



Mayor, City Council Members and Staff,

I am Terry Ficklin, the General Manager of South Utah Valley Solid Waste District. I was asked to come tonight to answer questions about the new transfer station currently under construction. A brief history of the approved cost timeline might be helpful for our discussion. The final transfer station design was approved by the board in December of 2021 and went out to bid with the selected contractor, Hughes General Contractors (Hughes). In February of 2022, Hughes delivered the GMP (Guaranteed Maximum Price) to build the facility at \$33,406,696. At the same time, the estimated owner responsible cost was \$5,944,500 for equipment, furnishings, permitting, and construction management

The off-site construction was already underway when the facility GMP was accepted by the board (which included the adjacent roads, utilities, and sewer lift station). This portion of the project was contracted with GWC at a GMP of \$5,972,000 in July 2021. The combined totals of these three cost components put the total cost of the project at \$45,323,196. Impact fees and development agreements were estimated reimbursements to the district of approximately \$5,028,000. The district had \$12,700,000 in the PTIF account, and the board members approved moving forward with construction of the project.

Working with Zions Bank we prepared to request a \$30,000,000 Bond that would have paid us out \$33,642,000 in bond proceeds. The going rate at that time was 2.65% interest, with no payment the first year and interest only the second year.

The board approved getting the bonds in April of 2022 and the market changed. We settled for a \$28,000,000 Bond that paid out \$31,462,695. This left the district with a \$2,000,000 shortfall and a bond rate of around 5% instead of the 2.65% we were hoping for.

We then discovered months later that we needed to start making payments on the bond, which we have now paid \$2,291,166 in bond payments.

Several other key items have not worked in our favor over the last 18-months of construction, include material cost escalations, missed scope in the GMP, and exclusion of sales tax from the original Hughes GMP. The sales tax costs alone are an estimated \$1,150,000 additional cost to the district.

As a result of these events, we have forecasted that the district needs an additional bond to finish the project and move into the new facility on time, which is scheduled for March of 2024.

I appreciate your time and help with this vital project for the district and am happy to answer any questions you may have at this time.

Sincerely,

Terry Ficklin

General Manager

Construction Analysis
South Utah Valley Solid Waste District
New Transfer Station Building - Spanish Fork
Date: October 4, 2023

New Transfer Station Total Project Cost Analysis			
	Approved Cost	Spent	Remaining
SUVSWD Off-Site Improvements	\$6,124,193	\$5,952,769	\$171,424
Approved Change Orders	\$374,799	\$0	\$374,799
SR-77 Road and Culvert Construction	\$928,115	\$0	\$928,115
Total Offsite Road and Utility Improvements	\$7,427,107	\$5,952,769	\$1,474,338
Transfer Station Site & Facility Construction (Hughes GC 100% GMP)			
GMP Base Bid Materials & Labor - Subtotal	\$32,592,615	\$22,417,160	\$10,175,455
Construction Management Fee	\$501,101	\$405,972	\$95,129
Preconstruction CM/GC Fee	\$19,000	\$18,050	\$950
GL Insurance, Payment & Perf. Bond	\$293,979	\$279,280	\$14,699
100% Hughes Onsite GMP	\$33,406,695	\$23,120,462	\$10,286,233
Actual Bond Payout w/ Proceeds	\$31,462,340		
Bond Counsel and Financial Advisor Payment	-\$89,500		
Material Sales Tax Cost	-\$1,050,000	\$145,000	Spent already
GMP Shortfall	\$3,083,855		
Owner Provided Transfer Station Cash Items			
GMP/Bond Shortfall	\$3,083,855	\$0	\$3,083,855
Permitting and Installation Costs to Dominion Energy	\$14,738.66	\$14,739	\$0
Stationary Compactors (2 from SSI)	\$3,090,443	\$2,777,103	\$313,340
Existing Compactor Upgrade and Relocation	\$720,161	\$238,592	\$481,569
Compactor Install by Mountain Crane and Barnes Electric	\$150,000	\$0	\$250,000
Fairbanks Scales (Kiosks by Software Provider, Concrete by Hughes GC)	\$399,655	\$338,085	\$61,570
Paradigm Software and Kiosks	\$224,311		\$224,311
Hot Water Pressure Washing System	\$55,000		\$55,000
Onsite Fueling System	\$169,191	\$42,298	\$126,893
Oil and Lube Systems	\$165,000		\$165,000
Vehicle Lifts for Maintenance Building	\$51,119	\$51,119	\$0
Hazmat Containment Container for HHW Building	\$96,524		\$96,524
Man Lift	\$147,000	\$147,000	\$0
Wheel Excavator	\$200,000	\$200,000	\$0
Fork Lifts for New TS (2)	\$66,222	\$66,222	\$0
Facility Signage and Electric Monument Sign	\$145,000	\$0	\$145,000
Appliances (Refrigerators, Microwaves, Etc)	\$25,000		\$25,000
Office Furniture by Midwest Commercial Furnishings	\$110,791		\$110,791
Demolition of Existing Transfer Station	\$200,000		\$200,000
Site and Facility Equipment and Furnishings	\$9,114,011	\$3,875,157	\$5,338,854
Permitting	\$825,000	\$825,000	\$0
Facility and District Branding	\$50,000	\$47,784	\$2,216
Financial Advisor Fee (Bonding fees included with bond)	\$30,000	\$30,000	\$0
Project Design, Engineering, Survey, Geotech, Architectural, Structural	\$1,938,828	\$1,938,828	\$0
Owner's Rep and Construction Management (Onsite & Offsite))	\$2,000,000	\$1,323,419	\$676,581
Soft Costs (Design, CM, Permitting)	\$4,843,828	\$4,165,031	\$678,797
Total Remaining Cash Items for Transfer Station			\$7,491,989
Property Sale, Acquisition, and Reimbursables		Received/Spent	Remaining
Surplus Property Sales (SF and Springville)	-\$9,761,925	-\$7,760,519	-\$2,001,406
Property Acquisition (Transfer Station Property and Road R.O.W)	\$4,024,015	\$4,024,015	\$0
Total Property Sales and Acquisitions	-\$5,737,910	-\$3,736,504	-\$2,001,406
Off-Site Reimbursables - SF Impact Fees	-\$4,048,225	-\$1,119,176	-\$2,929,049
Off-Site Reimbursables - Pioneering Agreements	-\$1,853,101	\$0	-\$1,853,101
Total Remaining Cash Inflow			-\$6,783,556
			\$708,433