

Minutes of Milford City Council Work Session
Friday, November 1, 2019, 1:00 PM
Milford City Office 26 South 100 West, Milford, Utah 84751

Members and Staff Present: Mayor Nolan Davis, Council Members Russell Smith, Les Whitney, Terry Wiseman, Shane Yardley (via telephone), and Ian Spaulding (via telephone). City Administrator Makayla Bealer, Administrative Assistant Lisa Thompson, Foreman Benjamin Stewart, and Jesse Ralphs, Sunrise Engineering (via telephone) were also present.

Mayor Davis called the meeting to order at 1:01 PM

WORK SESSION

1) Review and take action on bids for the Milford City Culinary Well Drilling Project

Jesse Ralphs presented the bid tabulation for the two bids received on the 29th. High Plains Drilling of Idaho, and Hydro Resources of Colorado. Both bids were higher than the engineers estimate. The biggest concern was that the lowest bidder submitted an unbalanced bid meaning that they front loaded the costs in the test well drilling meaning that it wouldn't make sense to proceed to pay that much for a test well. To review the numbers, the engineers estimate was \$638K; High Plains Drilling was \$695K and Hydro Resources was \$672K. The third bidder, Gardner Brothers of Enterprise, Utah arrived two minutes after bid time and were not able to submit their bid. In conversations with Mayor Davis, Administrator Bealer, Attorney Kanell, and Jeff Rich with Rural Development, we talked through different options and decided the best option was to reject all bids and rebidding the project with a shortened bid advertisement timeline in hopes of getting a lower cost and also a more balanced bid for successful bid. Are there any questions we can answer on that? Council Member Ian Spaulding asked about the likelihood that the bidders would re-bid and what happens if they submit over budget again? Jesse will reach out to the two bidders and ask if they are interested in rebidding. He did speak with Gardner Brothers and they would take the opportunity to bid. He had not spoken with Grimshaw but he would reach out to them as well. Jesse did not know if the two out of state drillers would re-bid or figure that it was not worth their time. Council Member Whitney asked him why he thought that they may think it is not worth their time – because they would think we were looking for a substantially lower bid? Jesse – yes. If the city rejects this bid and in their minds the driller bid it competitively there may not be much motivation for them to resubmit the same bid, although they may – I do not know the answer to that, they may or may not. Council Member Whitney – we are having this discussion because one loaded the top-end of the test well and both were over the engineers estimate anyway, is that right? Jesse – yes, that is right. Council Member Spaulding asked what happens if we open it up and drillers resubmit and they still come back in over the estimated cost? Jesse explained that it was a very real possibility. We have reason to believe that at least Gardner Brothers had an interest in submitting the second time and getting their bid in on time and we have reason to believe that their bid might be substantially lower than what we have seen from the out-of-state- drillers. There is nothing guaranteed, it is up to them to submit and they can change their bid. Council Member Spaulding asked if the city opened it up for bidding again how long would it need to be open and if there would be any potential risk. Jesse stated that two weeks is what has been discussed. There is nothing detrimental to the city or the project by opening it back up for rebid, just a little coordination on the bond anticipation note. Mayor Davis stated he did not feel the city had any choice but to put it back out to bid and had nothing to lose by doing so. Council Member Spaulding agreed. Council Members Smith and Wiseman agreed. Council Member Whitney stated that we had a choice but it is all about the right choice and the right

choice is to reject. Jesse explained that once the council has made their decision and given direction on that, Sunrise will post a memorandum on their plan room which will send out emails to all the plan holders, not just the bidders, noticing that the city is rejecting all bids and will resolicit bids; there will be a new advertisement posted as well. Nothing in the plans will change. We will plan to open bids on the 19th, prior to the council meeting. Administrator Bealer stated that the bid time would be changed to 1:30 PM on the 19th rather than 10 AM as previously communicated.

- *MOTION: Council Member Les Whitney moved to reject the two bids that were submitted on the well project and advertise the project for a 14-day period and opening the bids on November 19th at 1:30 PM. Motion was seconded by Council Member Russell Smith. All were in favor. Motion carried.*

Jesse will prepare the advertisement and get it to the city for advertisement.

Meeting Adjournment ~ as there was no further business the meeting adjourned at 1:15 PM.

APPROVED by City Council the 19th day of November, 2019.

A handwritten signature in black ink, appearing to read "Monica D. Seifers", with a stylized flourish at the end.

MONICA D. SEIFERS, City Recorder