



INFORMATIONAL MEMORANDUM

TO: Transportation and Infrastructure Committee
FROM: Henry Hash, Public Works Director *H.H.*
BY: Steve Carstens, PE, Senior Program Manager
CC: Mayor Ekberg
DATE: April 6, 2018
SUBJECT: Strander Boulevard Extension Phase 3
Project No. 98610403
BP/Olympic Pipeline Design Reimbursement

ISSUE

Approve the BP/Olympic Pipeline reimbursement agreement for the Strander Boulevard Phase 3 Project.

BACKGROUND

The City of Renton completed Phase 1 of the Strander Boulevard/SW 27th Street (Oakesdale Avenue to Naches Avenue) in 2008 and Phase 2 in 2014 (from Naches Avenue to the new Tukwila Station/Sounder Commuter Rail Station parking lot, between BNSF and UPRR). Phase 3 is being led by the City of Tukwila. Tukwila received Federal grant funding for the preliminary engineering and right-of-way phases and is proceeding with the design process as part of the preliminary engineering phase.

DISCUSSION

In order to proceed with the design and coordinate utility work for the project, BP/Olympic Pipeline has indicated that there will be a \$630,000 fee for their company to design the utility relocation of their pipeline.

FISCAL IMPACT

	<u>Estimate</u>	<u>Budget</u>
Berger ABAM Design Contract	\$4,147,328.00	\$4,998,000.00
BP/Olympic Pipeline	<u>630,000.00</u>	
Total	<u>\$4,777,328.00</u>	<u>\$4,998,000.00</u>

RECOMMENDATION

Council is being asked to approve the agreement with BP/Olympic Pipeline in the amount of \$630,000 for their design of utility relocation associated with the Strander Boulevard Extension Phase 3 project and consider this item on the Consent Agenda at the April 16, 2018 Regular Meeting.

Attachments: 2017 CIP, page 13 and proposed 2019 CIP
BP/Olympic Pipeline Agreement

CITY OF TUKWILA CAPITAL PROJECT SUMMARY

2017 to 2022

PROJECT: Strander Blvd Extension Phase 3

Project No. 98610403

DESCRIPTION: Design and construct arterial improvements for a new roadway extending Strander Blvd/SW 27th St from West Valley Highway to Oaksdale Ave in the City of Renton.

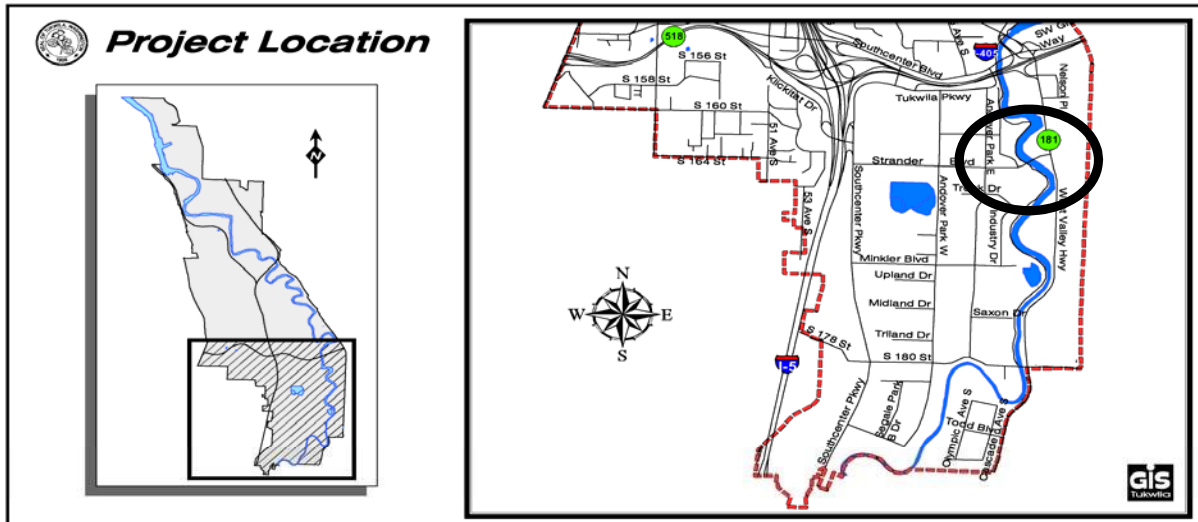
JUSTIFICATION: East/west capacity between I-405 and S 180 St is needed to serve Tukwila and Renton access.

