



Title: Authorization to Reject Bids for the Six Mile Marsh Prairie Trail and Interpretation Project; OR
Authorization to Execute a Contract with Sunram Construction for Six Mile Marsh Prairie Trail Construction

Resolution numbers: 21-076 and 21-077

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Reviewed by: Name/Title: Michael Hayman, Project Planning Manager

Recommended action: Staff recommends Board rejection of bids for the Six Mile Marsh Prairie Trail and Interpretation Project. Based on the previous Board discussion, it may also wish to authorize execution of a contract for construction of the Six Mile Marsh Prairie Trail based on the current low bid submitted by Sunram Construction.

Schedule: Spring 2022 – Trail construction following either rebid in early 2022 or acceptance of current low bid

Budget considerations: Fund name and code: Six Mile Marsh Prairie 3-3106
Fund budget: \$347,861
Expenditures to date: \$54,890 (Design, wetland delineation, site survey, legal)
Requested amount of funding: To be determined based on Board action.

Past Board action:

Res # 08-092	Halstead Bay Wetland Restoration Project, Project Ordering
Res # 11-052A	Authorization to purchase Halverson property in the Six Mile Marsh Subwatershed
Res # 12-077	Authorization to execute a contract for design and construction oversight for the Halverson-Dimler Restoration
Res # 13-027	Six Mile Marsh Prairie Restoration Project – Award of Construction Contract
Res # 20-101	Amendment to the 2021 Budget
Res # 21-021	Authorization to release the request for proposals for Six Mile Marsh Prairie trail and interpretation design
Res # 21-034	Authorization to execute contract for Six Mile Marsh Prairie trail and interpretation design
Res # 21-040	Authorization to execute contract for Six Mile Marsh Prairie site survey
Res # 21-049	Authorization to enter Local Trail Agreement with Three Rivers Park District for Six Mile Marsh Prairie trail
Res # 21-062	Approval of Six Mile Marsh Prairie trail and interpretation 90% design plans and authorization to solicit bids

Summary:

Following bid solicitation for construction of a pedestrian trail and interpretive elements at the Six Mile Marsh Prairie property in Minnetrista, the District received two bids, both of which significantly exceeded the project construction budget. At the November 4, 2021 Board of Managers meeting, the Board tabled Resolution 21-076 which would have

directed staff to reject the bids. The Board directed staff to provide the bidders with refined information in an effort to better understand the high bids and determine if costs could be reduced based on increased clarity. The Board also asked staff to return to the Board on November 18, 2021 with the results of that effort. Negotiation with bidders is not permitted in the intervening time between bid opening and bid award, and as such, staff simply discussed bid details with each of the bidders to better understand the submitted costs and the bids' discrepancy from the opinion of probable cost developed by the District's design consultants.

In consideration of the poor bid outcome and information subsequently offered by the two bidders, staff's recommendation is to reject the submitted bids in favor of rebidding the project in early 2022 with a refined bid package. At the November 18, 2021 meeting, staff will detail the possible adjustments to the bid package and bid process that will potentially return improved prices. These adjustments include 1) the addition of a bid alternate for a Class V trail surface which would reduce cost for materials and labor to install the trail, 2) clarification that geotechnical testing is not required, and 3) quantification of line items for installation rather than lump sum bid practices. With these refinements to the bid package and a longer bid period at a more optimum time of year, it is anticipated that a rebid would offer cost advantages with no impact to the intended construction schedule. The draft resolution to reject bids is included in the packet materials for the Board's consideration.

Should the Board instead direct staff to accept the low bid, a draft resolution for that purpose is also included in the packet materials. In that instance, the construction project would consist of the base bid trail system only, excluding the designed interpretive elements at this time. Those interpretive elements could be considered for construction at a later date but may impact the constructed trail system.



RESOLUTION

Resolution number: 21-076

Title: Authorization to reject bids for the Six Mile Marsh Prairie Trail and Interpretation Project

WHEREAS on October 7, 2021, by publication, the Minnehaha Creek Watershed District (District) solicited sealed bids for the Six Mile Marsh Prairie Trail and Interpretation Project, a project to install a trail and interpretive signage across 40 acres of District property in the City of Minnetrista;

WHEREAS the District received two bids by the submittal date of October 27, 2021, both responsive bids, with a low bid of \$354,825 base bid and \$135,100 add alternate bid;

WHEREAS the low bid exceeds the District designer's estimate by more than 65 percent, and well exceeds the amount that the District has budgeted for construction;

WHEREAS District staff advises that the high bids appear to be due to present conditions including high labor and material costs and high contractor demand;

WHEREAS the site presently offers public access and use by virtue of a mowed trail that the District maintains, and District staff believes that with value engineering and design review, and an expected improvement in pricing climate, a more favorable bid price can be obtained;

NOW, THEREFORE BE IT RESOLVED that the District Board of Managers rejects all bids submitted, and directs that the District Administrator advise the Board at such time as District staff finds that improved conditions for a rebid exist;

BE IT FURTHER RESOLVED that the District Administrator is to return all bid bonds in accordance with the bid solicitation documents.

