

**City of Palmer
Action Memorandum No. 18-026**

Subject: Authorizing the City Manager to Negotiate and Execute an Agreement with the State of Alaska, for City of Palmer Water and Sewer Betterment Installation as Part of the Glenn Highway Reconstruction, MP 32-44 Project No. Z581040000, in an Amount Not to Exceed \$307,270.00

Agenda of: February 13, 2018

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Chris Nall, Director of Public Works

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____ <input checked="" type="checkbox"/>	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____ <input checked="" type="checkbox"/>	Public Works	<u><i>Chris Nall</i></u>	1/25/18

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u><i>[Signature]</i></u>	_____
City Attorney	<u><i>[Signature]</i></u>	_____
City Clerk	<u><i>[Signature]</i></u>	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ 307,270.00

This legislation (√):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
<input checked="" type="checkbox"/>	Creates expenditure in the amount of:	\$ <u>307,270.00</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

<input type="checkbox"/>	Budgeted	Line item(s): _____
<input checked="" type="checkbox"/>	Not budgeted	_____

Director of Finance Signature: _____

Attachment(s):

- Exhibit "A" to Agreement No. 1-54625-15-80

Summary Statement/Background:

As Alaska State DOT looks to move forward with the Glenn Hwy 32-44 Project (Glenn Highway, S. Inner Springer Loop to Arctic Avenue), the City of Palmer has the opportunity to have AKDOT contractors install needed Water and Sewer betterments along the project route at a significantly reduced cost to installing them as our own project.

Public Works has been in coordination with AKDOT and HDL Engineering to coordinate locations and types of potential betterments for the City Water and Sewer System for the past year. To date, there are 3 new fire hydrant installations and 1 fire hydrant removal, 310 linear feet (LF) of 24" sanitary sewer pipe casing, 200 LF of 30" sanitary sewer pipe casing, 120 LF of 32" sanitary sewer pipe casing, for a total of 3 sewer pipe casing crossing sites. 120 LF of 18" water pipe casing and 284 LF of 24" water pipe casing, for a total of 4 water casing crossing sites.

The direct and shared cost for engineering design, construction engineering and installation of these betterments is estimated at \$267,190.72 plus 15% (\$40,078.61) for contingency and/or cost increases. The total funds needed to complete the betterments is \$307,269.33.

Completing these betterments now, will allow for future expansion of the City's Water and Sewer System along the Glenn Highway and save the City significant future costs when the City expands the Water and Sewer System in this area or needs to improve or replace existing crossings. Once AKDOT has completed the paving of the new Glenn Highway, the State will not allow for the asphalt to be cut for 5 years. If they City were to need to run water or sewer lines during that time, we would be required to bore under the Highway. This process is significantly more expensive than cutting through the asphalt and digging to install the needed lines.

Administration's Recommendation:

To approve Action Memorandum No. 18-026 allowing the City Manager to negotiate and execute an agreement with the State of Alaska, for City of Palmer, Water and Sewer Betterment installation as part of the Glenn Highway Reconstruction, MP 32-44 Project.

EXHIBIT "A"

SUMMARY OF ESTIMATE FOR ADJUSTMENT OF FACILITIES REQUIRED BY HIGHWAY CONSTRUCTION

The CITY OF PALMER estimate of work and materials required in connection with Project No: 0A15036/CFHWY00317, Project Name: **GLENN HIGHWAY, S. INNER SPRINGER LOOP to ARCTIC AVENUE**, Utility Work Order No. , Agreement No. : **1-2581040000-17-43** URSA No. CRMS00377

