

SPECIAL COUNCIL MEETING – MAY 29, 2018

The special meeting of the Common Council of the City of Marshall was held on May 29, 2018 in the Professional Development Room at the Marshall Middle School, 401 South Saratoga Street. The meeting was called to order at 5:30 P.M. by Mayor Bob Byrnes. In addition to Byrnes the following members were present: Steven Meister, Glenn Bayerkohler, John DeCramer, David Sturrock and James Lozinski. Absent: Craig Schafer. Staff present included: Sharon Hanson, City Administrator; Dennis Simpson, City Attorney; Glenn Olson Director of Public Works/City Engineer; Karla Drown, Finance Director and Kyle Box, City Clerk.

**Project Z64 / SAP 139-111-006: Saratoga Street Reconstruction Project -- 1) Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds; 2) Resolution Accepting Bid (Award Contract).**

This project consists of the following: Reconstruction and utility replacement on Saratoga Street from the bridge on Saratoga Street (between South 4th Street and West College Drive) to Southview Drive; Sanitary sewer replacement and watermain replacement on the abandoned South 1st Street from Marvin Schwan Memorial Drive to Saratoga Street; Sanitary sewer replacement on South "A" Street from Marvin Schwan Memorial Drive to Saratoga Street; Sanitary sewer replacement on Greeley Street from Saratoga Street southerly approximately 200 feet. On May 29, 2018, bids were received for the above-referenced project. The engineer's estimate was \$2,479,790.10. One bid was received from R&G Construction Co. of Marshall, Minnesota, in the amount of \$2,846,784.60, 14.8% higher than the engineer's estimate. In reviewing the difference between the estimate and the only bid, several factors are indicated:

1. Multiple mobilizations are required due to coordination with school activities
2. Significant increases in oil costs
3. Increases in prevailing wages required on Municipal State Aid projects
4. Increases in pipe costs
5. Limited timeline

After review of the differences in actual bids versus estimate, City staff recommends the award of the contract to R&G Construction Co. of Marshall, Minnesota. The above-referenced project, or a portion thereof, may be financed by the sale of bonds with repayment coming from assessments and Debt Service Fund Levy. It is required that action be authorized by City Council via Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax Exempt Bonds.

Mayor Byrnes introduced Director of Public Works/City Engineer Glenn Olson to provide background information on the item. Director Olson provided a breakdown of the bid and compared it to the Engineer's report.

Council member Lozinski asked about penalty if the bidder went over the timeline. Lozinski discussed the option to reject the bid and call for new bids. Director Olson stated that if the project was to be rebid the project will not happen until Spring of 2019.

Council member Bayerkohler commented on oil prices and the prevailing wages and if we could negotiate a better price with the bidder. Director Olson mentioned what the bidder may ask for in return is an extended timeline, or to eliminate some items from the original bid.

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Mayor Byrnes asked if the bid was award when the start date would be. Director Olson commented that start date would be approximately two weeks.

City Administrator Sharon Hanson commented because of the timing, subcontracts may be hard to gather.

There was further discussion by Council.

Member **John DeCramer** Moved, Member **Steven Meister** Seconded to approve the **ORIGINAL** motion 'that the Council adopt RESOLUTION NUMBER 4514 SECOND SERIES, which provides for Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds for Project Z64 / SAP 139-111-006: Saratoga Street Reconstruction Project.'. Upon a roll call vote being taken, the vote was: Aye: 6 Nay: 0. The motion **Carried. 6 - 0**

At 6:02 P.M., Mayor Byrnes called a recess in order to have the Director of Public Works/City Engineer Glenn Olson, contact the bidder, Greg Mathiowetz of R & G Construction, to provide the process for his bidding.

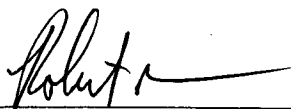
At 6:19 P.M, Mayor Byrnes reconvened the Special Council Meeting.

Greg Mathiowetz of R& G Construction, discussed the differences between this project and the projects he was asked to compare to, N. 7th St. and the Industrial Park. Mr. Mathiowetz commented on the unique utility work required and the sharp increase in prevailing wages. Mr. Mathiowetz continued to explain his bidding process for each significant item.

There was further discussion by Council.

Member **Steven Meister** Moved, Member **David Sturrock** Seconded to approve the **NEW** motion 'that the Council adopt RESOLUTION NUMBER 4515 SECOND SERIES, which provides for the Resolution Accepting Bid (Awarding Contract) and authorizing entering into an agreement R&G Construction Co. of Marshall, Minnesota, in the amount of \$2,846,784.60 for Project Z64 / SAP 139-111-006: Saratoga Street Reconstruction Project.'. Upon a roll call vote being taken, the vote was: Aye: 5 Nay: 1. The motion **Passed. 5 - 1** with Lozinski voting no.

At 6:41 P. M., Member **David Sturrock** Moved, Member **Steven Meister** Seconded to approve the **ORIGINAL** motion 'Adjourn Meeting'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried. 7 - 0**

  
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Mayor

Attest:

  
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City Clerk