REQUEST FOR COUNCIL ACTION

Date: 4/20/09
Item No.: 12.c

Department Approval

City Manager Approval

Item Description: Award Bid for 2009 Contract B

BACKGROUND

The approved 2009 Pavement Management Program consists of Street Reconstruction and Mill and Overlay and utility repairs and replacement. The City Council approved plans and specifications and authorized advertisement for bid in February. Staff advertised the project for three weeks in March. The bids were opened at 11 a.m. on Friday, April 3, 2009. The project consists of work on the following segments of city streets and based on the bids received, staff recommends awarding the project to the lowest responsible bidder.

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Segment 1: P-09-02- Roselawn Reconstruction

SAP 160-243-004	**Roselawn Ave (Hamline to Victoria)**	**Street Reconstruction**

Segment 2: Municipal State Aid Mill and Overlay Projects

SAP 160-216-015	**County Road C-2 (Lexington to cul de sac)**	**Street Reclamation**
SAP 160-228-009	**Oakcrest Ave (Hamline To Lexington)**	**Mill & Overlay**
SAP 160-244-002	**Brooks Ave (Lexington to Transit)**	**Mill & Overlay**
SAP 160-221-006	**Fernwood Ave (Larpenteur to Roselawn)**	**Mill & Overlay**

Segment 3: City Project Nos. P-09-04, SS-09-15, & P-09-16

P-09-04:	**Ruggles St (Huron to Merrill)**	**Mill & Overlay**
	Merrill St (Huron to Roselawn)	**Mill & Overlay**
	Dionne St (Lexington to 1067 Dionne)	**Mill & Overlay**
	Aglen St (Oxford to Roselawn)	**Mill & Overlay**

	Cohansey St (Co Rd B to Co Rd C	**Street Reclamation**
	Fernwood St (Woodhill to Co Rd C2)	**Street Reclamation**
	Judith Ave (Fernwood to Griggs)	**Street Reclamation**
	Griggs St (Woodhill to Co Rd C2)	**Street Reclamation**
SS-09-15	**Cleveland Ave – Sanitary Sewer**	**Utility Replacement**
P-09-16	**Roseville Oval – Track**	**Bituminous Repair**

At the Public Hearing for Segment 1: Roselawn Avenue, the City Council requested that staff investigate the expansion of the City's current Hardship Deferral Policy for Street Improvement Assessments to include other types of economic hardship. The City's current deferral policy is limited to; Homestead property with the owners being age 65 or older, or retired by virtue of a disability. A deferred assessment would accrue interest until paid. The policy does not require documentation from the owner, only their sworn statement that the payment of the assessment would be a hardship. Since 1998, we have had no property owners request this deferral.

The authority for this deferral policy is contained in state statute 435.193-195. This statute limits the scope of deferral to what currently exists in city policy. In discussing this matter with the City Attorney he indicated that we would not be able to expand the policy further to include economic hardship as discussed at the City Council meeting.

POLICY OBJECTIVE

Based on past practice, the City Council has awarded the contract to the lowest responsible bidder. The following is a summary of the bids received for this project:

Contractor	Bid
Tower Asphalt, Inc	$2,442,586.90
Frattalone Companies	$2,489,848.47
Asphalt Surface Technology Corp. (aka ASTECH)	$2,491,836.78
TA Schifsky & Sons, Inc	$2,610,222.69
North Valley, Inc	$2,675,361.01
Hardrives, Inc.	$2,762,509.35
Midwest Asphalt Corporation	$2,807,796.75
Park Construction	$3,000,842.37

After a thorough review of the bids received we have determined that while Tower Asphalt had the low bid, it did not conform with City Specification General Provision 249.0. This section of the specifications limits the total mobilization for the project to a maximum of 5% of the total bid. The Mobilization item is compensation for preparatory work and operations, including the movement of personnel, equipment, supplies and incidentals to the Project site. Below is a summary of the Mobilization percentages for all of the Contractors that bid this project.

Contractor	Mobilization

Tower Asphalt, Inc	10.37%
Frattalone Companies	5.67%
Asphalt Surface Technology Corp. (aka ASTECH)	3.69%
TA Schifsky & Sons, Inc	3.94%
North Valley, Inc	2.12%
Hardrives, Inc.	1.12%
Midwest Asphalt Corporation	4.66%
Park Construction	3.43%

The City has the right to reject any and all Bids, to waive any and all informalities not involving price. We have reviewed the contract and bids with the City Attorney and have been advised that since the inconsistency with Mobilization involves price and is a condition of the contract, it would not be considered an informality that could be waived. As a result, staff is recommending that we reject the two lowest bidders, Tower Asphalt, Inc and Frattalone Companies because of non-compliance with General Provision section 249.0.