	FEDERAL PARTICIPATION	STATE PARTICIPATION	UTILITY COST NON-REIMBURS.	TOTALS
PART 1. UTILITY WORK				
57745-RIGHT OF WAY (Acquisition Only)	-			-
Preliminary Engineering			-	-
Preliminary Engineering Overhead			-	-
57282-TOTAL PRELIMINARY ENGINEERING	-	-	-	-
Construction Engineering			-	-
Construction Engineering Overhead			-	-
57720- TOTAL CONSTRUCTION ENGINEERING	-		-	-
Construction Labor			-	-
Materials & Supplies			-	-
Materials Handling Charges	-		-	-
Transportation & Equipment	-		-	-
Contract Construction	-		-	-
Miscellaneous Expenses	-		-	-
Construction Subtotal	-		-	-
Construction Overhead			-	-
GROSS CONSTRUCTION COSTS	-		-	-
(Credits)	-		-	-
Betterment				-
Non-Reimbursable	-		-	-
TOTAL CREDITS	-		-	-
57719-NET CONSTRUCTION COSTS	-	-	-	-
TOTAL UTILITY WORK	-	-	-	-
PART II, STATE WORK FOR UTILITY				
Preliminary Engineering @ 5%			10,035	10,035
Preliminary Engineering HDL			22,611	22,611
Contract Construction			200,699	200,699
Construction Engineering @ 15%	-		30,105	30,105
TOTAL STATE WORK FOR UTILITY	-		263,450	263,450
FHWA ICAP = 4.44% RSA ICAP=1.42%	-		3,741	3,741
TOTAL ESTIMATED RELOCATION COSTS (Parts I & II)	-	-	267,191	267,191

UTILITY CONCURRENCE, BY: _____

SUBMITTED BY: _____

DATE: _____, 20 _____

TITLE: _____

EXHIBIT "A"
BILLING FORMAT

1. All costs associated with Work Order No. **#000 (Water) and #000 (Sewer)** are considered non-reimbursable subject to the terms and conditions of this Agreement.
2. BUY AMERICA: The Company is required to meet the Buy America requirements as set forth in 23 US Code 313 and 23 Code of Federal Regulations, Part 635.410.

3. Engineering costs:
The design for COP's relocations and non-reimbursable work was done by HDL Consultants under the Department's design contract. A reimbursable/non-reimbursable percentage was derived by dividing the non-reimbursable water and sewer costs by the total water and sewer costs.

$$\frac{\text{(Bet./Non-Reimbursable Water \& Sewer Costs)}}{\text{(Total Water \& Sewer Costs)}} = \frac{\text{(\$173,120)}}{\text{(\$749,130)}}$$

$$\text{Betterment Percentage} = 23.11\%$$

This percentage as calculated above will be applied to HDL's final water and sewer design costs and will be the City's share of the PE costs.

The Department has applied a 5% fee for internal PE costs associated with the work necessary to include the City's betterment work in the construction contract.

The Department has applied a 15% fee for CE costs associated with administering the construction contract against the non-reimbursable/betterment unit costs including the shared costs to cover the Departments costs to inspect, record and bill the City's proposed work.

4. Shared costs:
This is a cost assessed to the Company for Department expenses incurred in support of betterment and non-reimbursable work associated with the project. In addition, shared costs include, but are not limited to, Traffic Maintenance, Traffic Control, Flagging, SWPPP, and Survey costs associated with installing the water and sewer facilities. The shared costs are based on a percentage derived by dividing the non-reimbursable water and sewer costs by the total construction contract costs (reference page 6 of 6 for the shared cost calculation).
5. Upon certification of the Department's construction contract, the unit costs for the water and sewer items and the shared items will be recalculated at the actual bid cost. At that time the percentage will be fixed. The recalculated costs will be what the City of Palmer owes the Department under Utility Reimbursable Services Agreement (URSA) No. CRMBS00377.

**ESTIMATE OF STATE WORK FOR UTILITY
CITY OF PALMER NON-REIMBURSABLE WATER & SEWER
GLENN HIGHWAY, MP 34-42, PHASE I
PROJECT NO.0A15036/CFHWY00317**