STATUS: Project segregated into three phases. Phase I extended Stander Blvd/SW 27th St from Oaksdale Ave to Naches Ave SW. Phase II constructed a 2 lane road from Naches to the Sounder Train's Tukwila Longacres Station's parking lot. Paid Renton \$1m for Phase I & II. Phase III will construct the undercrossing of the UPRR and complete the 4 lane roadway from West Valley Hwy in Tukwila to Naches Ave SW in Renton.

MAINT. IMPACT: New street.

COMMENT: Project partners include the City of Renton, Boeing, WSDOT, FMSIB, Sound Transit, Metro, Amtrak, and BNSF and UP Railroads. Funds in 2015-16 are for updated cost estimates and grant applications. STP (PSRC), FAST Lane, and TIGER grants were submitted in 2016.

FINANCIAL (in \$000's)	Through		Estimated							
	2015	2016	2017	2018	2019	2020	2021	2022	BEYOND	TOTAL
EXPENSES										
Design	58	440	2,500	2,000						4,998
Land (R/W)	104		450	1,000						1,554
Wetland Mitigation			50		500					550
Const. Mgmt.					2,800	2,000				4,800
Construction					15,000	12,200				27,200
TOTAL EXPENSES	162	440	3,000	3,000	18,300	14,200	0	0	0	39,102
FUND SOURCES										
Awarded STP Grant			2,551	2,595						5,146
Proposed TIGER Grant					7,900	5,894				13,794
Proposed State TIB Grant					2,500	2,500				5,000
Proposed FMSIB Grant					2,500	2,500				5,000
Proposed STP Grant					5,000	3,000				8,000
City Oper. Revenue	162	440	449	405	400	306	0	0	0	2,162
TOTAL SOURCES	162	440	3,000	3,000	18,300	14,200	0	0	0	33,956



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FINANCIAL (in \$000's)	Through Estimated		2017	2018	2019	2020	2021	2022	BEYOND	TOTAL
	2015	2016								
EXPENSES										
Design	58	301	341	2,500	1,659					4,859
Land (R/W)	104				1,860					1,964
Wetland Mitigation						500	50			550
Const. Mgmt.						1,015	1,951			2,966
Construction						21,000	23,524			44,524
TOTAL EXPENSES	162	301	341	2,500	3,519	22,515	25,525	0	0	54,863
FUND SOURCES										
Awarded STP Grant			255	1,000	2,637					3,892
Awarded Fastlane Grant						2,500	2,500			5,000
Awarded FMSIB Grant						2,500	2,500			5,000
State/Fed Appropriation						250	250			500
Proposed State TIB Grant						5,000	5,000			10,000
KC Metro						500	500			1,000
Sound Transit						500	500			1,000
PSRC Grant						4,760				4,760
City of Renton Funds						1,000				1,000
UPRR Funds						1,000	1,000			2,000
BNSF Funds						1,000	1,000			2,000
City Mitigation impact Fees						1,000	1,000			2,000
Other State Discretionary Funds						5,000	5,000			10,000
City Oper. Revenue	162	301	86	1,500	882	(2,495)	6,275	0	0	6,711
TOTAL SOURCES	162	301	341	2,500	3,519	22,515	25,525	0	0	54,863

REIMBURSEMENT AGREEMENT

MILEPOST: 114 approximate

PROJECT: Strander Blvd. Extension Project, Relocation of OPL 14-inch R-P pipeline and OPL 12-inch SeaTac lateral pipeline

LOCATION: A portion of NW Quarter of Section 25, Township 23 North, Range 04 East

OPL FILE REFERENCE: 3679-KI-239 and 3678A-L-KI-5

THIS AGREEMENT, made and entered into this _____ day of _____, 2018 ("Effective Date"), by and between OLYMPIC PIPE LINE COMPANY LLC, a Delaware limited liability company, whose address is 600 SW 39th Street, Suite 275, Renton, WA 98057 (hereinafter referred to as "OPL") and the CITY OF TUKWILA, a State of Washington municipal corporation, whose address is 6200 Southcenter Boulevard, Tukwila, WA 98188 (hereinafter referred to as "CITY").

