

Memorandum

TO: City Council

FROM: Stephanie Smith , City engineer

DATE: April 6, 2026

SUBJECT: Receive bids and award contract for construction of the 2026 Street Rehabilitation, city project 26-04 to Valley Paving, Inc. in the amount of \$2,459,459.00.

ITEM NUMBER: 8.h

SECTION: CONSENT AGENDA

REQUESTED MOTION

To adopt resolution 26-21 accepting the bid from Valley Paving, Inc. for the 2026 Street Rehabilitation, city project 26-04 and authorizing the mayor and city manager to execute a construction contract in the amount of \$2,459,459.00.

INTRODUCTION

Electronic bids were received and viewed on March 26, 2026 for the 2026 Street Rehabilitation, city project 26-04. The project areas are shown on the attached map. Council action is required to award the construction contract.

DISCUSSION

The 2026 Street Rehabilitation, city project 26-04, will include rehabilitation of roadways in various neighborhoods, trail improvements, retaining wall replacement, minor storm, water and sanitary sewer repairs, upgrading pedestrian ramps to meet ADA standards and parking lot. The project also includes parking lot, trail and utility improvements at Commons Park.

On February 17, 2026, the city council approved plans and specifications and ordered the taking of bids for the 2026 Street Rehabilitation, city project 26-04. Accordingly, on March 26, 2026, four bids were received and opened. All bids were submitted with proper bid security in the amount of five (5) percent of the total amount bid as required by the project manual. The bid amounts are listed below:

Bidder	Bid Amount
Valley Paving, Inc.	\$2,456,456.00
Park Construction Company	\$2,656,606.87
Bituminous Roadways, Inc.	\$2,699,280.39
Northwest Asphalt, Inc.	\$2,791,356.97
Engineer's Opinion of Cost	\$2,835,103.72

Valley Paving, Inc. is the lowest responsible bidder at \$2,459,459.00, 13% below the engineer's estimate. Valley Paving, Inc. has completed similar projects for the city, and their work has

been acceptable.

The low base bid results in an estimated total cost for the project of \$2,830,000 including allowances for engineering and administrative costs, and contingencies.

While the overall project is underbudget, the project funding has a shortfall in the community investment fund and sanitary sewer fund. The overage in the community investment fund is due to the individual bid items being above estimate and additional improvements at Commons Park that are easiest to perform while the lower level parking lot is under construction. The overage in the sanitary sewer fund is due to improvements that are easiest to perform while the street pavement is being replaced and involve relocating the Commons Park lift station. Staff recommend awarding the contract with a budget increase from those funds. Finance staff have confirmed that the needed funds are available in both the community investment fund and the sanitary sewer fund.

Project costs are shown by funding type in the table below:

	Cost (Construction + 15% Design and Construction Admin)	Funding in CIP	Proposed Funding Increases
Streets	\$ 1,425,056.48	\$ 2,090,000.00	\$ -
Water	\$ 272,118.75	\$ 275,000.00	\$ -
Surface Water	\$ 136,344.00	\$ 220,000.00	\$ -
Capital Asset Replacement	\$ 447,366.85	\$ 525,000.00	\$ -
Community Investment	\$ 400,022.67	\$ 170,000.00	\$ 230,000.00
Sanitary Sewer	\$ 147,469.10	\$ -	\$ 150,000.00

RECOMMENDATION

Staff recommends city council adopt resolution 26-21, accepting the bid from Valley Paving, Inc. for the 2026 Street Rehabilitation, city project 26-04 and authorizing the mayor and city manager to execute a construction contract in the amount of \$2,459,459.00.

ATTACHMENTS

[Project Map](#)

[Resolution 26-21](#)