



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Jason Anderson
Meeting Date:	Monday, November 7, 2022
Category:	AWARD OF BIDS
Type:	ACTION
Subject:	Project ST-008 / SAP No. 139-121-004: Channel Parkway Pavement Replacement Project - Consider Rejection of Bids Received and Authorize Redesign of the Project.
Background Information:	<p>This project consists of: replacement of existing bituminous pavement with concrete pavement, replacement of curb and gutter, and ADA pedestrian ramps along Channel Parkway.</p> <p>On October 20, 2022, bids were received for the above-referenced project. Four bids were received as shown on the attached Bid Tabulation. The apparent low bid was from Hulstein Excavating Inc. of Edgerton, Minnesota, in the amount of \$3,790,693.55. The engineer's estimate was approximately \$3,123,900.</p> <p>City staff is proposing to utilize a \$1.25M Local Road Improvement Program (LRIP) grant, in addition to Municipal State Aid System (MSAS) funds to pay for this project.</p> <p>Due to prices coming in over City budget, staff is recommending to reject all bids received on this project and to re-evaluate the type of surface for this project. The City's current MSAS fund balance is (\$2,226,410.24). Paying for this project with MSAS funds would require long-term debt to be issued with payments coming from the MSAS account. With rising costs MSAS funding is not keeping up with system needs.</p> <p>City staff would propose a significant mill and overlay of Channel Parkway in lieu of the concrete surfacing to reduce costs while still meeting the intent of the LRIP grant that we have for this project. Staff has had conversations with our MnDOT State Aid Engineer and with the MnDOT State Programs Engineer to review our Local Road Improvement Grant (LRIP) to ensure that a mill and overlay project would be grant eligible. We have received confirmation that we could proceed in this manner, provided the project has a minimum 10-year lifespan. Staff believes the mill and overlay will provide a 15-20 year lifespan.</p>
Fiscal Impact:	<p>The project is included in the 2023 capital improvement plan (CIP). The City has been awarded a maximum Local Road Improvement Program (LRIP) grant award in the amount of \$1,250,000 towards construction of the project.</p> <p>At their meeting on 02/23/2021, the City Council adopted a "Resolution of Support for Channel Parkway LRIP Application, authorizing City staff to submit an LRIP grant application for the concrete resurfacing of Channel Parkway." Per the attached letter from MnDOT dated 09/07/2022, the City is authorized to advance the status of this project, and the project LRIP funding is capped at \$1,250,000. The LRIP project</p>

	funding requires the execution of a MNDOT grant agreement before the LRIP funds can be authorized.
Alternative/ Variations:	No alternative actions recommended.
Recommendations:	that the City Council reject all bids received and authorize City staff to proceed with redesigning the project to a mill and overlay project.