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TO: Honorable County Commissioners
Scott Arneson, County Administrator

FROM: Jess L. Greenwood, Deputy Director / Assistant Engineer

RE: 07 Mar 23 County Board Meeting
2023 Aggregate Surfacing – C.P. 025-723-001

Date: 02 Mar 23

Summary

It is requested that the County Board reject all bids for the 2023 Aggregate Surfacing Contract.

Background

Bids for the aggregate surfacing of approximately 15.0 miles of Goodhue County Roads 41, 44, and 49 were opened on February 22, 2023. When estimating costs for the 2023 contract, staff looked at last year's bid pricing and applied appropriate inflationary increases that unfortunately were substantially less than what today's pricing is reflecting. With other bid prices for maintenance contracts coming in higher than anticipated, funding amounts become constrained. Staff has examined the budget and determined that there are adequate dollars available to utilize highway maintenance forces to provide the surfacing needs for 2023 and ensure that available funding is not exceeded. The next step in the process is to award the contract or reject bids.

Alternatives

- Award the contract to the lowest responsible bidder.
- Reject all bids.

Recommendations

It is the recommendation of staff to reject all bids for the 2023 Aggregate Surfacing Contract due to much higher than expected prices.

Abstract of Bids

<u>Company</u>	<u>Bid Amount</u>	<u>%over/under estimate</u>
Kielmeyer Construction, Inc.	\$192,753.01	32.56% OVER