



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Lance Meyer, PE, City Engineer

DATE: 3/2/2020

SUBJECT: CITY HALL RETAINING WALL – AWARD OF BIDS (4398)

I. RECOMMENDED ACTION

1. Recommend council award the low bid to Strata Corporation in the amount of \$4,802,361.00 and authorize the Mayor to sign the contact
2. Recommend Council approve the attached budget amendment on first reading to move the additional funds into the project account.

II. DEPARTMENT CONTACT PERSONS

Lance Meyer, City Engineer	857-4100
Emily Huettl, Assistant City Engineer	857-4100

III. DESCRIPTION

A. Background

A grouted rock retaining wall system is currently in place to retain the soil for the City Hall complex. The system was constructed in 1954 making the existing slope system 65 years old. Over the years, repairs have been made to the wall to keep it in a serviceable condition. However, the walls have outlived their useful lives and are in need of replacement.

B. Proposed Project

In August 2019, council authorized the engineering department to complete the design of replacement retaining walls for walls 1 and 2 around the City Hall Complex. Staff was authorized by Council to bid the project in January.

C. Consultant Selection

KLJ was selected using a competitive qualifications based selection for engineering services.

On February 18th, bids were opened for this project. Three bidders submitted bids, with the lowest bid being submitted by Strata Corporation in the amount of \$4,802,361.00. The bid is 6% higher than the engineer's estimate of \$4,511,317.15.

IV. IMPACT:

A. Strategic Impact:

The City Hall/Auditorium complex is a critical asset to the City. The site houses primary government functions and services the public in multiple ways.

B. Service/Delivery Impact:

During construction, parking and access to the City Hall complex will be temporarily impacted.

C. Fiscal Impact:

The total project cost including engineering, 5% contingency, and the construction bid stands at \$5,420,709.05

Item	Cost
Construction	\$ 4,802,361.00
5% Contingency	\$ 240,118.05
Engineering	\$ 378,230.00
Total	\$ 5,420,709.05

Project funding is anticipated to come from these sources, most of which have been budgeted over the last two years:

Funding Source	Amount
2018 Hub City Oil & Gas - budgeted in 2018 sales tax improvements (MDN)	\$ 122.64
2019 Hub City Oil & Gas	\$ 340,000.00
2020 BA Capital Purchases from 2019 Budgeted funds couldn't encumber	\$1,334,877.36
2020 BA Sales Tax Infrastructure Cash Reserves	\$ 419,760.05
2020 Budgeted Hub City oil and gas revenue	\$1,999,051.00
2020 Budgeted Cash Reserves	\$ 400,949.00
2020 Budget Transfer from General Fund Recreation	\$ 925,949.00
Total	\$5,420,709.05

An additional \$419,760.05 is needed from Sales Tax Infrastructure Cash Reserves to adequately fund the project. This amount is already included in the proposed budget amendment attached to the memo.

V. **ALTERNATIVES**

Alt 1. Council has the option to reject all bids and re-bid the project. Due to the bids received, it is unlikely additional bidders will bid the project as it was solicited across the upper-Midwest. There was only 1% or approximately \$42,000 difference between the lowest two bidders which suggests the bid results are accurate to market conditions for this project.

Alt 2. Council has the option to reject all bids and not re-bid the project. This would keep the wall in the same condition as it is today. Staff feels the current low bid is likely the best price the City will receive as this construction season has few bridges or retaining walls around the region out for construction.

VI. TIME CONSTRAINTS

The council has 30 days from the bid opening date to accept or reject bids per the contract documents.

VII. LIST OF ATTACHMENTS

- A. City Hall Retaining Walls 1 & 2 Letter of Recommendation to Award
- B. City Hall Retaining Walls 1 & 2 Bid Opening Memo
- C. Budget Amendment