City Council Item

May 12, 2025

Item	Resolution 2025-XX: Accept the Bids and Award the Contract for the 2025 City Pavement Rehabilitation Project; and Resolution 2025-XX: Adopt Final Assessment Roll for the 2025 City Pavement Rehabilitation Project; and Resolution 2025-XX: Approving the establishment and execution of the Volunteer Rain Garden Program associated with the 2025 City Pavement Rehabilitation Project.	
File No.	ENG Project No. 25-01 CIP No. ST-012	**Item No:** G.1
Agenda Section	**PUBLIC HEARINGS**	
Prepared By	George Bender, Assistant City Engineer	
Reviewed By	Charlie Howley	

SUGGESTED ACTION

"The Chanhassen City Council adopts a resolution accepting the bids and awarding the contract, and also adopts a resolution adopting the assessment roll for the 2025 City Pavement Rehabilitation Project No 25-01, and also adopts a resolution approving the establishment and execution of the Volunteer Rain Garden Program associated with the 2025 City Pavement Rehabilitation Project."

Motion Type	Simple Majority Vote of members present
Strategic Priority	Asset Management

SUMMARY

Conduct Public (Assessment) Hearing for the 2025 City Pavement Rehabilitation Project No. 25-01. Adopt the final assessment roll for the project. Accept the bids and award the project to a contractor. Create volunteer rain garden program associated with the 2025 City Rehabilitating Project to help meet permit obligations, enhance local water quality, and partner with property owners.

BACKGROUND

As part of the overall Pavement Management Program (PMP), the city annually plans to rehabilitate a section or sections of public streets across the city. The Five-Year Capital Improvement Plan (CIP) identifies the near-term streets to be rehabilitated.

Key dates and items relative to this project:

- On June 14, 2024, the Engineering Department released a Request for Proposals (RFP) for design and construction services for the 25-01 project.
- On July 22, 2024, the City Council approved a Professional Services Agreement with Bolton & Menk for design and construction services for the project.
- On November 6, 2024, the Engineering Department released a Request for Proposals (RFP) for geotechnical services for the 25-01 project.
- On December 4, 2024, the City Council approved a Professional Services Agreement with Braun Intertec for geotechnical exploration and engineering services in association with the 25-01 design contract.
- On January 27, 2025, the City Council called for a Public Hearing to be held regarding the proposed improvements on February 10, 2025.
- On January 28, 2025, the Engineering Department hosted an Open House meeting at the Public Works facility to discuss the project and respond to questions with the impacted properties.
- On February 10, 2025, the City Council accepted the feasibility study, conducted a Public Hearing regarding the improvements, and authorized the preparation of Plans and Specifications.
- On March 10, 2025, the City Council accepted the plans and specifications and authorized the advertisement for bids for the project.
- On April 11, 2025, Bolton & Menk and the Engineering Department hosted a bid opening.
- On April 28, 2025, the City Council called for a Public Hearing regarding the assessments to be held on May 12, 2025.
- On May 7, 2025, the Engineering Department hosted a second public open house for the project at the city's Public Works Facility.

Project information is available on the city's website at:
https://www.chanhassenmn.gov/government/projects/street-projects/2025-city-pavement-rehabilitation-project

There are currently 1,357 email addresses subscribed to receive project updates. To subscribe, residents and property owners should visit:
https://www.chanhassenmn.gov/i-want-to/subscribe

Water Resources
Surface water quality is an important issue for the city and rain gardens are a cost-effective solution that

can be implemented with street rehabilitation projects. This newly created (2nd year) Volunteer Rain Garden Program will allow for residents to receive a financial incentive to have a rain garden installed on their property. In this partnership the cost of the rain garden installation and major repairs would be the responsibility of the city while routine maintenance would be the responsibility of the resident. The program requires that an Operations and Maintenance agreement be recorded against the property and that the rain garden area be encompassed in a drainage and utility easement.

The reconstruction of the public roadways in the southern half of Frontier Trail and the Del Rio Area associated with the 25-01 Pavement Rehabilitation project triggers stormwater management regulations from the city and Watershed District. To meet the rules the city must implement stormwater best management practices (BMPs) with the project such as infiltration basins, wet ponds, and rain gardens. The construction of BMPs in this specific part of Chanhassen is challenging because of the limited right of way and the minimal amount of existing BMPs in the area. One cost effective way to meet stormwater regulations and improve local water quality is through the construction of local rain gardens with the project.

The primary goal of this program is to partner with local homeowners to establish rain gardens within the neighborhood, contributing to the enhancement of local water quality. Rain gardens play a crucial role in improving water quality by facilitating stormwater infiltration, filtration, and detention.

As part of the 25-01 project design the consultant engineers reviewed the area and looked into potential rain garden locations based on the site grading, proximity to utilities, and drainage area. The city has started outreach to the property owners where rain gardens are viable to outline the potential program and have received positive feedback.

Understanding that a rain garden may not be suitable for all residents and requires maintenance, the city is offering an incentive for program participation. Specifically, the city will pay $2,500 for property owners who choose to join the program. Additionally, residents involved in the program will benefit from a 50% reduction in Surface Water Fees, approximately $60/year.

How the Program Works:

For participating residents, the construction of the rain garden will be integrated into the Pavement Rehabilitation Project at no cost to the property owner. An engineer will design the rain garden in the field to ensure it does not adversely affect the property. In return, the property owner is responsible for routine maintenance, including: Vegetation management: mulching, weeding, planting, trimming, etc., to sustain rain garden-friendly vegetation. Periodic removal of sediment and debris buildup within the rain garden. Submission of annual inspection forms to the city.

