Mayor and Members of the City Council

STAFF REPORT

For the Meeting of October 26, 2026

Title/Subject

Resolution 2446: Jennie Ave. (LID 324) Contract Award.

Summary

This resolution will authorize staff to award a contract to construct the Jennie Avenue (LID324) project.

Background

City Council approved Ordinance 2383 on August 24th, which created Local Improvement District (LID) 324. LID 324 will develop approximately a half mile of new roadway by extending Jennie Avenue between NE 8th Place and NE 10th Street. The roadway will be constructed as a typical local street to the centerline of the right of way, as well as an additional 11' of paving on the north side of the right of way to accommodate two-way traffic.

Tie-In to Council Goals

City Facilities: Public facilities that meet the community needs of today and the future

Fiscal Information

Bids were opened on October 20 as follows:

Bolen Construction LLC	$692,835.00
Culbert Construction, Inc.	$723,744.00
Wickwire Contracting LLC	$773,250.00
Premier Excavation, Inc.	$787,987.75
Humbert Asphalt, Inc.	$795,387.50
Crestline Construction	$801,175.00
Corridor Contractors	$802,637.50
Silver Creek Contracting LLC	$809,302.49
C&E Trenching LLC	$859,790.00
Engineer's Estimate	*$890,000.00*

This project will be primarily paid for by the benefitting properties within the LID, with the City of Hermiston taxpayers contributing a portion to be determined by City Council upon final completion of the roadway.

The Preliminary Engineering Report relied upon in formation of the LID originally estimated the construction cost to be $862,000, along with a 20% contingency of $172,000 for a total of $1,034,000. Given the nature of preliminary engineering estimates, a 20% contingency is standard practice. Upon awarding a final contract price, it is typical to revise the contingency budget figure down to 10% of the contracted amount. Therefore, it is now estimated that the construction cost, with a 10% allowance for unforeseen changes in conditions, will total $762,000. This translates to an expected cost savings of $272,000. Given that the entire project cost (design, construction, contingency, oversight, etc.) in the PER was $1,206,000, it is currently estimated that the final total costs to the LID stakeholders will come in approximately 20% to 30% below the original estimates which were published during LID formation.

Finally, it is important to note that approval of Resolution 2446 only awards the construction contract. It does not assign, or apportion, assessments to any of the benefitting properties. The final assignment and levying of charges will be done some time in mid-2027 after the project has been completed and all final costs have been tabulated and reconciled.

Alternatives and Recommendation

Alternatives

1. Approve Resolution 2446
2. Reject Resolution 2446
3. Table Resolution 2446

Recommended Action/Motion

Approve Resolution 2446

Submitted By:

Mark Morgan