

# STATUS OF SOUTHERN PARKWAY PROJECTS UTILIZING CMGC

---

Region 4 has achieved the most success utilizing CMGC than any other UDOT region. This success has been achieved by obtaining lower pricing upfront, maintaining the proposed pricing, reducing change orders and overruns, applying innovations and controlling risks.

Recent pricing comparison of the Southern Parkway projects with state average unit prices suggest that low prices offered during the selection process have been maintained. During the selection process each contractor is required to provide unit prices for main bid items and disclose their approach to achieving those prices. Specifically, the Atkinville project and its associated Southern Parkway projects suggested that they could achieve prices at 63% of the state average unit prices. This is the most aggressive goal promised by any CMGC contractor to date. Many individuals within UDOT were concerned that these promised prices would not be achieved once the competitive bidding arena was abandoned. Chart 1 shows the bidding results of all CMGC projects to date that included pricing and approach to pricing sections in the selection process. As expected achieving the promised prices (scoring a ratio of 1) has been difficult. However, the Southern Parkway projects consistently score better than other CMGC projects and in some cases achieve pricing below the anticipated 63% of the state average pricing (indicated by ratios below 1).

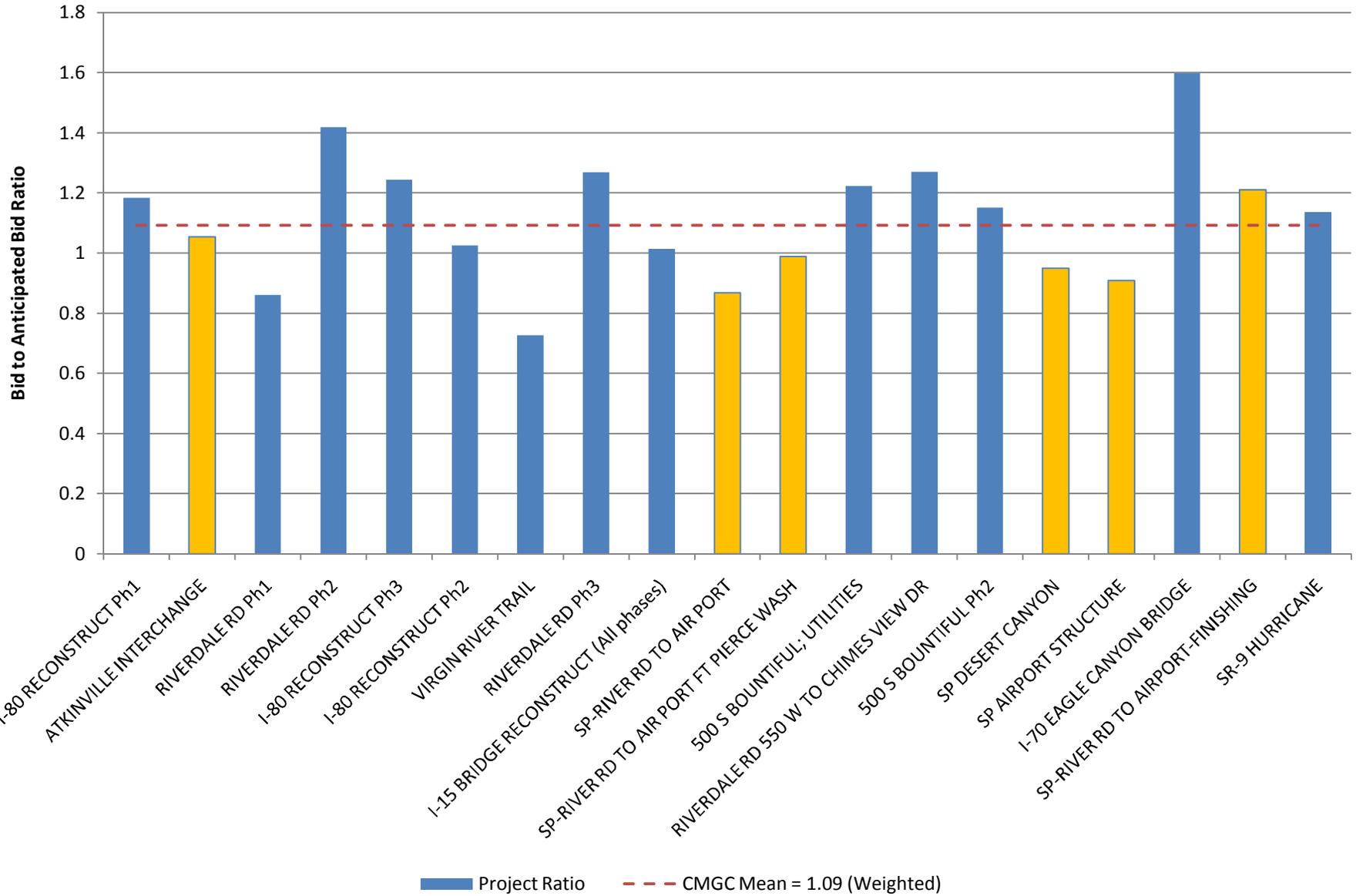
Chart 2 identifies the pricing ratios that have been achieved for projects of the Southern Parkway. Project unit pricing was compared to the state average unit prices and the project costs were totaled based on the comparison. Utilizing State average unit prices is a conservative estimate for Region 4 because; unit prices in Region 4 are typically higher than other UDOT regions. This is mostly attributed to transportation costs. Nevertheless, all of the Southern Parkway projects are well below the pricing ratio of 1 (state average prices). This suggests that the pricing is fair and reasonable.