The City of Chanhassen will handle more substantial rain garden maintenance tasks, such as:
Drain tile cleanout and replacement.
Soil filter media remediation
Structural work associated with the curb cut and connections to the public storm sewer.

Additionally, property owners will need to sign an Operations and Maintenance Agreement with the city, ensuring the perpetual functionality of the rain garden. This agreement will be recorded against the property. It's important to note that the rain garden must remain on the property until a future street reconstruction project in the neighborhood is completed, which may involve the reconstruction of

stormwater facilities. The rain garden area will also be required to be within drainage and utility easement. The city will create the paperwork associated with the rain garden operations and maintenance agreement and easement dedication.

DISCUSSION

The bid results ranged from $8,929,189.50 to $9,184,105.43. Although having four responsible bidders is below the average number of bidders the City has recently received on similar projects - it is still a reasonable amount to determine if the bid results were competitive. The spread of $254,915.93 over the bidders is indicative of a competitive market (< 3% delta). Staff and the consultant are in agreement that the bids received are a good value for the current market. Ryan Contracting has previously satisfactorily worked with the engineering consultant (Bolton & Menk) on projects in the metropolitan area. Ryan Contracting is scheduled to attend the Open House on May 7, 2025.

The total bid amounts received and the bidding contractors are listed in the table below:

Contractor	Base Bid Amount
Ryan Contracting	**$8,929,189.50**
S.M. Hentges & Sons	$8,947,085.16
Valley Paving	$9,163,896.18
Northwest Asphalt	$9,184,105.43
*Engineer's Estimate	$8,714,999.50

* The Engineer's Estimate is included in the table above for reference only.

The special assessment amounts for the single family residential properties in each project area were calculated via guidance of the City's Assessment Policy. The City's Assessment Policy was revised on May 5, 2025. The assessment amounts are as follows:

Neighborhood Project Area	Preliminary Assessment Amount	Final Assessment Amount
Conestoga area (FDR)	$4,502.00	$4,131.00
Frontier Trail - Rehabilitation area (FDR)	$7,894.00	$5,000.00
Frontier Trail - Reconstruction area (Recon)	$15,393.00	$9,270.00

Staff provided an overview of the revised assessment methodology at the Open House and will include discussion on it during the presentation at the Council meeting on May 12.

Schedule

The remaining schedule for the project is as follows:

Task	Date
Begin Construction	(Tentatively) May 17, 2025
Substantial Completion	November 2025

Task	Date
Final Completion	June 2026

Open House Summary

City staff and the consultant hosted a second open house meeting relative to the project on May 7, 2025, at the Public Works facility. A summary of the general discussions of the meeting and attendance will be provided during the presentation associated with the Council agenda item on May 12.

BUDGET

The overall project budget is shown in the table below in comparison to the bid costs:

Fund	Budget	Bid Amount by Fund	Bid Amount by Fund with Engineering	Difference
PMP (Street)	$4,930,000	$4,381,793.50	$4,705,659.66	-$224,340.34
Surface Water (Storm Sewer)	$1,760,000	$1,339,133.00	$1,438,136.08	-$321,863.92
Sanitary Sewer	$655,000	$805,620.00	$865,171.20	$200,171.20
Water	$1,750,000	$2,130,785.00	$2,288,262.44	$538,262.44
Kerber Ravine	$700,000	$128,520.00	$138,019.43	-$561,980.57
Total	**$9,805,000**	**$8,785,851.50**	**$9,435,248.82**	**-$369,751.18**

Fund	Budget	Bid Amount with Engineering	Difference
Lift Station PW Maintenance at LS 2 and LS 10	$150,000	$153,932.68	$3,932.68

The PMP, Surface Water, and Kerber Ravine funds are underbudget. The Sanitary Sewer and Water funds are overbudget. Overall the project is underbudget. Maintenance work at Lift Station No. 2 and Lift Station #10 was also bid with the project. This work would be funded out of a separate Public Works maintenance budgetary item associated with the lift stations. The sanitary sewer and water system overages will be absorbed into the fund balance of those Enterprise funds. Staff will look for savings throughout the construction to minimize this overage. All of the construction associated with these enterprise budgets has been analyzed and it is difficult to recommend elimination of any of the work due to the opportunity cost of reconstructing the street about these assets.

Private-side I/I repairs are also being coordinated by a partnership between the city and the property owners, and any resulting work being funded by a separate grant the city applied for and received through the Metropolitan Council. The value of the grant the city received for 2025 is $134,000.00. The city will be replacing the public-side of the sanitary sewer laterals in the reconstruction area as part of the project. These costs are included in the bid.

The rain garden program will be financed with the project, specifically the surface water fund for any partnerships that get coordinated. The project bids include the construction of 3 volunteer rain gardens.

RECOMMENDATION

Staff recommends the City Council adopt the resolution accepting the bids and approving a contract to Ryan Contracting Co. for the base bid amount.

Staff recommends the City Council adopt the resolution adopting the final assessment rolls for the 2025 City Pavement Rehabilitation Project No. 25-01.

Staff recommends the City Council adopt a resolution to establish and execute the Volunteer Rain Garden Program associated with the 2025 City Pavement Rehabilitation Project similar to the 2024 City Pavement Rehabilitation Project.

ATTACHMENTS

Rain Garden Program Resolution
Adopt Assessment Roll Resolution
Accept Bids and Award Contract Resolution
25-01 Final Assessment Roll - Conestoga Area
25-01 Final Assessment Roll - Frontier Rehab Area
25-01 Final Assessment Roll - Frontier Recon Area
Area Mapping for 2025 City Pavement Rehabilitation
Assessment Policy - 2025 Update
Assessment FAQ
PMP FAQ
2025 CIP ST-012_2025 Street Imp