Ivins City Staff Report
City Council Meeting 2/16/2017

Agenda Item: Approval of expenditure for construction of Cliff Rose 2 MG Tank – Connection Pipeline

Submitted by: Thomas J. Jorgensen, P.E., Assistant Public Works Director

Recommended City Council Action:
Approve expenditure for Cliff Rose 2MG Culinary Water Tank - Connection Pipeline.

BACKGROUND:
The original contract for this project included removing the existing 1-million-gallon steel tank, constructing a new 2-million-gallon concrete tank, a new access road into the bottom of the tank site, a rock fall protection berm, and site grading. The replacement of this tank was a recommended improvement from the 2013 Culinary Water Master Plan to increase storage capacity.

As you may recall from the previous staff report on this project, staff had been working on expanding the project to include some reconfiguration of piping and controls around the tank and relocating two water lines from private properties to Cliff Rose Way. The original budget for this project was $1,925,000. The current estimated expenditures for construction and engineering totals approximately $1,400,000, leaving approximately $525,000 remaining in the budget.

Staff has been working with Sunrise Engineering for a design of the connection pipeline. The plans were then submitted to the contractor to prepare a quote and the contractor submitted a quote to complete the work for $533,654.12. Both staff and Sunrise Engineering felt that the quote submitted was too high and we've been in negotiations with the contractor to reduce the price. During negotiations we requested that the contractor work on reducing costs in a few areas. First, two-thirds of the quote was cost of materials and we've asked the contractor to obtain material quotes from other suppliers. Second, we've requested the contractor to reconsider costs associated with markups. Third, we've requested the contractor provide additional information regarding labor costs and to reconsider their labor costs.

Our intent is to negotiate with the contractor down to a price that staff and Sunrise Engineering feel is fair, otherwise staff may recommend that these changes be bid out. Staff is concerned about the project being complete before water demand picks back up in the spring, and therefore are concerned that if the additions are bid out the project won't be complete before high demand requires the tank be in service. The results of the negotiation with the contractor will be provided at City Council Meeting.

FINDINGS AND ANALYSIS:
The following quote was received:

	Total
Dale Cox Contracting, Inc.	$533,654.12

SUPPORT MATERIALS:

- To be supplied prior to Council Meeting

FINANCIAL IMPACT:
GL 51-42-877: T.B.D.

Respectfully Submitted: _____
Thomas J. Jorgensen, P.E., Assistant Public Works Director

Content Review: _____
Dale Coulam, City Manager