



Legislation Text

File #: 17-0910, **Version:** 1

Resolution for Approval of Emergency Amendment No. 1 to the Agreement with the Downtown Development Authority for the Construction of the South University Streetscape Improvements Project (\$531,035.84)

Attached for your review and approval is a resolution to authorize an emergency amendment to the agreement with the Ann Arbor Downtown Development Authority (“DDA”) to participate in construction costs for replacement of water main during the DDA’s South University Streetscape Improvements Project.

In coordination with the Ann Arbor Downtown Development Authority’s (DDA’s) South University Streetscape project, the City was working to abandon an old 1890’s 6-inch water main along South University. A previous cost sharing agreement with the DDA was approved in the amount of \$310,687.36 under Resolution R-17-113 by City Council on April 17, 2017 to perform that work. While carrying out the water main abandonment work, it was discovered that a separate existing 12-inch water main installed in 1965 from Church Street to South Forest Avenue is in very poor condition.

This section of water main did not have a prior break history and was not previously being discussed for replacement. However, it was exposed in multiple locations, and all of those locations exhibited severe corrosion. The water main is located beneath the north sidewalk area, so future water main breaks would negatively impact the planned streetscape improvements. Although the water main has not yet experienced any water main breaks, observed pipe conditions and the inability to perform work on the pipe indicate the risk of near term failure is extremely high.

The City has determined that the best course of action is to expedite the replacement of the 1965 water main from Church Street to South Forest Avenue, and to complete the work as part of the DDA’s project. A design was prepared by Fishbeck, Thompson, Carr and Huber and an expedited permit for water main construction was received from MDEQ on May 31, 2017.

The DDA’s project requires that all hard surfaces are restored by July 19, 2017 for the Ann Arbor Street Art Fair. In order to proceed with the water main work without impacting the overall construction schedule and Art Fair, emergency authorization was required.

The DDA presented the revised water main plans to their contractor, Fonson Company, Inc. for pricing. On June 2, 2017 Fonson responded with a revised water main cost of \$513,496.00. Including the additional required restoration work, administrative costs and work previously completed, the total proposed cost to the City is \$841,723.20. Fonson Company, Inc. is a qualified company who has performed similar work for the City.

The Public Works Unit of the Public Services Area submitted an emergency authorization request to the City Administrator requesting approval to increase the agreement with the DDA by an additional

\$531,035.84 to expedite the replacement of the water main. The City Administrator granted permission on June 5, 2017. As provided in City Code 1:317, approval of the emergency amendment is recommended.

Financial Impact

Funding for this work is available in the approved Water Supply System Capital Budget as part of CIP Project UT-WS-18-07.

Prepared by: Chris Elenbaas, P.E., Public Works Engineer

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City has an existing cost sharing agreement with the DDA in the amount of \$310,687.36 for the South University streetscape project;

Whereas, During construction of the South University Streetscape Project, a section of 12-inch water main between Church Street and South Forest Avenue was found to be in very poor condition and at high risk of near term failure;

Whereas, The DDA received pricing from their contractor, Fonson Company, Inc. to replace the watermain, and the City and the DDA expedited preparation of plans for the replacement;

Whereas, The existing cost sharing agreement with the DDA must be increased by \$531,035.84 to complete the additional water main replacement work;

Whereas, The City Administrator approved the Public Works Unit request for an emergency amendment to the cost sharing agreement on June 5, 2017 as required by City Code 1:317; and

Whereas, Whereas, Funding for the emergency amendment is available in the Approved Water Supply System Capital Budget;

RESOLVED, That City Council approve the emergency amendment to the Agreement with the Ann Arbor Downtown Development Authority for responsibilities and cost allocations for the construction of the South University Streetscape Improvements Project;

RESOLVED, That the City makes the following declaration for the purpose of complying with the reimbursement rules of Treasury Regulations 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expects to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said amendment after approval as to form by the City Attorney and approval as to substance by the City Administrator; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution and to approve amendments to the agreement within the project budget.