Ivins City Staff Report
City Council Meeting 11/17/2022

Agenda Item: Discuss and consider award for the Old Highway 91 Improvement Project

Submitted by: Charles Gillette, P.E. Public Works Director & City Engineer

Recommended City Council Action: Award the bid and commit the additional $532,709 of funding.

BACKGROUND:

The City Council last approved commitment of funds for this project at the July 7, 2022 meeting. At the time of the meeting, the engineer's estimate for construction costs was:

$6,416,035 + $641,604 (10% contingency) + $50,000 (performance incentives) = $7,107,639

On November 8th, UDOT administered a bid opening for the project and the bids were as follows:

Contractor	Bidder Total (Not Including Time Factoring)
8C7C7	$6,948,744
6BD35	$7,296,500
2386B	$7,490,048
C3E7A	$10,365,675

UDOT does not disclose the bidder names when the low bid comes in higher than the engineer's estimate. The difference between the low bid and estimate is $532,709. This is 8% higher than the engineer's estimate. UDOT will allow the project to be awarded, but will not disclose the low bidder until a decision is made as to whether or not to award the bid.

This is being brought to the attention of the City Council, since if we award this bid, we will need to commit an additional $532,709 to the project.

FINDINGS AND ANALYSIS:

The options to the city are as follows:

- Award the bid and commit additional funding.
- Award the bid and then reduce scope of the project by change order to match the original commitment.
- Reject all bids, amend the contract by reducing scope of the project and then rebid.

Staff is recommending that we award the bid, since price increase risk continues to be a problem. That leaves open the option of reducing scope through change order or committing additional funding. Possible sources of funding:

- Black Desert Resort is expected to pay a $2.5 million impact fee to the Street fund in the next few months.
- Washington County Tourism Funds might be acquired to pay the increase.
- There is over $600,000 available in the Capital Funds Balance.

These are all options that do not require bonding, which is still an option to the City as there was a street bond that was paid off last year.

SUPPORT MATERIALS:
Staff Report from July 7, 2022
Bid-Results Documents

FINANCIAL IMPACT:
See the July 7, 2022 Staff Report with an additional impact of $532,709 which could be paid with impact fees or remaining balance in the capital funds.

Respectfully Submitted: _____
Charles Gillette, P.E., Public Works Director & City Engineer

Content Review: _____
Dale Coulam, City Manager