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MEMORANDUM

TO: Mayor and City Council
Joshua Tetzlaff, City Administrator

CC: Matt Rynda, Public Works Director
Bruce Reimers, Utilities General Manager

FROM: Chris Knutson, PE, City Engineer (Lic. MN))

DATE: February 25, 2025

RE: 2025 Street and Utility Improvement Project
Resolution Accepting Bids
SEH No. SEH No. NEWPR 179117 14.00

BID OPENING

Attached is a summary of the bid opening held on Friday, February 21, 2025, along with a summary tabulation of the ten bids received with the recommendation of award.

REVIEW OF BIDS / BUDGET IMPACTS

Cost estimates for the project were put together last year and updated just prior to the project bidding. A summary of these estimates is shown below:

Contractor	Base Bid
Holtmeier Construction, Inc.	\$ 4,268,296.04
Northwest	\$ 4,334,279.69
RL Larson Excavating Inc.	\$ 4,467,815.06
Valley Paving, Inc	\$ 4,542,622.78
Northdale Construction Company, Inc.	\$ 4,557,554.31
S.M. Hentges & Sons, Inc.	\$ 4,626,346.50
A-1 Excavating LLC	\$ 4,948,524.10
Heselton Construction, LLC.	\$ 4,961,771.64
BCM Construction, Inc.	\$ 4,999,034.23
McNamara Contracting	\$ 5,134,415.70
Engineer's Estimate	\$ 5,241,038.00

The project includes the improvements identified within the Feasibility Report and for general street and utility reconstruction. The low bidder on the project was Holtmeier Construction, Inc out of Mankato, MN with a total bid of \$4,268,296.04. The low bid by Holtmeier Construction, Inc. is approximately 18% lower than the Final Engineer's Estimate. Holtmeier Construction has previously completed work in the City of New Prague, including the 2023 Street and Utility Improvement Project which was completed on budget and ahead of schedule.

Engineers | Architects | Planners | Scientists

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The following table shows the cost split for the improvements compared to Holtmeier’s bid.

Improvement	Final Engineer’s Estimate	Holtmeier Construction Bid
Street and Restoration	\$3,112,135.50	\$2,504,384.92
Storm Sewer	\$652,476.00	\$497,917.82
Sanitary Sewer	\$659,612.50	\$545,586.80
Water Main	\$816,814.00	\$720,406.50
	\$5,241,038.00	\$4,268,296.04

As with the previous two projects, there were multiple bids received for the project and for this project specifically, all were below the engineer’s estimate. The engineer’s estimate as prepared was based on average unit price bids received on the 2024 project with a 5% inflationary increase. The differences between the engineer’s estimate and the Holtmeier Construction Bid were spread across all categories, though the highest differences were in the street and storm sewer pay items.

The following table shows the estimated funding split based on Holtmeier’s Construction Bid.

Improvement	Estimated Total Construction Costs
General Funds (Street)	\$1,493,632.31
Storm Sewer	\$333,126.52
Sanitary Sewer	\$545,586.80
Water Main	\$720,406.50
State Aid (MSAS)	\$1,075,354.33
State Aid (Active Transportation Grant)	\$100,189.58
	\$4,268,296.04

If council proceeds with awarding the project, SEH will provide a proposal for services related to construction of the project at the March 17th council meeting. A proposal from Chosen Valley Testing will be obtained for construction testing throughout the project.

STAFF/ENGINEER RECOMMENDATION

It is recommended that the City Council approve the attached Resolution Accepting Bids for the 2025 STREET AND UTILITY IMPROVEMENT PROJECT and to award the contract to Holtmeier Construction, Inc., of Mankato, Minnesota.

cdk
 Attachment: Resolution Accepting Bids, Tabulation of Bids