

THE CITY OF



OWATONNA

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TO: Honorable Mayor and City Council Members, City Administrator
FROM: Dave Beaver, Airport Manager
DATE: April 28, 2021
RE: Airport T-Hangar and Taxi-lane project.

Purpose:

City Council approval of Resolution 46-21 accepting bid 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
Healy Construction Company	\$1,619,139.38
Brennan Construction	\$1,774,503.32
APX Construction Group	\$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. Their base bid, 5.6% below the Engineer's Estimate, a reduction of \$91,309.11 from the estimated project costs.

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.

This resolution was tabled during the April 6, 2021 Council Meeting to confirm funding options. Additional Non-Primary Entitlement (NPE) Fund agreements have been made with Houston Co, LacQui Parle County, Pine River and Silver Bay.

Budget Impact:

The total construction project cost is as follows:

Construction:	\$1,532,537.89 (Low Bid)
Engineering:	<u>\$ 115,700.00</u>
Total:	\$1,648,237.89

The local share of this project is anticipated to be \$10,204.56. This is below the \$65,015.00 provided for in the CIP budget. The project is eligible for 90% federal funding as well as funding from the 2021 American Rescue Plan Act (ARPA). The (90%) FAA funding will be through allocated current and future Federal Non-Primary Entitlement Funds (NPE) through transfer agreements as follows:

	TOTAL	FAA (90%)	ARPA
TOTAL PROJECT COST and FUNDING ANTICIPATED:	\$1,648,237.89	\$1,483,414.10	\$164,823.79
	NPE FUNDING:		
NPE Balance 2021	\$274,230.00		
Houston Co (2022)	\$150,000.00	Confirmed - Transfer Form Pending	
Aitkin (2023)	\$150,000.00	Confirmed - Transfer Form Complete	
Long Prairie (2024)	\$150,000.00	Confirmed - Transfer Form Complete	
Lac Qui Parle County (Madison) (2025)	\$150,000.00	Confirmed - Transfer Form Complete	
Pine River (2026)	\$150,000.00	Confirmed - Transfer Form Complete	
Silver Bay (2027)	\$150,000.00	Confirmed - Transfer Form Complete	
Silver Bay (2028)	\$150,000.00	Confirmed - Transfer Form Complete	
Silver Bay (2029)	\$150,000.00	Confirmed - Transfer Form Complete	
Local make up Balance	\$9,184.10		
Total NPE + Local Funds:	\$1,483,414.10	\$1,474,230.00 = Total NPE's Available	
	TOTAL FUNDING SUMMARY:		
FAA NPE FUNDS	\$1,474,230.00	Total Federal Grant:	
ARPA FUNDS	\$163,803.33	\$1,638,033.33	
LOCAL FUNDS	\$10,204.56	=NPE Balance + 10% Match of \$1020.46	
TOTAL FUNDING	\$1,648,237.89		

Recommendation:

Staff recommends approval of the 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