

CITY OF MARSHALL
AGENDA ITEM REPORT

Meeting Date:	Tuesday, May 24, 2022
Category:	AWARD OF BIDS
Type:	ACTION
Subject:	Project ST-023: W. Lyon Street (College to 1 st) Reconstruction Project - 1) Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds; 2) Resolution Accepting Bid (Awarding Contract).
Background Information:	<p>The project limits include: W. Lyon Street (E. College Drive to N. 1st Street). The proposed project was originally included in the scope of the Z82 (N. 1st/Redwood/Marshall) Reconstruction Project constructed in 2021. In consideration of the unknown status regarding the potential development of the Block 11 property, the block of W. Lyon Street between E. College Drive and N. 1st Street was removed from the scope of the project.</p> <p>The developer of the Block 11 property has submitted for a building permit and is working with the City Attorney on finalization of the land ownership transaction. Staff is confident that the Block 11 redevelopment project is well on its way to construction this summer. With these developments set to occur, staff believes that the Council should feel comfortable moving forward with street reconstruction on this block.</p> <p>On May 19, 2022, bids were received for the above-referenced project. Two bids were received as shown on the attached Resolution Accepting Bid. The low bid was from R&G Construction Co. of Marshall, Minnesota, in the amount of \$409,645.10. The engineer's estimate for the construction portion of the project is \$332,680.00.</p>
Fiscal Impact:	<p>The proposed project is included in the 2022 capital improvement plan (CIP).</p> <p>The above-referenced project, or a portion thereof, may be financed by the sale of bonds with repayment coming from assessments and Debt Service Fund Levy. It is required that action be authorized by City Council via Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds.</p> <p>Attached is the "Resolution Accepting Bid" awarding the contract to R&G Construction Co. of Marshall, Minnesota, in the amount of \$409,645.10.</p> <p>The estimated total project cost including 5% allowance for contingencies and 16% for engineering and administrative costs is \$498,947.73.</p> <p>All improvements will be assessed according to the current Special Assessment Policy, including but not limited to participation from Marshall Municipal Utilities, Wastewater Department, Surface Water Management Utility Fund and Ad Valorem participation.</p> <p>The financing and cost participation will be forthcoming and addressed at the time of the Resolution Declaring Cost to be Assessed.</p> <p>Though the project is over our estimate, engineering staff has discussed funding with our Finance Department and the City is prepared and able to cover the proposed cost of this project.</p>
Alternatives:	No alternative actions recommended.

Recommendations:	<p>Recommendation No. 1 that the Council adopt RESOLUTION NUMBER 22-057, which provides for Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds for Project ST-023: W. Lyon Street (College to 1st) Reconstruction Project.</p> <p>Recommendation No. 2 that the Council adopt RESOLUTION NUMBER 22-058, which provides for the Resolution Accepting Bid (Awarding Contract) and authorizing entering into an agreement with to R&G Construction Co. of Marshall, Minnesota, in the amount of \$409,645.10 for Project ST-023: W. Lyon Street (College to 1st) Reconstruction Project.</p>
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RESOLUTION NUMBER 22-057

**DECLARATION OF OFFICIAL INTENT
REGARDING THE REIMBURSEMENT OF EXPENDITURES
WITH THE PROCEEDS OF TAX-EXEMPT BONDS**

WHEREAS, under regulations adopted by the Secretary of the Treasury of the United States of America, the City of Marshall, Minnesota (the "City") is required to make a declaration of its official intent prior to making a capital expenditure, if it intends to be reimbursed for such capital expenditure at a future date from the proceeds of a tax-exempt bond; and

WHEREAS, the City intends to make capital expenditures with respect to the project described below and also intends to reimburse the fund or account described below from which the capital expenditure will be initially paid from the proceeds of an issue of tax-exempt bonds issued at a future date.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City as follows:

1. A general functional description of the project for which the expenditures to be reimbursed are paid is set forth below:

PROJECT ST-023: This project consists of: reconstruction and utility replacement on W. Lyon Street from E. College Drive to N. 1st Street; watermain, sanitary sewer, and storm sewer will be installed with a concrete paved surfacing. Water and sewer services will be installed to the right-of-way and connected to the existing watermain and sanitary sewer main. This project will also include new curb & gutter, sidewalk, and driveway aprons.

The principal amount of debt expected to be issued for the project referred to above will not exceed \$525,000.

2. The fund or account from which the expenditures to be reimbursed are to be paid and the general functional purpose of the fund or account is set forth below:

Public Improvement Projects Fund

3. The City reasonably expects to reimburse the expenditures referred to above with the proceeds of tax-exempt bonds.
4. This statement of the official intent of the City is a declaration of official intent under the regulations adopted by the Secretary of the Treasury of the United States of America.

Passed and adopted by the City Council this 24th day of May, 2022.

ATTEST:

City Clerk

Mayor

This Instrument Drafted By: Jason R. Anderson, P.E.; Director of Public Works/City Engineer

**RESOLUTION NUMBER 22-058
RESOLUTION ACCEPTING BID (AWARD CONTRACT)**

WHEREAS, pursuant to an advertisement for bids for the following project:

PROJECT ST-023: This project consists of: reconstruction and utility replacement on W. Lyon Street from E. College Drive to N. 1st Street; watermain, sanitary sewer, and storm sewer will be installed with a concrete paved surfacing. Water and sewer services will be installed to the right-of-way and connected to the existing watermain and sanitary sewer main. This project will also include new curb & gutter, sidewalk, and driveway aprons.

bids were received, opened and tabulated according to law, and the following bids were received complying with the advertisement:

Bidder	Bid Amount
R&G Construction Co. Marshall, MN	\$409,645.10
Duininck, Inc. Prinsburg, MN	\$428,686.65

AND WHEREAS, it appears that R&G Construction Co. of Marshall, Minnesota, is the lowest responsible bidder.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MARSHALL, MINNESOTA:

1. The Mayor and City Clerk are hereby authorized and directed to enter into a contract with R&G Construction Co. of Marshall, Minnesota, in the amount of \$409,645.10, in the name of the City of Marshall for the above referenced project, according to the plans and specifications therefore approved by the City Council and on file in the office of the City Clerk.

Passed and adopted by the City Council this 24th day of May, 2022.

ATTEST:

City Clerk

Mayor

This Instrument Drafted By: Jason R. Anderson, P.E.; Director of Public Works/City Engineer