

**CITY OF PALMER
ACTION MEMORANDUM NO. 13-064**

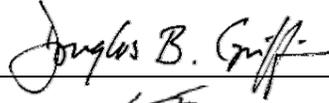
Subject: Authorizing the City Manager to Negotiate and Enter Into a Memorandum of Agreement with the Matanuska-Susitna Borough for the Design and Construction of a City of Palmer Waterline Extension Within the Right-of-Way of the Bogard Road Extension Project

Agenda of: August 27, 2013

Council Action: Authorized

Approved for presentation by:

City Manager
City Attorney
City Clerk







Certification of Funds:

Total amount of funds listed in legislation:	\$ <u>3,500,000</u>
This legislation (√):	
<input type="checkbox"/> Has no fiscal impact	
Creates:	
<input checked="" type="checkbox"/> A negative fiscal impact in the amount of:	\$ <u>3,500,000</u>
<input type="checkbox"/> A positive fiscal impact in the amount of:	\$ _____
<input type="checkbox"/> Funds are budgeted.	
Funds are budgeted from this (these) line item(s):	
a) ➤	\$ <u>3,500,000</u>
b) ➤	\$ _____
a) Funds originally budgeted in line item :	\$ _____
Difference in budgeted funds:	\$ _____
b) Funds originally budgeted in line item :	\$ _____
Difference in budgeted funds:	\$ _____
<input checked="" type="checkbox"/> Funds are not budgeted.	
Budget amendment required in the total amount of:	\$ <u>3,500,000</u>
Affected line item(s):	
➤ 24-00-00-3170 Grant Revenue 14-DC-125	\$ <u>3,500,000</u>
➤ 24-01-13-6225 Construction 14-DC-125	\$ <u>3,500,000</u>
➤	\$ _____
<input type="checkbox"/> General fund unassigned balance (after budget modification)	\$ _____
<input type="checkbox"/> Enterprise unrestricted net position (after budget modification)	\$ _____
Director of Finance signature certifying funds:	 _____

Summary statement: The Matanuska-Susitna Borough (Borough) plans to extend Bogard Avenue from Arctic Avenue in Palmer west to connect to Bogard Road with a tentative bid award and start of construction early in 2014. The City of Palmer (City) received a \$3,500,000 State of Alaska Department of Commerce and Community Development grant (Grant No. 14-DC-125) for the design and construction of an 18-inch diameter waterline extension within the Bogard Road Extension Project right-of-way. The waterline will connect to and extend west from the City's Scott Road Reservoir and Well #1 Site.

It is more efficient and cost effective to construct the waterline extension as part of the Bogard Road Extension project contract under the Borough's administration. To do this, it is necessary for the City to enter into a Memorandum of Agreement with the Borough for the design and construction of the waterline extension.

The basic elements of the Memorandum of Agreement are as follows:

- The Borough will amend its contract with the Bogard Road Extension Project design engineer to add design services for the design of the City's waterline extension. This amendment will also provide for an engineering firm specified by the City to advise the Borough's design engineer on City specifications and to review the project design.
- The Borough will add the waterline extension plans and specifications to the road extension construction plans as an additive alternate to allow separate accounting of the waterline extension costs.
- The City will review and approve the waterline extension plans.
- The Borough plans to put the entire project out to bid in November 2013 with an estimated bid award date in early January 2014.
- The Borough's engineering consultants will provide construction administration and inspection services, with assistance if needed from the engineering firm specified by the City.
- The City will reimburse the Borough's design and construction costs for the waterline extension through periodic reimbursement requests submitted by the Borough. The City will in turn submit reimbursement requests to the State for grant funds.
- The Borough will receive \$70,000 for administrative charges (2% of the total State grant) and the City will receive \$105,000 for administrative charges (3% of the total State grant). Other estimated project costs are \$119,226 for design; \$288,692 for construction administration and inspection; and \$2,917,082 in payments to the contractor for waterline construction.
- Project completion is scheduled for October 15, 2014, with a final closeout audit scheduled for December 30, 2014.
- Following project completion and the Borough's submittal of all required certifications, easements, releases, as-built drawings and warranties, the City will accept the waterline project and assume ownership and maintenance responsibilities for the waterline.

Administration recommendation: Approve action memorandum 13-064.