ITEM NO.	PAY ITEM	PAY UNIT	UNIT PRICE	TOTAL QTY	TOTAL UNIT COST	NON-REIMBURSABLE QTY	COP SHARE
626(4-24)	Sanitary Sewer Pipe Casing (24-inch, Type S CPEP)	LF	\$ 130.00	310	40,300	310	40,300.00
626(4-30)	Sanitary Sewer Pipe Casing (30-inch, Type S CPEP)	LF	\$ 140.00	200	28,000	200	28,000.00
626(4-32)	Sanitary Sewer Pipe Casing (32-inch, Type S CPEP)	LF	\$ 180.00	120	21,600	120	21,600.00
627(5)	Fire Hydrant Installation	EA	\$ 8,500.00	10	85,000	3	25,500.00
627(7)	Fire Hydrant Removal	EA	\$ 2,000.00	7	14,000	1	2,000.00
627(9-6)	Install 6-inch Gate Valve	EA	\$ 3,200.00	2	6,400	1	3,200.00
627(15-18)	Water Pipe Casing (18-inch, Type S CPEP)	LF	\$ 130.00	120	15,600	120	15,600.00
627(15-24)	Water Pipe Casing (24-inch, Type S CPEP)	LF	\$ 130.00	284	36,920	284	36,920.00
SUBTOTAL CONTRACT ITEMS							173,120.00
SHARED COSTS							27,578.77
TOTAL ESTIMATED CONSTRUCTION COSTS							200,698.77
PRELIMINARY ENGINEERING @ 5%							10,034.94
PE - HDL DESIGN SERVICES @ 23.11% of \$97,841.68							22,611.21
CONSTRUCTION ENGINEERING @ 15%							30,104.82
SUBTOTAL STATE WORK FOR THE UTILITY							263,449.73
ICAP @ 1.42%							3,740.99
TOTAL STATE WORK FOR THE UTILITY							267,190.72

**SHARED CONSTRUCTION UNITS
GLENN HIGHWAY: S. INNER SPRINGER LOOP to W. ARCTIC AVENUE
WATER & SEWER SHARED COSTS**

TOTAL BASIC DOT/PF CONTRACT ESTIMATE

40,852,622.00

SHARED CONSTRUCTION UNITS

ITEM	DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	AMOUNT
640(1)	MOBILIZATION AND DEMOBILIZATION	LUMP SUM	\$1,500,000	ALL REQ'D	\$1,500,000
641(1)	EROSION AND POLLUTION CONTROL ADMINISTRATION	LUMP SUM	\$20,000	ALL REQ'D	\$20,000
641(2)	TEMPORARY EROSION AND POLLUTION CONTROL	CONTINGENT SUM	\$600,000	ALL REQ'D	\$600,000
641(6)	WITHHOLDING	CONTINGENT SUM	\$0	ALL REQ'D	\$0
641(7)	SWPPP MANAGER	LUMP SUM	\$40,000	ALL REQ'D	\$40,000
642(1)	CONSTRUCTION SURVEYING	LUMP SUM	\$500,000	ALL REQ'D	\$500,000
642(3)	THREE PERSON SURVEY PARTY	HOUR	\$300	250	\$75,000
643(2)	TRAFFIC MAINTENANCE	LUMP SUM	\$400,000	ALL REQ'D	\$400,000
643(3)	PERMANENT CONSTRUCTION SIGNS	LUMP SUM	\$50,000	ALL REQ'D	\$50,000
643(15)	FLAGGING	CONTINGENT SUM	\$1,400,000	ALL REQ'D	\$1,400,000
643(23)	TRAFFIC PRICE ADJUSTMENT	CONTINGENT SUM	\$0	ALL REQ'D	\$0
643(25)	TRAFFIC CONTROL	CONTINGENT SUM	\$1,800,000	ALL REQ'D	\$1,800,000
644(1)	FIELD OFFICE	LUMP SUM	\$60,000	ALL REQ'D	\$60,000
644(2)	FIELD LABORATORY	LUMP SUM	\$25,000	ALL REQ'D	\$25,000
645(1)	TRAINING PROGRAM, 7 TRAINEES/APPRENTICES	HOUR	\$10	2,800	\$28,000
646(1)	CPM SCHEDULING	LUMP SUM	\$10,000	ALL REQ'D	\$10,000
SUBTOTAL OF SHARED CONSTRUCTION ITEMS					6,508,000.00
TOTAL BASIC DOT/PF CONTRACT CONSTRUCTION - SHARED ITEMS					34,344,622.00
COP NON-REIMBURSABLE WATER CONSTRUCTION ITEMS					173,120.00
COP BETTERMENT PERCENTAGE					0.42377%
COP BETTERMENT SHARED ITEM COSTS					<u>27,578.77</u>