



City Council Report

Date: November 7, 2022
To: City Council
Through: Marc Heirshberg, Deputy City Manager
From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Queen Creek Road High Pressure Gas Line Phase B2
City Project No. CP0520PHB2
Town of Queen Creek

Purpose and Recommendation

The purpose of this report is to provide information to Council concerning the results of the bids received for the Queen Creek Road High Pressure Gas Line Phase B2 project (See Exhibit "A" for the project location).

Staff recommends that Council award a contract for this project to the lowest responsible bidder, Arizona Pipeline Company, in the amount of \$2,326,769.71, and authorize a change order allowance in the amount of \$232,676.97 (10%).

Background

The existing natural gas infrastructure in the northwest portion of the Magma gas system has reached its capacity due to continued residential, commercial and industrial growth in the area. This project will install a gas line and a gate station to provide additional capacity for this area. The Energy Resources Department has executed several new agreements with subdivisions and industrial customers and received multiple inquiries from other potential customers in the area that will utilize this additional system capacity.

Discussion

This gas line project is one phase of a larger project including a new gate station supply from Kinder Morgan and a new gas line to help serve the area. Several segments of the new gas line have already been constructed. This phase will complete the overall gas line installation project. The gate station is being constructed as a separate project. The new natural gas infrastructure will help the City maintain gas service to its customers during times of peak demand and allow the City to add new gas customers for which it already has contractual commitments in the area.

This project will require traffic restrictions in the vicinity of the work. Traffic control permits are being secured from the Town of Queen Creek.

Once underway, construction of this project is anticipated to last no more than six months.

Alternatives

An alternative to this project would be to not construct these improvements. This is not recommended because not adding this capacity to the system could impact the service to current customers during times of peak demand. Also, the City would not be able to add new customers in the area.

Fiscal Impact

The total authorized amount recommended for this project is \$2,559,446.68, based upon the lowest responsible bid of \$2,326,769.71, plus an additional \$232,676.97 (10%) as a change order allowance. This change order allowance will only be utilized for approved change orders.

This project is funded by Utility Systems Revenue Obligations, Taxable.

Coordinated With

The Energy Resources Department concurs with this recommendation.

CITY OF MESA
MESA, ARIZONA

**QUEEN CREEK ROAD HIGH PRESSURE GAS LINE EXTENSION – PHASE B2
CRISMON ROAD TO SIGNAL BUTTE ROAD**

PROJECT NO. CP0520PHB2

Tabulation of Bids Received, 15th day of September 2022, at 1:00 PM

ENGINEER’S ESTIMATE	\$4,355,802.00
1. Arizona Pipeline Company	\$2,326,769.71
2. Niels Fugal Sons Company LLC	\$2,735,528.50