Resolution Number 21-076 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: November 18, 2021.

Eugene Maxwell, Secretary Date: _____



RESOLUTION

Resolution number: 21-077

Title: Authorization to execute a contract with Sunram Construction for construction of the Six Mile Marsh Prairie Trail

- WHEREAS in August 2011 and August 2012, the Board of Managers authorized the purchase of three contiguous parcels north of the Six Mile Marsh totaling 210 acres for the purpose of implementing restoration of wetland basins and adjacent upland within the site. The purpose of this acquisition was to advance nutrient reduction goals in the subwatershed and particularly to lower phosphorus export to Halstead Bay, which requires the largest phosphorus load reduction within the Minnehaha Creek Watershed District (MCWD);
- WHEREAS in January 2013, the Board of Managers approved the final design of the Six Mile Marsh Prairie Restoration project which implemented 110 acres of wetland and adjacent upland restoration and developed concept plans for future construction of a spur trail to create public access to the property once the restoration was established;
- WHEREAS in May 2014, the Board of Managers identified the Six Mile Creek-Halstead Bay (SMCHB) subwatershed as a priority area for focusing planning activities and coordination efforts with subwatershed partners. As such, the Six Mile Marsh Prairie Restoration project has been advanced with support from the City of Minnetrista, Three Rivers Park District, Hennepin County Regional Rail Authority, and the US Fish and Wildlife Service;
- WHEREAS in January 2018, the Board of Managers adopted the MCWD Watershed Management Plan (WMP), which incorporated a comprehensive restoration strategy for the SMCHB subwatershed to achieve MCWD's goals of protecting and improving water quality, water quantity, ecological integrity, and thriving communities through land use and water integration. The WMP includes MCWD program activities which include engaging and educating communities on water resource issues and building support for MCWD projects;
- WHEREAS in December 2020, the Board of Managers amended the 2021 budget to increase the budget for the Six Mile Marsh Prairie Restoration project to \$347,861 for design and construction of a trail connecting the Dakota Rail Regional Trail to the Six Mile Marsh Prairie site and interpretive elements for the project;
- WHEREAS in March 2021, the Board of Managers authorized the release of the request for proposals for design services for the Six Mile Marsh Prairie trail and interpretation and in May 2021, following a competitive selection process, the Board of Managers authorized a design and construction oversight contract with Damon Farber Landscape Architects;
- WHEREAS in August 2021, the Board of Managers reviewed 60% design plans for the Six Mile Marsh Prairie trail and interpretation, provided guidance on specific elements, and expressed confidence in the design direction;
- WHEREAS Three Rivers Park District (TRPD), which manages the Dakota Rail Regional Trail to which the Six Mile Marsh Prairie trail will connect, reviewed and approved the location and design of the connection, and an agreement allowing the connection and setting maintenance terms was formally approved by the TRPD Board of Commissioners in a Local Trail Agreement in August 2021;

WHEREAS Hennepin County Regional Rail Authority (HCRRA), which owns the property on which the regional trail is located, reviewed and approved the location and design of the Six Mile Marsh Prairie trail connection to the regional trail, and HCRRA issued a permit for construction of the connecting trail in September 2021;

WHEREAS on September 23, 2021, the Board of Managers approved 90% design plans and authorized staff to solicit bids for construction;

WHEREAS on October 7, 2021, by publication, MCWD solicited sealed bids for a base project of trail construction and related improvements and bids for four interpretive features which were bid as add alternates;

WHEREAS the District received two bids by the submittal date of October 27, 2021, both responsive bids, with a low bid of \$354,825 base bid and \$135,100 add alternate bid. Staff discussed the basis for the bid with the low bidder and its discrepancy from the opinion of probable cost developed by MCWD's design consultant;

WHEREAS the low base bid exceeds the project budget by \$75,425. MCWD will be required to complete a budget amendment to account for the increased project costs.

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers finds that the bid submitted by Sunram Construction is the low bid and is responsive and that Sunram Construction is a responsible bidder; awards the base bid contract to Sunram Construction in the amount of \$354,825; and directs the District Administrator to return and otherwise administer bid bonds in accordance with the terms of the request for bids; and

BE IT FURTHER RESOLVED that the MCWD Board of Managers establishes a contract budget in the not-to-exceed amount of \$390,308 and authorizes the District Administrator, in his judgment and on the recommendation of the construction manager, to authorize change orders obligating MCWD up to that amount; and

BE IT FINALLY RESOLVED that the District Administrator is authorized to issue a notice to proceed to Sunram Construction in accordance with the terms of this resolution, on advice of counsel, and after receipt of a signed contract and required bonds and insurance documentation.

Resolution Number 21-077 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: November 18, 2021.

Eugene Maxwell, Secretary

Date: _____