



City Council Report

Date: April 16, 2018
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Rob Kidder, Assistant City Engineer
Subject: Combs and Meridian Road - Gas Line Replacement IGA
City Project No. CP0223CAP
Project is located in Town of Queen Creek

Purpose and Recommendation

The purpose of this report is to request Council approval to enter into an Intergovernmental Agreement (IGA) between the Town of Queen Creek (Town) and the City of Mesa (City) for the replacement of a city gas line in Combs and Meridian Roads. (See Exhibit "A" for project location.)

The City will pay the Town an estimated \$461,700 for construction of the gas line and construction administration. The City has completed design of the project using an on-call engineering Consultant. The Town will act as the lead agency and will be responsible for the construction of the gas line replacement. The City will be responsible for the inspection of the gas line during construction and will retain ownership of the gas line during and after completion of the project.

Staff recommends that Council approve the IGA and the Resolution authorizing the City Manager to enter into this IGA on behalf of the City.

Background

Mesa proposes construction of a natural gas line, to be known as the Gas Line Replacement – Combs and Meridian Roads ("Gas Line Replacement" – see Exhibit "A" for the project location). The gas line has been scheduled for replacement for several years due to its age and increase in frequency of repairs, but replacement has been put on hold because it was known that the intersection would be reconstructed and modified in the near future.

Queen Creek plans to construct roadway improvements in the vicinity, to be known as Project TT538 – Riggs Road, Crismon Road to Meridian Road ("Roadway Improvements"). The Roadway Improvements will result in a roadway that differs significantly in both location and elevation from the existing roadway.

The Roadway Improvements will be constructed across property falling under the jurisdiction of both Queen Creek and Maricopa County. Pursuant to an intergovernmental agreement dated July 20, 2016, Maricopa County granted Queen

Creek authority to manage the construction of the Roadway Improvements, including the permitting and relocation of all utilities. Pursuant to that same agreement, Queen Creek will annex all portions of the Roadway Improvements upon the completion of construction.

The concurrent construction of both the Gas Line Replacement and the Roadway Improvements will serve the best interests of the public because doing so will result in significant cost savings and will reduce the overall disruption to the surrounding communities.

Discussion

The purpose of this Agreement is to identify and define the responsibilities of Queen Creek and Mesa for the design, construction, ownership and cost of the proposed Gas Line Replacement.

The new gas line will allow Mesa to serve new developments that are planned on the northwest, southwest and southeast corners of the newly aligned intersections of Rittenhouse and Combs Roads by being located within the new roadway alignment. It will also add capacity and reliability to the existing infrastructure.

The Gas Line Replacement portion of the overall Roadway Improvements will have some impact on traffic and the general public traveling on Combs, Rittenhouse and Gary Roads in the form of traffic delays which would happen anyway due to the new roadway construction.

Alternatives

The City Council could choose not to enter into this IGA. This is not recommended as this would delay replacement of the gas line which would result in higher future maintenance costs and would not allow the City to benefit from the anticipated cost savings by combining two construction projects.

Fiscal Impact

With this agreement, the City will commit to pay for the cost of the gas line replacement, as well as construction administration costs incurred by the Town, an estimated \$461,700 based on \$405,000 to the lowest responsible bidder plus \$16,200 for construction administration plus \$40,500 (10% of contractor cost) as a change order allowance. Funding is available from the 2014 Gas Bond Program.

Coordinated With

The City Attorney's office and the Energy Resources Department concur with this recommendation. The City has also coordinated this agreement with the Town of Queen Creek.