WITNESSETH:

WHEREAS, CITY desires to proceed with a construction project on property at the location identified above (the "Strander Boulevard Extension Project"), which will require the eventual relocation of a portion of OPL'S fourteen-inch pipeline and twelve-inch pipeline, and

WHEREAS, it is in the mutual interest of OPL and CITY for OPL to perform and provide necessary preliminary pipeline relocation activities and services, as specified herein, with OPL'S regular personnel, or by a contractor or subcontractor paid under a contract let by OPL, and

WHEREAS, OPL requires payment for the estimated expense, loss, or damage either caused or made necessary by the performance of such activities and the provision of such services provided by OPL, as specified herein, whether it is incurred directly by OPL or others on behalf of OPL at the request of OPL prior to beginning any such work, as well as payment for any actual increased or additional costs above the estimated amount, as more fully described in Section II of this Agreement.

NOW THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN RECITED, OPL AND CITY DO HEREIN AGREE AS FOLLOWS:

Section I

OPL with its regular personnel at its standard schedule of wages and working hours, or by a contractor or subcontractor, will perform the necessary activities as outlined in the scope of work document being Exhibit "A" (the "Work") attached hereto and made a part hereof. The preliminary estimated cost of the Work is Six Hundred Thirty Thousand Dollars (\$630,000.00) as set forth in attached Exhibit "B" ("Estimated Cost").

Section II

a) CITY shall pay any and all actual costs and expenses incurred by or on behalf of OPL in connection with performance of the Work (the "Actual Cost"). Monthly, OPL will submit a reimbursement request to the City that describes the work performed and the cost. The City will pay OPL within 30 days of receipt of the request.

Section III

OPL shall perform the Work as defined and outlined in Exhibit "A".

Section IV

OPL shall have no obligation to start the Work until written notice has been provided by CITY that the Work has been agreed to, approved by and authorized by CITY, a satisfactory starting date has been mutually agreed upon by both CITY and OPL, and the Estimated Cost has been paid. Prior to starting the Work, CITY shall cooperate with OPL in obtaining or causing to be obtained, in a form acceptable to OPL, any right, permit, permission, easement and access rights, at the sole cost and expense of CITY, required for OPL to perform the WORK and CITY shall, if requested by OPL, survey and stake all easements and access rights that pertain to the Work.

Section V

OPL, its contractor and sub-contractors, if any, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this contract, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, sex, handicap, national origin or ancestry.

Section VI

CITY HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS THE OPL, ITS AFFILIATED COMPANIES (INCLUDING BUT NOT LIMITED TO ITS OPERATOR, BP PIPELINES (NORTH AMERICA), INC.), AND ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES AND CONTRACTORS FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, LOSSES, FINES, DAMAGES, COSTS AND EXPENSES (INCLUDING COSTS AND EXPENSES OF DEFENSE), ARISING OUT OF ANY DUTY, OBLIGATION OR SERVICE OF THE CITY PURSUANT TO THIS AGREEMENT OR ANY ACTION OR CONDUCT PERFORMED BY THE CITY IN CONNECTION WITH THE STRANDER BOULEVARD EXTENSION PROJECT; EXCEPT, HOWEVER, THIS INDEMNITY SHALL NOT APPLY TO THE EXTENT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF OPL, ITS EMPLOYEES, AGENTS OR CONTRACTORS. IF ANY PROVISION OF THIS INDEMNITY IS DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE INVALID OR UNENFORCEABLE, THE REMAINING PROVISIONS OF THIS INDEMNITY WILL REMAIN IN EFFECT TO THE MAXIMUM EXTENT PERMITTED BY LAW.

NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY HERETO SHALL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, EXEMPLARY OR PUNITIVE DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF PRODUCTION OR OTHER DAMAGES ATTRIBUTABLE TO BUSINESS INTERRUPTION) ARISING IN CONNECTION WITH THIS AGREEMENT.

Section VII

The term of this Agreement shall commence on the Effective Date and continue for a period of twenty-four (24) months. The term of this Agreement shall not be extended unless an authorized representative of OPL and CITY agree in writing to extend the term. If the Work is not completed within the twenty-four (24) month term, or any agreed upon extension of the term, OPL shall have the option to not perform or complete the Work and shall reimburse CITY the amount that CITY has paid OPL less all actual costs incurred by OPL through the date of termination of this Agreement. The provisions of Section VI of this Agreement shall survive any termination and shall continue to remain in full force and effect upon termination of this Agreement.

