

**WORTHINGTON CITY COUNCIL  
SPECIAL MEETING**

**3:30 P.M. - Wednesday, May 18, 2022  
City Hall Council Chambers**

**A. CALL TO ORDER**

**B. CITY COUNCIL BUSINESS - ENGINEERING**

1. Oxford Street Reconstruction Bid Opening Review and Funding Options

**C. ADJOURNMENT**

# ENGINEERING MEMO

**DATE:** May 18, 2022  
**TO:** HONORABLE MAYOR AND COUNCIL  
**SUBJECT:** ITEMS REQUIRING COUNCIL REVIEW

## SPECIAL WORK SESSION AGENDA CASE ITEMS

### 1. OXFORD STREET RECONSTRUCTION BID OPENING REVIEW AND FUNDING OPTIONS

Two bids for the Oxford Street SP Street Reconstruction Project were received on May 4, 2022. The segment of roadway from McMillan Street to Smith Avenue is planned for reconstruction using Federal and State Aid funding along with a small amount for stormwater utility funds.

<u>Engineers Estimate</u>	<u>Duininck Inc</u>	<u>Hulstein Excavating</u>
\$3,738,131.50	\$5,034,162.00	\$5,173,778.00

The State of Minnesota Office of Civil Rights reviewed the Disadvantaged Business Enterprises goals required for this contract, 12.6%, and the goals proposed by the low contractor, 1.6%, and rejected their bid. The low bidder can appeal this finding. The second bidder had a goal of 4.4%.

The two bids were \$1,296,030.5 around 34.6%, and \$1,435,646.50, around 38.4% higher than the engineers estimate.

Worthington and Nobles County have an agreement to divide the costs for the project. If the contract is awarded, the additional cost would be around \$648,015 to \$717,823 for each entity.

Initial conversation with the State is that there is a good chance that additional funding may be available to cover up to 80% of the additional costs. If that happens, the additional cost could be in the range of \$129,603 to \$143,564.

The cities federal funding is programed for federal fiscal year 2023, while the county's federal funding is scheduled for federal fiscal year 2022.

If the county federal funding is not used or exchanged with another entity the county would lose their \$1,548,000.

At this time, there doesn't appear to be an option to exchange funding.

There is a good chance that the project could come in lower if rebid.

It is not anticipated that rebidding would be low enough to offset the loss of the county's federal funding, or that the County is willing or capable of making up the loss of their share of Federal funds using State Aid funding.

The additional cost to the city will require the use of all available State Aid funding for 2022 and 2023, or the use of local funding to cover some or all of the additional cost.