

# CITY OF MITCHELL

City Council Meeting  
Agenda Item Request



*The deadline for agenda items is Wednesday at noon, prior to the City Council Meeting*

Meeting Date Requested:  Requested By:

Desired Action of City Council:  Authorization  Approval  Resolution  
 Ordinance  Citizen Request  Discussion

Amount Budgeted in current fiscal year for this item (if applicable):

Agenda Item:

Explanation/Background of Agenda Item Requested:

Bids were opened on March 22, 2021 in City Hall Council Chambers at 1:30 PM. Four bids were received as follows:

PKG Contracting, Inc. - \$15,796,900  
John T. Jones Construction Company - \$15,808,000  
Stanek Constructors, Inc. - \$15,962,400  
Engineer's Estimate - \$15,000,000

Please see the attached bid tabulation for detailed information.

Gabe Laber with HDR has provided a letter summarizing the bids and a recommendation to award. The letter states that all indications are that in the current market, costs will only increase as we move forward.

HDR and PKG have been discussing value-added options to reduce the project cost but not compromise the end product. There are viable options to consider which will reduce the total project cost. These reductions will be incorporated through a change order during the project award process.

The City's current rates are set for a \$10,000,000 project. Total project cost with all soft costs (engineering, administration and contingency) is \$18,800,000. City staff is proposing to raise the sanitary sewer unit rate \$0.63 to cover the additional costs of the project. There is a possibility to obtain grant dollars through ARPA and the DANR.

Staff recommends awarding the project to PKG Contracting, Inc. for \$15,796,900. The bid shall be contingent on DANR approval and acquiring additional funds.