

**TO:** The Honorable Mayor and City Council Members

**FROM:** Michael C. Van Milligen, City Manager

**SUBJECT:** SRF Green Alley Bid Set 3 – Year 3  
(CIP 7102450)

**DATE:** August 10, 2015

Sealed bids were received for the SRF Green Alley Bid Set 3 – Year 3 Project. City Engineer Gus Psihoyos recommends award of the construction contract to the low bidder, Portzen Construction, Inc., in the amount of \$1,139,598.75, which is 7.39% over the estimate of probable cost.

The alley locations are as follows:

- Alley between White Street and Jackson Street from 13<sup>th</sup> Street to 15<sup>th</sup> Street (2 alleys)
- Alley between Jackson Street and Washington Street from 12<sup>th</sup> Street to 16<sup>th</sup> Street (4 alleys)

Even though the bids are slightly higher than expected, special assessments for residents are expected to be reduced from \$1,323.81 to \$1,178.19 for the public improvement assessment, including engineering and contingency. The cost for the assessment is lower because the overages for the project were in the City portion of the project. The additional cost for each homeowner with a lead water service is expected to remain at \$907.50.

I concur with the recommendation and respectfully request Mayor and City Council approval.

  
Michael C. Van Milligen

MCVM:jh  
Attachment

cc: Barry Lindahl, City Attorney  
Cindy Steinhauser, Assistant City Manager  
Teri Goodmann, Assistant City Manager  
Gus Psihoyos, City Engineer