

THE CITY OF



OWATONNA

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TO: Honorable Mayor and City Council Members, City Administrator
FROM: Dave Beaver, Airport Manager
DATE: March 31, 2021
RE: Airport T-Hangar and Taxi-lane project.

Purpose:

City Council approval of Resolution 46-21 accepting bids and award of contract for the airport 10-Unit T-Hangar and Taxi-lane project.

Background:

Bids were received and opened on March 9, 2021 for this project. Bids were received from four (4) companies:

Everstrong Construction	\$1,532,537.89
Asphalt Surface Technologies Corp.	\$1,619,139.38
Gee Asphalt Systems, Inc.	\$1,774,503.32
Russell Standard Corporation	\$1,863,777.00

Engineer's Estimate \$1,623,847.00

During the design phase, the project cost estimate was revised prior to bidding to reflect an increase due to the discovery and necessary removal of poor soils in the project area and projected cost of materials, namely steel. For this reason and to allow flexibility depending on available funding, bid alternatives including the construction of an 8-unit hangar and hangar door variants were also received and reviewed.

The lowest responsible bidder was Everstrong Construction of Redwood Falls, MN. The base bid was \$91,309.11 (5.6%) below Engineer's Estimate.

The Airport engineering firm has reviewed the bids and recommends acceptance of the lowest responsible bidder, Everstrong Construction for the base bid only. The Airport Commission has reviewed the bids including alternates and also approved a motion recommending acceptance of the low base bid for the 10-Unit T-hangar and Taxi-lane as well as the funding plan.

Budget Impact:

The local (5%) and state (5%) share of the construction costs of \$76,626 respectively, are anticipated to receive funding from the American Rescue Plan Act (ARPA). The (90%) FAA funding will be through

allocated current and future Federal Non-Primary Entitlement Funds (NPE). Construction Funding:

Current Airport NPE Fund Balance	\$ 274,230.00
Borrowed NPE (Aikin, Long Prairie)	\$ 300,000.00
Other Funding Source (City) to be paid pack via future NPE	\$ 805,054.10
ARPA	<u>\$ 153,253.79</u>
	\$1,532,537.89

Including construction engineering services it is anticipated that an overall total of \$909,184 of other City funding will be required to complete the project. The funding plan indicates that this will be reimbursed to the City through use of future annually allocated federal NPE funds.

Recommendation:

Staff recommends approval of Resolution 46-21, approving bids and awarding the Contract to Everstrong Construction contingent on securing the required federal and state grant funding documents.

RESOLUTION NO. 46-21

A RESOLUTION ACCEPTING BID AND AWARDING CONTRACT

WHEREAS, pursuant to an Advertisement for Bids for the Airport 10-Unit T-Hangar and Taxi-Lane Project bids were received from five (4) companies. The following bids were received:

Everstrong Construction, Redwood Falls, MN	\$1,532,537.89
Healy Construction Company, Faribault, MN	\$1,619,139.38
Brennan Construction, Mankato, MN	\$1,774,503.32
APX Construction Group, Mankato, MN	\$1,863,777.00
Engineer's Estimate	\$1,623,847.00

WHEREAS, the lowest responsible bidder was Everstrong Construction, Inc of Redwood Falls, MN.

WHEREAS, The City's airport engineering firm, Bolton and Menk has reviewed the bids and recommends accepting the low bid for the project in the amount of \$1,532,537.89.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota, as follows:

1. The Mayor and Clerk are hereby authorized and directed to enter into a contract with Everstrong Construction, Inc in the name of the City of Owatonna for the Airport 10-Unit T-Hangar and Taxi-lane Project according to the plans and specifications therefore approved by the City Council and on file in the office of the City Clerk and subject to securing the anticipated federal and state grants for the project.

2. The City Clerk is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

Passed and adopted this ____ day of ____, 2021, with the following vote:

Aye __; No ____; Absent ____.

Approved and signed this ___ day of ____, 2021.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk