



**City of Missoula, Montana
City Council Committee Agenda Item**

Committee: Public Works and Mobility

Item: Bid Award for Worden Ave- Turner St- N 5th St W to Scott St right-of-way improvement projects

Date: March 8, 2023

Sponsor(s): Monte Sipe, Surface Project Manager

Prepared by: Monte Sipe, Surface Project Manager

Ward(s) Affected:

<input checked="" type="checkbox"/> Ward 1	<input type="checkbox"/> Ward 4
<input type="checkbox"/> Ward 2	<input type="checkbox"/> Ward 5
<input type="checkbox"/> Ward 3	<input type="checkbox"/> Ward 6
<input type="checkbox"/> All Wards	<input type="checkbox"/> N/A

Action Required:

Reject bid to lowest responsible bidder and authorize return of bid bonds.

Recommended Motion(s):

I move the City Council: reject the bid for Worden Ave/Turner St right-of-way improvements project base bid and bid alternate one for the sum of \$ 1,372,642.81 and authorize return of bid bonds.

Timeline:

Committee discussion:	March 15, 2023
Council action (or sets hearing):	March 27, 2023
Public Hearing (if required):	N/A
Final Consideration	N/A
Deadline:	N/A

Background and Alternatives Explored:

The City of Missoula received only one bid for this project. The one bid was submitted by Shadow Asphalt Inc. for a base bid of \$1,276,627.36 and bid alternate one of \$96,015.45 for a total amount of \$1,372,642.81. The base bid was approximately \$365,000 over the engineer's estimate, or 40% higher. The bid alternate was approximately \$44,000 over the engineer's estimate, or 84% higher.

In comparison, recent City Public Works & Mobility bids have been on average 15% to 20% higher than the engineers estimate. These higher bids reflect current economic trends and uncertainties including limited contractor availability, rising material/transportation costs and labor shortages.

In 2022 we received two bids for the Eaton St. Ph. I project. Bidding was completed at a similar time as this year's bidding on Worden/Turner. We received two bids for Eaton St. Ph. I which were approximately 20% higher than the engineer's estimate. Because the two bids we received last year were within \$7,200 of each other and consistent with the price increases we have been seeing, we recommended awarding the project.

Staff is therefore recommending rejection of this bid for three reasons. 1) We only received one bid, 2) The bid prices are substantially higher than the engineer's estimate, and 3) Unit prices on this bid were substantially higher than other bids we have received over the last several months. PWM's plan is to rebid this in December and hope that the market and contractor pool is more competitive at that time. This will delay construction of this project by one year.

Financial Implications:

At such time that this project is constructed, a portion of the costs of the improvements will be assessed to adjacent property owners under the City's Special Improvement Assessment and Funding Assistance Programs. The other funding sources are Road District #1, BaRSAA, and Transportation Impact Fees. The attachment shows the contractors bidding on this project.

Links to external websites: None