

AGENDA REPORT

Regular City Council - 22 Mar 2022



TITLE

Accept Bids and Award Contract for 2022 South Metro JPA for Street Maintenance Services Project (22-504)

ACTION REQUESTED

Accept Bids and Award Contract for 2022 South Metro JPA for Street Maintenance Services Project (22-504) to the following contractors in the following amounts:

Service	Contractor	Amount
Bituminous Fog Seal	Pearson Bros., Inc.	\$ 118,611.14
Bituminous Seal Coat	Pearson Bros., Inc.	\$ 1,501,957.05
Crack Sealing	Northwest Asphalt & Maintenance	\$ 1,142,412.42
Pavement Markings	Sir Lines-A-Lot	\$ 621,234.88

* Action requires simple majority vote of the Council.

BACKGROUND

As the lead organization for the South Metro JPA for Roadway Maintenance Services, the City of Burnsville coordinates the JPA, prepares the contract documents, provides bidding services, awards the contracts and provides general contract administration for the member local governments acting as one organization. The following bids were received:

Service	Contractor	Bid Amount	Burnsville's Portion
Bituminous Fog Seal	Pearson Bros., Inc.	\$ 118,611.14	\$ 0.00
	Allied Blacktop Co.	\$ 125,408.34	
	Asphalt Surface Tech	\$ 212,072.64	
Bituminous Seal Coat	Pearson Bros., Inc.	\$ 1,501,957.05	\$ 203,894.00
	Allied Blacktop Co.	\$ 1,581,122.50	
	Asphalt Surface Tech	\$ 1,845,651.09	
Crack Sealing	Northwest Asphalt Maint	\$ 1,142,412.42	\$ 178,100.00
	Asphalt Surface Tech	\$ 1,239,072.60	
	Allied Blacktop Co	\$ 1,606,083.50	
	American Pavement Solutions	\$ 1,804,967.60	
	Fahrner Asphalt Sealers	\$ 2,101,168.20	

Pavement Markings	Sir Lines-A-Lot	\$ 621,234.88	\$ 116,995.00
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Bidding these routine maintenance services with all members of the JPA allows the member local governments to reduce their administration costs and offers economy of scale pricing the members could not get by bidding the work alone. Burnsville is reimbursed by JPA members for the administrative work it completes on their behalf. The economy of scale pricing benefits all members, Burnsville included.

The South Metro JPA includes the cities of Apple Valley, Bloomington, Burnsville, Eagan, Elko New Market, Farmington, Hastings, Lakeville, Mendota Heights, Prior Lake, Rosemount, Savage, Shakopee, South St. Paul, Waconia and West St. Paul, along with Scott County and the townships of Empire, New Market, Sand Creek and Spring Lake. This is the largest JPA of its type in the state and regularly has the largest contracts for this type of work in the state.

BUDGET IMPACT

Inflation is a major concern currently across the economy. This project is significantly impacted by that market force. The four major areas of this contract (Fog Seal, Seal Coat, Crack Sealing, Pavement Markings) all rose between 17% and 24% compared to last year. This level of inflation is concerning, but there were multiple bidders in all but one category, so competition was there.

Burnsville's portion of the contracts total \$ 498,989. With indirect costs this total will be over the allotment within the Street Maintenance Fund for this work. This contract allows the City reduce scope to come in on budget without penalty. Staff will determine these scope reductions in the next couple of weeks. The remainder of the Street Maintenance Fund's allocation, authorized previously, goes toward other materials and services bid and quoted separately that are individual to Burnsville's street maintenance needs. The other bids and quotes needing Council approval will be brought forward as the work within the fund continues through the summer and fall.

STAFF RECOMMENDATION

Staff feels the bids are competitive (but inflated as described above) given the current bidding environment and recommend accepting the bids and awarding the contracts to the low responsible and responsive bidders as highlighted above. Last year Northwest Asphalt & Maintenance did marginally acceptable work but it was also their first year completing this project and there is a huge learning curve with managing a project this large and complex. All members of the JPA will work with them to make them as successful as possible this year, but if Northwest's challenges persist they may need to be consider a non-responsible bidder in the future. The other low bidders are returning contractors who have completed the contracts successfully for many years.

STRATEGIC PRIORITIES

Transportation & Infrastructure: Burnsville is committed to planning, providing, and maintaining effective infrastructure, asset, park, and transportation systems.

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