

REQUEST FOR PURCHASE IN EXCESS OF \$20,000/CHANGE ORDER



To: MAYOR AND CITY COUNCIL

Agenda Item #: IV. I. F.

From: Chad A. Millner, PE, Director of Engineering

The Recommended Bid is

Within Budget

Not Within Budget

Date: June 3, 2014

Subject: Reject Bid - Contract No. ENGI4-6 54th Street Project

Date Bid Opened or Quote Received:
May 13, 2014

Bid or Expiration Date:
July 13, 2014

Company:

Amount of Quote or Bid:

Thomas and Sons Construction, Inc.

\$3,248,680.94

Recommended Quote or Bid:

Reject Bids

General Information:

The 54th Street Project from Wooddale Avenue to France Ave includes street and utility improvements and the 54th Street Bridge over Minnehaha Creek. Bids were opened on Tuesday, May 13; one bid was received. The engineers estimate for the project was \$2.04M; the bid received was \$3.25M.

Several contractors who purchased the project bidding documents were contacted following the bid opening to determine their reasons for not bidding on the project. We learned the following:

1. Only one (1) bridge contractor was willing to provide a bid.
2. Street reconstruction contractors have met or are near their capacity for the remainder of the 2014 construction season.
3. Most street reconstruction contractors have not been able to begin work on current projects due to the amount of rain the region received in April and early May. This means most street reconstruction contractors are likely working in compressed construction season.
4. The smaller size in terms of street length of 54th Street was initially enticing when contractors purchased bidding documents because if awarded, the project could essentially 'fill the workload level gap' for the remainder of the 2014 construction season.
5. Bridge construction would be completed by a sub-contractor.
6. Bridge construction would drive the overall project construction schedule since the work would take approximately 12-16 weeks to complete.
7. General street reconstruction contractors cited challenges and risks with managing a bridge subcontractor who would essentially dictate the overall project construction schedule for a smaller sized street reconstruction project.

The MnDOT bridge office was also contacted about recently bid bridge projects and the current bidding environment from regional bridge projects. We learned that bids were recently rejected on at least three state funded bridges in Wayzata, Carver County and MnDOT Highway 5 over the Mississippi River either due to lack of a competitive bidding environment or higher than anticipated bid prices.

Attached is a table discussing advantages and disadvantages of three (3) post-bid options. Staff is recommending Option No. 1. This option delays the entire project until 2015 and bids it with the proposed Arden Park D Neighborhood Street Reconstruction Project. This should create economies of scale and a more competitive bidding environment thus lowering bid unit prices. It would also allow us the opportunity to apply for MnDOT bridge bond funding that could cover approximately 50% of the bridge cost. If council approves this recommendation, a resolution about the City's wish to try to secure MnDOT bridge bond funding would be brought to council at a later date.

Staff is recommending the City Council reject the bid and authorize staff to rebid the project this winter for a 2015 construction.

Attachments:

Post-Bid Options Table

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Edina, Minnesota
 54th Street Roadway Reconstruction
 CITY NO. 14-6
 SEH NO. EDINA124747
 Post-bid Options
 Date: 5/20/2014
 Revised:

TABLE 2

OPTION NO.	OPTION	ADVANTAGES	DISADVANTAGES
1	Delay the entire project and bid it in 2015 with the proposed Arden Park D neighborhood street reconstruction project	Opportunity to bid the overall project early in 2015	Delays the entire 54th St project one year
		Large overall project size should result in a more competitive bidding environment that would likely produce lower unit prices, effectively lowering assessable amounts for both project areas	Creates larger construction disturbance and inconvenience to the entire Arden Park neighborhood.
		City would have the opportunity to apply for MnDOT bridge bond funding that would cover approximately 50% of cost of the bridge. Discussions with MnDOT indicate the City would have a favorable chance at securing funding due to structural condition of the bridge and the fact that it is a shovel-ready project.	Bridge bond funding approval may not be official until March/April which would delay bid opening. Otherwise, bridge could be bid as a separate project and run concurrently with Arden Park/54th Street project.
		If awarded bridge bond funding, the City would realize the same amount of savings to their State Aid fund.	
2	Re-bid the bridge in 2014 as a stand-alone project and include the north walk with sheeting up to Park Place as a bid alternate. Include the west and east portions in the 2015 Arden Park D neighborhood street reconstruction project.	Most challenging portion of project is completed in 2014 at a favorable time of year (historically lower creek flow rates) making construction easier and reduces construction season timeframe in short-term.	Receiving better bid prices is no guarantee.
		Bridge contractor would likely be the general contractor, reducing coordination costs and timelines.	Creates 2 years of disjointed construction disturbance in long-term.
			City would use State Aid funds to pay for the bridge cost.
3	Re-bid 54th St from Park Pl west in 2014 up to and including the first lift of pavement and include the bridge, east portion and 2nd lift of pavement on the west portion in 2015 with the Arden Park neighborhood.	The worst conditioned pavement on 54th St would be constructed in 2014	No guarantee that the City will receive good bid prices since bids will be opened sometime in June.
		Provides contractor flexibility during construction by including the east segment with the Arden Park project	Construction disturbance for west residents would be for 2 years.