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March 10, 2022

Mr. David Swearingen
Public Works Director/City Engineer
City of Arden Hills
1245 West Highway 96
Arden Hills, MN 55112

SUBJECT: Arden Hills City Hall Parking Lot Final Design Project | PW-20-0103

Dear Mr. Swearingen,

On February 14th, 2022 the City Council received plans and specifications for the City Hall Parking Lot Final Design project, City project PW-20-0103 and authorized advertisement for bids.

On March 9th, 2022 the City of Arden Hills received bids for the City Hall Parking Lot Final Design project. The results were verified by City-consultant, HR Green. Eight (8) bids were received and ranged between \$233,650.00 and \$311,242.00. The following is a bid summary:

G Urban Companies	\$245,076.60
Minnesota Roadways Company	\$311,242.00*
Bituminous Roadways, Inc.	\$233,650.00
Goodmason Construction.	\$241,071.70*
Pember Construction	\$257,067.20
North Valley	\$248,497.13
Omann Contracting Companies	\$250,492.79
TA Schifsky	\$244,000.56*

* Adjusted bid total based on corrected math

All but one of the bids were lower than the engineer's estimate of \$271,431.63. The low bid price was 13.9% lower than the engineer's estimate.

After a thorough review of the bids received, we feel that the engineer's estimate, along with the low bid, was comparatively accurate, aside from a few bid items. Given the nature of raw materials and labor expenses over the past two years, it was difficult to estimate the construction costs.

The engineer's estimate was based on previous projects and historical data. Excavation – Common, Bituminous Wearing Course, and Concrete Sill bid items make up the majority of the difference between the engineer's estimate and Bituminous Roadway's bid.

Excavation and bituminous material bid items are notoriously difficult to estimate. Excavation cost estimate fluctuate from contractor to contractor because the quantity is generally larger than other quantities and



contractors use this item to bury incidental items or find efficiencies with mean and methods that can save them money and effort. Bituminous material costs are always changing and with the recent rise in oil, the engineer's estimate had been more conservative than typical to try and anticipate rising costs of bituminous. The Concrete Sill bid item may carry a small amount of risk as it is relatively new bid item and some contractors or sub contractors may not be familiar with the specifications and expectations associated with the bid item. The intent is to create a sill for sidewalk adjacent to curb and gutter to rest on to eliminate the sidewalk from settling below the curb over time.

The Remove Light Foundation, Lighting Unit Type LP1, Lighting Unit Type LP2, and Light Foundation Design E Modified were the items with higher costs in the engineer's estimate than Bituminous Roadway's bid. Over the past 24 months, we have seen the cost of electrical related raw materials rise exponentially and despite estimating with that inflation in mind, the lighting items still came in above estimate.

Upon further examination of the apparent low bid, the bid provided by Bituminous Roadways was found to be responsive and not materially unbalanced.

Staff recommends Council accept the bids, awarding the contract to Bituminous Roadways for the 2022 Arden Hill City Hall Parking Lot Final Design projects, City Project PW-20-0103.

HR GREEN, INC

A handwritten signature in black ink, appearing to read 'Jordan Horejsi'.

Jordan Horejsi, PE
Project Manager