

UTILITIES COMMISSION

August 27, 2014

The special meeting of the Baxter Utilities Commission was called to order at 5:53 p.m. by Chairman Rock Yliniemi.

MEMBERS PRESENT: Commissioners Shawn Crochet, Dave Franzen, and Chairman Rock Yliniemi and.

MEMBERS ABSENT: Council Liaison Rob Moser.

STAFF PRESENT: Public Works Director/City Engineer Trevor Walter.

OTHERS PRESENT: None.

2014 INDEPENDENCE ROAD IMPROVEMENTS PROJECT BID AWARD

Public Works Director/City Engineer Walter reviewed the two bids received for the 2014 Independence Road Improvements Project. The following letter was entered into the records:

Dear Mr. Walter:

Pursuant to authority of the City Council and after proper legal advertisement, bids for the referenced project were obtained at 11:00 AM, in the Baxter City Hall on Tuesday, August 26, 2014.

The following two bids were received:

Anderson Brothers Construction Company	\$114,225.95
Land Pride Construction LLC	\$118,363.25

Both bids were conforming to the plans, specifications and advertisement and were free from errors and omissions. A copy of the Bid Tabulation is attached for your files.

Both bids were considerably higher than the Engineer's Estimate of \$80,353.25 which was calculated using costs from the recently bid Falcon Drive Improvement project. The low bid is 42% over the Engineer's estimate. Review of the bids indicates that unit bid prices are extremely high. The high prices are likely due to the size of the project, timing of the bid and completion date.

We recommend the City review costs with the adjacent property owners to determine if the project can be delayed. It is our understanding that preliminary discussions with property owners has revealed that development may or may not occur on the south side of the road this year and there are current plans for development on the north side of the roadway.

If development of the roadway corridor can be postponed, we highly recommend re-bidding the project for construction in 2015. The project should also be bid with a larger project to take advantage of economy of scale. Re-bidding the project will result in increased engineering fees. However, the design came in under budget and another round of bidding can be completed without an increase in the not to exceed engineering agreement. We have retained all bid bonds and original bid forms. If you have any questions, please give me a call.

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Sincerely,
Aric Welch

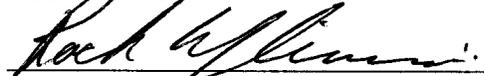
The commission held a brief discussion on the increased costs associated with the project and felt that if the property owners were not going to start construction this fall it would be in the best interest of all parties to reject the bids and advertise

MOTION by Commissioner Crochet, seconded by Commissioner Franzen to recommend City Council adopt the Resolution rejecting all bids for the 2014 Independence Road Improvement Project. Motion carried unanimously.

ADJOURNMENT

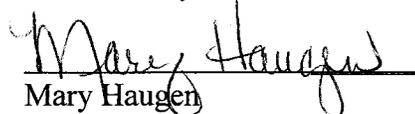
MOTION by Commissioner Franzen, seconded by Commissioner Crochet to adjourn the meeting at 6:00 p.m. Motion carried unanimously.

Approved by:



Rock Yliniemi
Chairman

Submitted by,



Mary Haugen
Administrative Assistant