</u>	<u>\$230,071.56</u>
Total Project Cost:	\$961,160	\$852,499.27

Overall project costs are 11.3% lower than what was estimated for the Improvement Hearing. Based on review of the project costs, Widseth is recommending awarding the project to Pratt's Affordable Excavating, Inc.

The bidding documents required the Contractor to begin work on or after April 1, 2025, to allow time for the City to obtain the last easement needed for the project. Initial discussion with the Contractor indicates they are willing to start this fall and finish in 2025 with no additional cost to the City or property owners.

There are a couple of options on how this could work. The contractor can work in only the areas with secured easements and leave out the approximately 260' of utility improvements proposed on Parcel 40310611. The work on Parcel 40310611 can be completed in 2025 after the City has completed the condemnation process or sooner if the City reaches a settlement with the property owner. The contractor could start work as early as mid-September.

A second option is to re-design the sanitary sewer and water around Parcel 40310611 by utilizing the existing right-of-way of CSAH 77. This would require approval and a utility permit from the Crow Wing County Highway Department. There are some additional costs associated with this option including re-design and increased construction costs associated with work around additional private utilities, the use of alternative construction techniques like directional drilling, shoring to prevent the disruption of CSAH 77 and Parcel 40310611 and additional traffic control. These additional costs may be offset however by the current estimated cost of \$42,000 for the condemnation process.

The City council should also be aware the developer of the storage unit project on Parcels 40310607, 40310608, and 40310609 and the owner of Parcel 40310610 are proceeding with their plans after the City Council adopted the assessment on Wednesday, August 7, 2024. The storage unit project is moving forward with design and would like to begin construction yet this fall. City services would not be needed until mid-summer 2025. The owner of Parcel 40310610 would like to put their property up for sale but cannot do so until city sanitary sewer and water service is made available.

### **FINANCIAL IMPLICATIONS**

Upon award of the construction contract, the City will begin incurring costs associated with construction including monthly payment applications from the contractor and engineering fees for construction services.

The total estimated cost of the improvements is \$852,499.27 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 \$230,071.56 and the portion of the cost proposed to be assessed to benefitting property owners is \$622,427.71. The \$224,597.57 assessment to Parcel 40310611 represents 26.3% of the total project cost. Overall project costs are 11.3% lower than what was estimated for the Improvement Hearing.

### **STAFF RECOMMENDATIONS**

Staff recommends adoption of Resolution 2024-075 Accepting the Bid from Pratt's Affordable Excavating, Inc. in the amount of \$551,053.20 and working with the contractor to begin construction this fall.

### **COUNCIL ACTION REQUESTED**

**MOTION** to Adopt Resolution 2024-075 Accepting the Bid from Pratt's Affordable Excavating, Inc. in the amount of \$551,053.20 for the 2024 CSAH 77 Utility Improvements Project, Municipal Project Number 4118.