



REQUEST FOR ACTION

Contract with ICON, LLC for Reconstruction of 100, 200, and 300 blocks of 5th Ave NW and 400 block of 3rd St NW - Project No. J8915

MEETING DATE:

July 6, 2026

ORIGINATING DEPT:

Public Works

AGENDA SECTION:

Consent Agenda

PRESENTER:

Amy Kreofsky

Action Requested:

Adopting a Resolution approving a contract with ICON, LLC for Reconstruction of 100, 200, and 300 blocks of 5th Ave NW and 400 block of 3rd St NW - Project No. J8915

Report Narrative:

This project will reconstruct four (4) downtown city blocks, including:
 5th Ave NW from 1st St NW to 4th St NW
 3rd St NW from 5th Ave NW to 4th Ave NW

Many of the existing public utilities have exceeded their useful life. The watermain dates back to the 1880s, and the sanitary and storm sewer systems were installed in the 1940s. These systems require replacement due to both age and direct conflicts with Mayo's underground power installation. The work is being closely coordinated with Mayo Clinic's Underground Power Utility Infrastructure (UPUI) B3 Package, which includes installation of underground power along the same corridors. Mayo has already begun utility installation work within the project limits.

Under the UPUI B3/B4 Agreement, Mayo is responsible for replacing public utilities that conflict with their new power infrastructure. The City will replace sanitary sewer, storm sewer, and watermain segments that are not being upgraded as part of Mayo's work but are necessary to address aging infrastructure.

In addition, the Agreement outlines Mayo's responsibility for a portion of the roadway replacement cost associated with their disturbance limits. The City is responsible for design and construction of the roadways and the remaining costs associated with street reconstruction. Together, these efforts ensure street and utility improvements are completed in a coordinated manner, reducing the likelihood of future disruptions in the downtown area while supporting long-term growth and redevelopment.

The project was advertised in the Post Bulletin, and the following bids were received on June 18, 2026:

ICON, LLC with a bid of \$1,647,987.75
 Pember Companies, Inc with a bid of \$1,651,578.90
 Alcon Excavating Inc with a bid of \$1,782,745.96
 Carl Bolander & Sons Co with a bid of \$1,818,484.50
 Elcor Construction, Inc with a bid of \$1,844,806.20
 BCM Construction, Inc with a bid of \$1,974,402
 Veit & Company, Inc with a bid of \$1,987,627

S L Contracting with a bid of \$1,997,979.25

Bids ranged from 7% to 30% over the Engineer's Estimate. The Engineer's Estimate for this project was \$1,535,622.50.

This project is funded with DMC General State Infrastructure Aid, so the contract must comply to the City's established Targeted Business and Workforce Participation Plan.

Award of this contract is contingent upon review and approval of ICON's Targeted Business Utilization Plan and Workforce Participation Plan.

This project is scheduled to begin upon execution of contract. The project is sequenced to align with Mayo's UPUI B3 and B4 packages. The 200 and 300 block of 5th Ave NW and the 400 block of 3rd St NW blocks will be constructed in 2026 and 100 block of 5th Ave NW block will be completed in 2027.

Priorities & Foundational Principles:

Transformational Capital Projects
Fiscal Responsibility and Sustainability

Policy Considerations & DEI Impact:

The City has been closely coordinating with Mayo's construction management team to ensure design details, staging, and schedules minimize community disruption and follow the City's "dig once" approach to project delivery in the downtown area over the next 5 years. This project will upgrade utility infrastructure in a way that supports a redeveloping community for generations. It reimagines our street corridors through complete streets, including enhancing safety, accessibility, and mobility for all users, preparing our city for the future.

Prior Legislative Actions & Community Engagement:

September 22, 2025: Council Meeting - Agreement between the City and Mayo Clinic for Utility Power Underground Infrastructure (UPUI) Package B3/B4 Coordination.

October 6, 2025: Council Meeting - Approval of 2026 and 2027 Destination Medical Center Corporation Budget - Operating and Capital.

May 18, 2026: Council Meeting - Authorization to Bid.

May 21, 2026: DMCC Board of Directors Meeting - Authorization of DMC Construction Funds.

Fiscal & Resource Impact:

This project will be funded through DMC General State Infrastructure Aid funds and Mayo Clinic is responsible for a portion of the roadway infrastructure as defined in the B3/B4 Agreement. The total estimated construction cost, including 25% engineering, interest, and contingency costs (EICs), is \$2,059,984.69. Mayo Clinic's estimated contribution is \$394,537.50, with the remaining \$1,665,447.19 funded through DMC General State Infrastructure funds.

This project aligns with blocks 10, 11, 12, and 39 in the 2026-2027 DMC Capital Improvement Program Summary, which together received a total funding allocation of \$3,000,000, so the project still falls under the total budget allocation, despite exceeding the Engineer's Estimate.

Alternative Action(s):

No alternative actions suggested at this time.

Prepared By:

Amy Kreofsky

Attachments:

Project Location Map - Project No. J8915 (ADA)

Resolution - Reconstruction of 100, 200, and 300 blocks of 5 Ave NW and 400 block of 3 ST NW - Project No. J8915 (ADA)

Standard Form of Contract - Reconstruction of 100, 200, and 300 blocks of 5 Ave NW and 400 block of 3 ST NW - Project No. J8915 (ADA)