

COUNCIL ACTION FORM

**SUBJECT: PROFESSIONAL SERVICES AND REIMBURSEMENT AGREEMENT
FOR RELOCATION OF 161KV ELECTRIC LINE DUE TO IDOT I-35
IMPROVEMENT PROJECT**

BACKGROUND:

The Iowa Department of Transportation (IDOT) is preparing to widen Interstate 35 in Polk County between Ankeny and the Skunk River. Most of the road improvements are being made to the west side of I-35, but some improvements are required on both sides of the Interstate near Alleman, at bridge crossings at NE 126th Ave, NE 142nd Ave, and NE 158th Ave.

The City of Ames owns a 161kV electric transmission line that extends from Ames to Ankeny east of I-35. This line is directly adjacent the interstate at these three bridge crossings, and therefore the line must be relocated to accommodate the roadway improvements. **Ames' 161kV line is located in private easement, so easements will also be needed from five property owners at these three locations.**

Four of the five property owners will be granting temporary construction easements adjacent to NE 142nd Ave and NE 158th Ave, where the line will be returned to its original location once the roadway improvements are complete. One new permanent easement is needed from one property owner adjacent to NE 126th Ave. **IDOT has indicated that the City will need to acquire its own replacement easements. However, IDOT is expected to reimburse the engineering, easement acquisition, and construction costs associated with the relocation of the 161 kV line.**

In 2021, DOT requested that the City prepare preliminary design documents regarding the project. These documents were necessary for the IDOT to proceed with preparing the first reimbursement agreement now being presented to City Council, which provides for reimbursement of engineering and easement expenses. Staff engaged Dewilt Grant Reckert (DGR) under a purchase order in the amount of \$49,000 to prepare these preliminary documents. DGR was involved in the original design of the 161 kV line in the 2010s and has handled prior IDOT relocation work for this line.

The City Council is now being asked to approve three simultaneous actions:

- 1. Waive the City's Purchasing Policies requirement for competitive proposals and award a sole-source contract to DGR to complete the detailed design and right-of-way acquisition tasks.** DGR is proposed as the sole-source for the engineering and right-of-way acquisition effort due to its extensive experience in the design of the existing 161kV line and prior IDOT relocation work associated

with the 161kV project as well as DGR’s familiarity with the structures and design elements of this line. Therefore, the request before Council is to approve a Professional Services Agreement with DGR in the amount of \$291,000. This total amount is inclusive of the \$49,000 previously authorized by City staff for the preliminary design work.

2. **Approve funding in the amount of \$92,400 for easement acquisition.** This amount would be paid directly to property owners by the City in exchange for the necessary temporary and permanent easements.

3. **Approve the reimbursement agreement with IDOT.** Staff is also requesting Council to approve the associated IDOT agreement for reimbursement of these expenses, totaling \$383,400. Once engineering is completed, IDOT will update its reimbursement agreement to include estimated costs for materials and construction—this will be presented to City Council at a later date prior to award of the construction contract. IDOT will need final design plans to support a detailed estimate in order for the Federal Highway Administration (FHWA) to authorize the reimbursement agreement as the majority of funds for this project will be provided by the FHWA.

Construction is estimated to cost \$2,020,600. The total estimated cost for this project is \$2,404,000, which includes this engineering & right of way agreement, construction and easement payments. The 2022 – 2027 Capital Improvements Plan includes a total of \$2,404,000 in FY 2021/22 and FY 2022/23 for this project, which is expected to be reimbursed by IDOT.

Expenses		Funding Sources	
Preliminary Design (DGR)	\$ 49,000		
Detailed Design (DGR)	242,000		
Easement Acquisition	92,400		
<i>Construction (Estimate)</i>	<i>2,020,600</i>		
		FY 2021/22 CIP (IDOT Reimb.)	\$2,154,000
		FY 2022/23 CIP (IDOT Reimb.)	250,000
TOTAL	\$2,404,000	TOTAL	\$2,404,000

It is important for the Council to note that the City is at some risk in undertaking this project; the City is required to incur certain expenses first, before IDOT approves a reimbursement agreement. In the unlikely event that the IDOT project is canceled before the final reimbursement agreement is signed, or if easement acquisition costs substantially exceed the budgeted amount, the City may be unable to obtain reimbursement for all of the expenses it has incurred. However, the City has no alternative but to proceed, since at the moment the DOT intends to proceed with construction.

ALTERNATIVES:

1. A. Waive the City's purchasing policy requirement for competitive proposals and award a contract to Dewild Grant Reckert & Associates Company, Rock Rapids, Iowa, on a time and material (T & M) basis for an estimated total cost of \$291,000 for professional services and right-of-way acquisition services for 161kV relocation for IDOT (inclusive of the \$49,000 for preliminary engineering on the original purchase order).
- B. Approve funds in the amount of \$92,400 to obtain temporary and permanent easements as needed for this relocation project.
- C. Approve the reimbursement agreement from the Iowa Department of Transportation for the engineering and right-of-way acquisition costs associated with the relocation of the electric transmission line.
2. Approve the Reimbursement Agreement with IDOT, but direct staff to issue a Request For Proposals and competitively award a professional services agreement for the engineering and right-of-way acquisition work.
3. Do not approve the Reimbursement Agreement with IDOT, the engineering agreement with DGR, or the funds for procurement of easements.

CITY MANAGER'S RECOMMENDED ACTION:

The relocation of this transmission line is necessary to allow the IDOT to make improvements to Interstate 35. All City costs will be reimbursed by the IDOT through reimbursement agreements. Approval of the recommended action will allow the City to move forward with the engineering and easement procurement. Delaying this relocation project would also delay IDOT's highway improvement project.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, A-C. as described above.