The unforeseen change orders and overruns are another savings that was optimized on the Southern Parkway projects. Based only on current projects that have achieved final acceptance, the total amount of unforeseen change orders and overruns are approximately 1.5% of the project price (bid price plus planned change orders used to phase the project). This same analysis was performed on design bid build projects of the last 5 years indicating that typical design bid build projects have 8.8% of their bid price associated with costs for change orders and overruns. Chart 3 shows the comparison of completed projects and their cost ratios (including change orders and overruns) compared to equivalent costs based on state averages.

Finally, the innovations and risk control of the Southern Parkway projects saved the state over \$3.5 million.

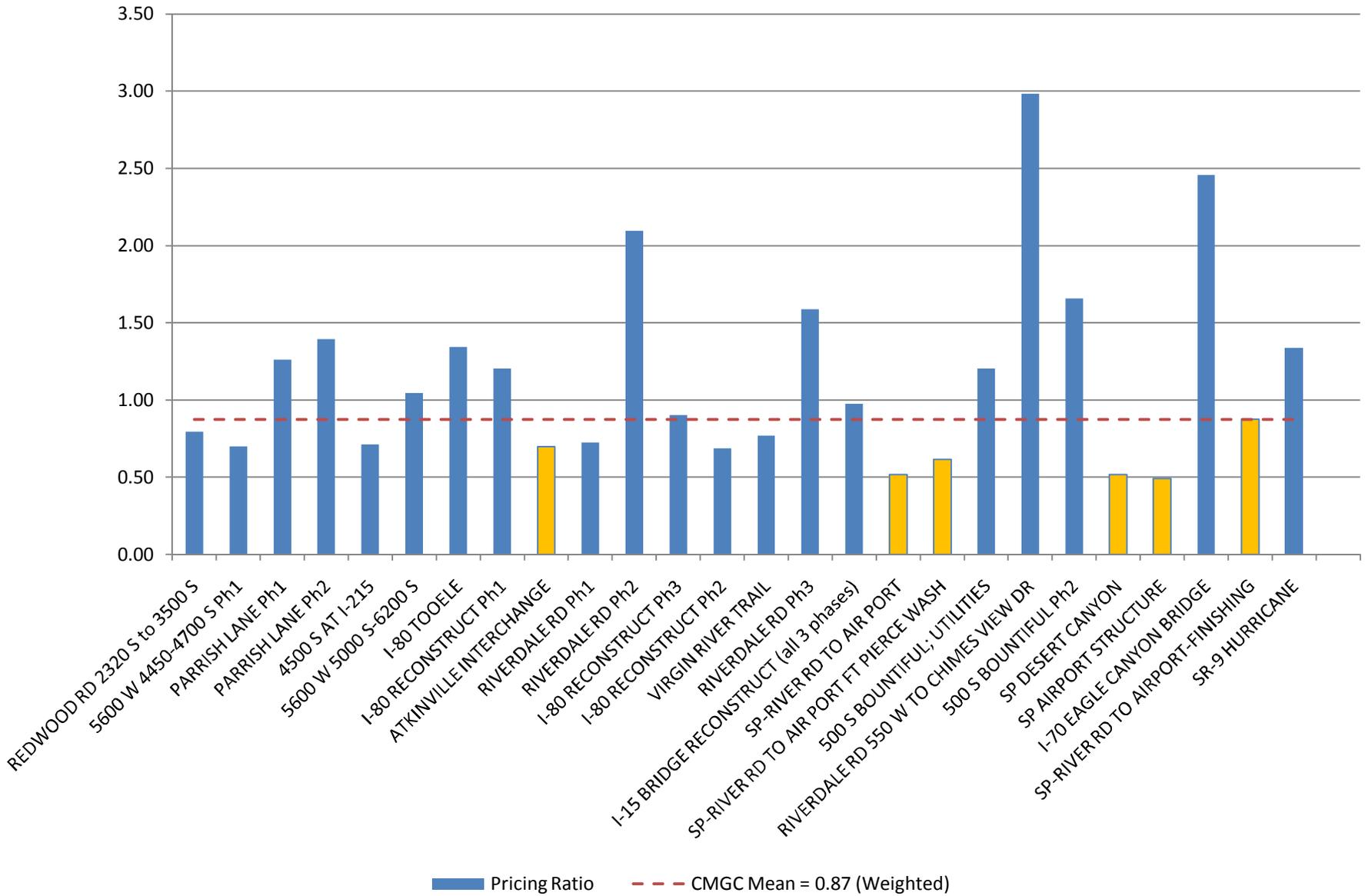
# CHART 1 - PROJECT'S ABILITY TO MAINTAIN PRICING OF PROPOSAL

(GOAL IS 1 OR BELOW)



## CHART 2 - PROJECT PRICING COMPARED TO STATE UNIT PRICES

(GOAL IS 1 OR BELOW)



# CHART 3 - CMGC PROJECT COSTS COMPARED TO STATWIDE AVERAGES

(GOAL IS 1 OR BELOW)

