



## ENGINEERING MEMORANDUM

March 14, 2024

RE: March 19<sup>th</sup> Commission Meeting

### **2024 ROAD MAINTENANCE PROJECT – BID AWARD TO NORTHERN IMPROVEMENTS COMPANY**

For your consideration is a bid award for the project number 202401 – 2024 Road Maintenance project. The bid opening took place at City Hall on Wednesday March 13, 2024 where one bid was received. The engineer's opinion of probable cost for base bid and alternate 1 was \$5,005,140.60, and the total bid was **\$5,973,174.92** – a difference of approximately 19 percent. The key differences were noted to be: longer haul distances for higher grades of oil affecting prices for asphalt pavement, labor and union rates have increased, and traffic control for a project with this footprint will be more complex. The assessable costs concrete costs, however, were close to the engineer's estimate with sidewalk and driveway replacement costs only 1% over engineer's estimate and curb and gutter replacement costs being 5 percent under engineer's estimate. Therefore, the changes to the individual SID amounts will be minimal.

Key attributes to the project include:

- Two mill and overlay special improvement districts
- 15<sup>th</sup> Street West & 6<sup>th</sup> Avenue West mill and overlay
- 21<sup>st</sup> Street East – 10<sup>th</sup> Avenue East to the City Limits mill and overlay
- 6.8 centerline miles of street chip seal
- 10 centerline miles of alley chip seal

The construction is planned to be completed during the 2024 construction season, and the contractor has indicated they plan to start the work in late May or early June. The project was budget in the 2024 capital improvement project plan with the following funding sources; Gross Production Tax (GPT) and does not exceed the approved budget.

The city engineering staff recommends approval of base bid and alternate 1.

