



REQUEST FOR COUNCIL ACTION

Title: 2021 Overlay Project Contract Award

Preferred Agenda: August 10, 2021

Submitted By: Trish Rice, Engineering Tech 2
Greg Springman, Public Works Director

Reviewed By: Ray Towry, City Manager

Type of Action: Resolution ____ Motion ____ Roll Call X Other ____

Relevant Code/Policy: n/a

Towards Council Goal: Goal 1.1c Develop specific steps for implementation of the adopted infrastructure master plans (streets)

Attachments: Bid tabulation
Contract document
Construction plans

Purpose of this RCA:

Staff requests authorization to execute the contract for the 2021 Overlay Project Phase 2.

Background/Context:

On April 27, 2021, City Council authorized posting a bid solicitation for the 2021 Overlay Project Phase 2. On June 22, 2021, City Council directed staff to amend the scope of the project. A mandatory pre-bid meeting was held with contractors on June 25, 2021 and was attended by three bidders. The engineer's estimate was \$593,340. The bids closed July 16 and we received three bids. Knife River is the low bidder at \$559,420.

The Challenge/Problem:

How do we make efficient use of limited funds to complete needed streets projects?

Stakeholders:

- Sweet Home Residents – Residents deserve well-maintained City infrastructure that meets their needs and improves their quality of life.
- Sweet Home City Council – The City Council has a goal to provide viable and sustainable infrastructure that serves development and improves residents' quality of life.
- Sweet Home City Staff – City Staff have an interest in completing projects that empower them to meet the Council's goals and which reduce staff time spent repairing poor quality streets.

Issues and Financial Impacts:

Knife River bid \$559,420. There is \$600,000 budgeted for overlays using ODOT exchange funds. The budget provides a 7.1% contingency, which is less than the usually recommended 10-15% construction contingency.

Elements of a Stable Solution:

A stable solution will provide efficient completion of needed street maintenance and improvements.

Options:

1. Option 1 – Award the contract to Knife River. Staff will execute the contract and give the contractor notice to proceed, with a 7.1% contingency not to exceed the budgeted \$600,000.
2. Option 4 – Reject all bids and cancel the project. This option will delay the completion of needed streets work. The project will remain in the CIP and the unspent overlay funds will go into the ending fund balance and be available for re-budgeting.
3. Option 5 – Reject all bids and re-bid the project. This option will delay the completion of needed streets work and would likely result in more expensive bids.

Recommendation:

Staff recommends Option 1 – Award the contract to Knife River.