



Dakota County

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Title: Authorization To Award And Execute Contract With McNamara Contracting And Amend 2023 Transportation CIP Budget For CP 9-56 On CSAH 9 In City Of Lakeville

Sponsors: Transportation

Indexes:

Code sections:

Attachments: 1. Project Location, 2. Financial Summary

Date	Ver.	Action By	Action	Result
1/3/2023	1	Board of Commissioners	approved	Pass

DEPARTMENT: Transportation

FILE TYPE: Consent Action

TITLE

Authorization To Award And Execute Contract With McNamara Contracting And Amend 2023 Transportation CIP Budget For CP 9-56 On CSAH 9 In City Of Lakeville

PURPOSE/ACTION REQUESTED

- Award bid and authorize a contract with McNamara Contracting for County Project (CP) 9-56 in the City of Lakeville (City).
- Amend the 2023 Transportation Capital Improvement Program (CIP) Budget.

SUMMARY

To provide a safe and efficient transportation system, Dakota County is proceeding with CP 9-56. County Project 9-56 is the construction of a new alignment of County State Aid Highway (CSAH) 9 (179th Street) from Hayes Avenue to CSAH 23 (Cedar Avenue) in the City of Lakeville (Attachment: Project Location). The segment of existing Dodd Boulevard between Hayes Avenue and CSAH 31 (Pilot Knob Road) will be reconstructed separately in 2024 as part of the jurisdictional transfer to the City.

Construction is planned to start in the spring 2023 and be substantially complete by November 2023. CP 9-56 was initially bid in May, 2022 and the bids were ultimately rejected with a plan to re-bid to allow for more flexible construction phasing and competitive bids.

Construction bids were received and tabulated on December 6, 2022. Eight bidders submitted bids as follows:

<u>Bidder</u>	<u>Bid Amount</u>
McNamara Contracting	\$11,207,634.63
Eureka Construction, Inc.	\$11,634,920.41
Park Construction Company	\$11,981,260.74
Ryan Contracting Co.	\$12,460,737.75
S.M. Hentges & Sons, Inc.	\$12,636,123.65
Meyer Contracting, Inc.	\$13,204,457.25
Max Steininger, Inc.	\$13,232,465.05
Northwest Asphalt	\$14,789,847.38

The lowest responsive and responsible bid for CP 9-56 is \$11,207,634.63 from McNamara Contracting Inc., which is 3.45 percent under the engineer's estimate of \$11,608,521.70. The previous low bid from May 2022 was \$11,669,790.53. Rebidding the project has resulted in a cost savings of \$492,125.90 to both the City and County.

Staff and the Minnesota Department of Transportation (MNDOT) have reviewed the bids and determined that the bid was competitive at the time of bidding. In accordance with Minnesota Department of Transportation Standard Specifications for Construction, the contractor will be eligible for up to \$100,000 incentive for actual pavement quality based on density and smoothness specifications. The incentive will be split in accordance with County policy for the respective roadway segment.

The total remaining project budget is \$6,324,088 for CP 9-56 (Attachment: Financial Summary). The estimated total construction cost, including construction administration, signal materials, temporary storm sewer construction, pavement incentives, testing, and potential contract changes, is \$13,050,441. The project cost has increased from the original budget due to added project scope and cost escalations. An amendment of \$6,726,353 is requested to award the project.

The major amendment increases include:

- \$1,881,000 for 179th Street segment roadway (aggregates and paving) and storm sewer (55% County, 45% City) due to construction price escalation and additional project scope.
- \$1,805,000 for additional improvements along Cedar Ave, including new signal, roadway, storm sewer, and concrete items (85% County, 15% City). Cedar Ave changes were added to correct the intersection alignment and profile and to include milling and overlay.
- \$1,150,354 for City sanitary sewer and water main replacement work on CP 9-56 (100% City cost).
- \$817,000 Construction administration costs 55% County, 45% City).

Additional project costs are due to the need for three construction stages and cost escalation. Overall, the project cost is estimated to be split 60% County and 40% City.

RECOMMENDATION

Staff recommends awarding the bid to and authorizing execution of a contract with McNamara Contracting and amending the 2023 Transportation CIP budget. A budget amendment of \$6,726,353 is requested to use \$4,035,812 of Transportation fund balance and to increase the City share to \$2,690,541 for CP 9-56.

EXPLANATION OF FISCAL/FTE IMPACTS

The approved budget for CP 9-56 is \$9,820,000 for project design, right of way acquisition, and

construction. A budget amendment is requested in the amount of \$6,723,353 which brings the total project budget to \$16,546,353. Staff propose using \$4,035,812 from Transportation fund balance for the County's share and increasing the city share by \$2,690,541.

- None Current budget Other
 Amendment Requested New FTE(s) requested

RESOLUTION

WHEREAS, to provide a safe and efficient transportation system, Dakota County is proceeding with County Project (CP) 9-56; and

WHEREAS, the County is the lead agency for the Project, with construction scheduled for summer 2023; and

WHEREAS, the previously approved CP 9-56 budget is \$9,820,000 for project design, right of way acquisition, and construction; and

WHEREAS, the remaining project budget is \$6,324,088; and

WHEREAS, the bid of McNamara Contracting in the amount of \$11,207,634.63 was the lowest responsive and responsible bid received; and

WHEREAS, the estimated total construction cost is \$13,050,441, including pavement incentives, testing, and potential contract changes; and

WHEREAS, a budget amendment is necessary to account for the project costs above the Capital Improvement Program (CIP) amount and additional revenue from the City; and

WHEREAS, Dakota County currently has a sufficient transportation fund balance for the additional costs of the project; and

WHEREAS, the Minnesota Department of Transportation and the City concur in the award of a construction contract to McNamara Contracting, as the lowest responsive and responsible bidder; and

WHEREAS, the 2023 Transportation CIP budget for CP 9-56 shall be amended by \$6,726,353; and

WHEREAS, staff recommends awarding the bid to and authorizing execution of a contract with McNamara Contracting and amending the 2023 Transportation CIP.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby awards the bid to and authorizes the Physical Development Director to execute the contract with McNamara Contracting for County Project 9-56 in the amount of \$11,207,634.63 based on their low bid, subject to approval by the County Attorney's Office as to form; and

BE IT FURTHER RESOLVED, That the contract amount may be increased by up to \$100,000 for additional costs of pavement incentives met by McNamara Contracting, as specified in the contract documents; and

BE IT FURTHER RESOLVED, That the 2023 Transportation Capital Improvement Program Adopted Budget is hereby amended as follows:

Expense	
CP 9-56	<u>\$6,726,353</u>
Total Expense	\$6,726,353

Revenue	
City of Lakeville	\$2,690,541
Transportation Fund Balance	<u>\$4,035,812</u>
Total Revenue	\$6,726,353

PREVIOUS BOARD ACTION

22-241; 6/7/22
22-310; 7/19/22

ATTACHMENTS

Attachment: Location Map
Attachment: Financial Summary

BOARD GOALS

- A Great Place to Live
- A Successful Place for Business and Jobs
- A Healthy Environment
- Excellence in Public Service

PUBLIC ENGAGEMENT LEVEL

- Inform and Listen
- Discuss
- Involve
- N/A

CONTACT

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