Section VIII

Without limitation or waiver of any of OPL'S rights elsewhere set forth in this Agreement, OPL reserves the right, with or without cause, to stop the Work at any time and in addition thereto to immediately terminate this Agreement without liability, and in such event OPL shall reimburse CITY the amount that CITY has paid OPL less all actual costs incurred by OPL through the date of termination of this Agreement.

Section IX

This Agreement constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, among the parties, with respect to the subject matter of this Agreement. This Agreement may be amended, modified, or supplemented but only in writing signed by an authorized representative of both OPL and CITY.

Section X

The provisions of this Agreement are solely for the benefit of the parties to this Agreement and no provision of this Agreement should be deemed to confer upon any other party any remedy, claim or right.

Section XI

If any term or provision of this Agreement shall be found to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties as set forth herein.

Section XII

This Agreement shall be construed in accordance with the laws of the United States and the state where the Work is to be performed, without regard to such state's conflicts of law rules.

IN WITNESS HEREOF, the parties hereto separately and severally have caused this AGREEMENT to be executed in their respective names by and through their duly authorized representatives, as of the day and year first above written.

**OLYMPIC PIPE LINE COMPANY LLC,
a Delaware limited liability company**

By: Marc Horn
Typed: Marc Horn
Title: President
FEIN: 24-6048227

**CITY OF TUKWILA, a State of Washington
municipal corporation**

By: _____
Typed: _____
Title: _____
FEIN: _____

Exhibit A

SCOPE OF WORK

Description of Work

OPL will develop a design and plan to relocate its 14-inch and 12-inch petroleum pipelines in interference with the Strander Boulevard Expansion Project in Tukwila, WA. This relocation will accommodate the CITY's expansion of Strander Boulevard. As a result OPL's 12-inch and 14-inch pipelines are impacted and will need to be relocated.

Under this Agreement, OPL will perform the following preliminary engineering design work associated with the modification or relocation of its facilities.

Project Management

- Organize and develop work plan and advance design development.
- Provide guidance on private property coordination and legal review of any easement, and coordinate with CITY on replacement easements and/or reciprocal conveyances.
- Procurement of engineering, surveying, and construction contractors.
- Track right of way document development.
- Coordinate with the CITY on the design and construction methods of the proposed relocation so the CITY can proceed with the permitting.

Potholing/Soil Borings

- Pothole elevation of 12" and 14" pipelines upstream/upland tie-in location.
- Probe/confirm elevation of 20" pipeline downstream tie-in location.
- If sufficient subsurface soil and groundwater information is not available, complete soil borings as necessary.

Survey Contractor

- Update topographic gaps from CITY-provided CADD and mapping information.
- Modify data for design development.
- Survey location of items during design phase engineering.

Modeling

- From updated field investigation, model proposed alignment for design development.

Design

- Design pipe relocation, bends, and length of pipe.
- Prepare right of way plan sheets.
- Identify laydown area and ingress and egress areas.
- Coordinate with mechanical contractor on constructability issues.
- Prepare plan view and profile of pipe relocation.
- Prepare contract specifications.

Geotechnical

- Review, evaluate, analyze, and plan for site geotechnical conditions that may impact construction of the petroleum pipeline relocations.

Permitting

- Washington State Department of Ecology (WSDOE) – NPDES Construction Stormwater General Permit and approval of possible SEPA amendment determination by City of Tukwila.
- City of Tukwila - permits required by City code and after consultation with City staff, which may include permits for right-of-way use and grading. Additionally, depending on the scope of work, determine with City staff whether a SEPA amendment and/or additional Critical Areas Review is required to complete Olympic's work.

Deliverable

- Plans, Specifications & Estimates (PS&E) for the petroleum pipeline relocation, which will be utilized by OPL to procure the relocation's construction.

Schedule (Tentative)

- Survey, site reconnaissance, and potholing (if necessary) - 2nd & 3rd Quarters 2018.
- Engineering design - 6 to 8 months; 2nd, 3rd & 4th Quarters 2018.
- Permit package development & submittal – submittal date TBD.

Strander Boulevard Expansion Project
Preliminary Engineering Agreement

Exhibit B Engineering Cost Estimate
Phase 3: Strander Boulevard Expansion

Labor		\$189,400
Travel & Expense		\$5,000
Engineering & Survey		\$278,600
Permitting		\$25,000
15% UAP		\$74,700
	sub total	\$572,700
Overhead	10.00%	\$57,270
	TOTAL*	\$630,000

NOTE:

UAP based on actual expense and not generated
from imbedded worksheet calculations

* Rounded to nearest \$100