

**COUNCIL ACTION FORM**

**SUBJECT: ADDENDUM TO REIMBURSEMENT AGREEMENT FOR  
RELOCATION OF 161KV ELECTRIC LINE FOR 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 north of Ankeny at NE 126<sup>th</sup> Ave and at the bridge crossings at NE 142<sup>nd</sup> Ave, and NE 158<sup>th</sup> 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 the above three locations, and therefore the line must be relocated to accommodate the roadway improvements

On February 22, 2022 Council approved a professional services agreement with DGR in the Amount of \$291,000 for professional services for the design and easement acquisition effort; Council also approved \$92,000 for purchasing easements. At this same time Council approved a reimbursement agreement with IDOT covering these same expenses. On September 13, 2022, Council approved plans and specifications for the construction and materials to perform the necessary relocation for this project. **Under a separate item on this Council agenda, another Council Action Form is being presented to council for an award recommendation following receipt of bids for this project.**

**The City Council is now being asked to approve an addendum to the IDOT reimbursement agreement covering the additional expenses associated with materials and construction labor to be contracted for this work.**

The recommended award for materials and construction, presented under a separate item at this same Council meeting, is \$2,171,669.20 which represents an increase of \$81,369.20 over the prior Construction estimate. The total estimated cost for this project including engineering design, easements and crop damages is \$2,485,369, which is 3.38% above the \$2,404,000 in the 2022 – 2027 Capital Improvements Plan. **The Reimbursement Agreement Addendum included provisions for reimbursement of a total cost not to exceed 125% of the estimate. The total cost of this project, including the current award amount is only 3.34% above the engineering estimate and is fully reimbursable by IDOT.** Below is a breakdown of currently-projected project costs.

Expenses		Funding Sources	
Design (DGR)	\$291,000		
Easements/crop damages	22,700		
<i>Construction award</i>	<i>2,171,669</i>		
		FY 2021/22 CIP (IDOT Reimb.)	\$2,154,000
		FY 2022/23 CIP (IDOT Reimb.)	250,000
		<b>Requested increase in CAF</b>	<b>81,369</b>
<b>TOTAL</b>	<b>\$2,485,369</b>	<b>TOTAL</b>	<b>\$2,485,369</b>

In addition to requesting Council to approve the Reimbursement Agreement Addendum between Ames and IDOT to assure reimbursement of all of the project costs listed above, staff is also asking City Council to approve an increase of \$81,369 to the current FY2022/23 CIP of \$250,000 to the revised total of \$331,369 for a total project budget of \$2,485,390, as represented in the above table.

**ALTERNATIVES:**

1. Approve the Reimbursement Agreement Addendum with IDOT and a CIP budget increase of \$81,369 for a revised total CIP project cost of \$2,485,369.
2. Do not approve the Reimbursement Agreement with IDOT and a CIP budget increase of \$81,369 for a revised total CIP project cost of \$2,485,369 and refer back to staff to review alternatives.

**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 construction phase of this project. 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, as described above.