We have reviewed Asphalt Surface Technology Corp. (aka ASTECH Corp.)'s references and confirmed that they are a responsible bidder. Staff received positive references from the project engineer's for Anoka County- Blaine Airport, Forest Lake, Maple Grove, Orono, Plymouth, and St. Michael. All of these Agencies have contracted with ASTECH Corp. in the last 2 years. Staff recommends that we award the Contract to Asphalt Surface Technology Corp. (aka ASTECH Corp.). Since they are the lowest responsible bidder whose bid conforms with City Specifications.

Another option available to the city is to reject all bids and re bid this project. This option would delay the Council award of bid to June and risk the completion of the project this construction season. Another risk is that bids could increase as well. Given the competitiveness of the bids received staff does not feel it is likely that bids would decrease.

FINANCIAL IMPACTS

We received 8 bids for this project. The lowest responsible bid submitted by Asphalt Surface Technology Corp. (aka ASTECH Corp.), $2,491,836.78, is 25% lower than the Engineer's construction estimate of $3,323,839.50.

This project is proposed to be paid for using Municipal State Aid funds; as well as Street, Watermain, Storm Sewer, and Sanitary Sewer Infrastructure funds.

A portion of the costs for Segment 1: Roselawn Avenue Reconstruction is proposed to be assessed. The Feasibility Report for this project set the proposed assessment rate at $48.06. This was based on the Engineer's Estimate. Based on the bids, we anticipate that this rate will be reduced by at least 20% to around $40/ foot.

This project is proposed to be completed by Fall 2009. Final assessment amounts would be determined following an assessment hearing in the Fall of 2010 and a thorough review of the project costs and proposed assessments by the City Council. The property owners can either pay the assessments up front in October 2010, or have them added to their property taxes with an

market interest rate. The first installment of the assessment would be due with property taxes payable in Spring 2011.

STAFF RECOMMENDATION

Approval of a resolution awarding bid for 2009 Contract B in the amount of $2,491,836.78 to Asphalt Surface Technology Corp. (aka ASTECH Corp.), of St. Cloud, Minnesota.

REQUESTED COUNCIL ACTION

Approval of a resolution awarding bid for 2009 Contract B in the amount of $2,491,836.78 to Asphalt Surface Technology Corp. (aka ASTECH Corp.), of St. Cloud, Minnesota.

Prepared by: Debra Bloom, City Engineer

Attachments: A: Resolution

EXTRACT OF MINUTES OF MEETING
OF CITY COUNCIL
CITY OF ROSEVILLE
RAMSEY COUNTY, MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville, County of Ramsey, Minnesota, was duly held in the City Hall at 2660 Civic Center Drive, Roseville, Minnesota, on Monday, the 20th day of April, 2009, at 6:00 o'clock p.m.

The following members were present: and the following were absent:

Councilmember introduced the following resolution and moved its adoption:

RESOLUTION
RESOLUTION AWARDING BIDS
FOR 2009 CONTRACT B

WHEREAS, pursuant to advertisement for bids for the improvement, according to the plans and specifications thereof on file in the office of the Manager of said City, said bids were received on Friday, April 3, 2009, at 11:00 a.m., opened and tabulated according to law and the following bids were received complying with the advertisement:

BIDDER	AMOUNT
Tower Asphalt, Inc.	$2,428,706.26
Frattalone Companies	$2,489,848.47
Asphalt Surface Technology Corp. (aka ASTECH Corp.)	$2,491,836.78
TA Schifsky & Sons, Inc	$2,610,222.69
North Valley, Inc	$2,675,361.01
Hardrives, Inc.	$2,762,509.35
Midwest Asphalt Corporation	$2,807,796.75
Park Construction	$3,000,842.37

WHEREAS, Tower Asphalt, Inc., and Frattalone Companies' bids did not comply with General Provision section 249.0. Limits on Mobilization, and

WHEREAS, Asphalt Surface Technology Corp. (aka ASTECH Corp.) of St. Cloud, Minnesota, is the lowest responsible bidder at the tabulated price of $2,491,836.78, and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Roseville, Minnesota:

1. The City rejects the bids of Tower Asphalt, Inc. and Frattalone Companies for non-compliance with General Provision section 249.0 that limits mobilization to 5% of the contract price. Both of these contractors exceeded this mobilization amount.
2. The Mayor and Manager are hereby authorized and directed to enter into a contract with Asphalt

Surface Technology Corp. (aka ASTECH Corp.) of St. Cloud, Minnesota for $2,491,836.78 in the name of the City of Roseville for the above improvements according to the plans and specifications thereof heretofore approved by the City Council and on file in the office of the City Engineer.

3. The City Engineer is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids except the deposits of the successful bidder and the next lowest bidder shall be retained until contracts have been signed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Roseville, Minnesota:
The motion for the adoption of the foregoing resolution was duly seconded by and upon vote being taken thereon, the following voted in favor and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

I, the undersigned, being the duly qualified City Manager of the City of Roseville, County of Ramsey, State of Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of said City Council held on the 20th day of April, 2009, with the original thereof on file in my office.

WITNESS MY HAND officially as such Manager this 20th day of April, 2009.

_____
William J. Malinen, City Manager