City Council Item

May 19, 2025

Item	Consider award of construction contract for the MMSW Roundabout project	
File No.	ENG 24-05	**Item No:** G.1
Agenda Section	**GENERAL BUSINESS**	
Prepared By	Charlie Howley, Director of Public Works/City Engineer	
Reviewed By	Laurie Hokkanen	

SUGGESTED ACTION

"The Chanhassen City Council awards a construction contract to S.M. Hentges, Inc. for the Minnetonka Middle School Roundabout Project on Highway 41."

OR

"The Chanhassen City Council elects to not award a construction contract for the Minnetonka Middle School Roundabout Project due to non-competitive bids received and project funding shortfall."

Motion Type	Simple Majority Vote of members present
Strategic Priority	Operational Excellence

SUMMARY

The project was bid and a decision needs to be made by the city whether or not to proceed with constructing the project.

BACKGROUND

This project has been discussed since 2018. Many sequential steps have occurred to get to the point of having an approved plan and soliciting for construction bids.

DISCUSSION

The project was bid on May 14, 2025. Only one bid was received.

Approvals and right-of-way have been obtained; private utility relocations are underway. Not awarding the project based on this bid, does not mean the project can't proceed in the future after another bid process. Should the construction not proceed, re-securing the State funding awards would need to occur as they do have expiration dates.

BUDGET

Bid summary:

SM Hentges $ 3,198,878.40 (~14.5% over Est.)
Eng Est. $ 2,794,656.50

Having only one bid results in a non-competitive bid.

Overall Budget:

LPP Grant	$ 950,000
LRIP Earmark	$ 1,500,000
PMP	$ 50,000
Water	$ 100,000
SWMP	$ 300,000
Minnetonka School District	$ 400,000
TOTAL	$ 3,300,000

Construction Bid = $ 3,200,000
Soft Costs to date = $ 725,000
TOTAL $ 3,925,000

In summary, there is an approximate shortfall of $625,000 in project funding.

RECOMMENDATION

Staff recommends **not** awarding a construction contract for the project at this time due to a non-competitive bid and a shortfall in project funding.

ATTACHMENTS