



AGENDA  
ITEM 4h  
DATE 3-23-09

# City Council Report

**Date:** March 23, 2009  
**To:** City Council  
**Through:** Jack Friedline, Deputy City Manager  
**From:** Elizabeth Huning, City Engineer  
**Subject:** Gas Mains and Services Annual Contract  
City of Mesa Project No. M99-2008-017  
Council District No. (City Wide)

## Purpose and Recommendation

The purpose of this report is to provide information to the Council on the results of the bids received for Project No. M99-2008-017, Gas Mains and Services Annual Contract.

It is recommended that the Council award this project to the low bidder, Northern Pipeline Construction Company, for a total award of \$1,206,071.85.

## Background

The purpose of this project is to enter into an annual contract for gas main and service line installations. Primarily, this work will be limited to new residential sub-divisions and commercial installations. In addition, the Energy Resources Department may utilize some of the bid items to provide a limited amount of construction services on an individual project.

## Discussion

The contract includes furnishing all labor and equipment necessary to perform the installation of approximately 24,000 linear feet of 4-inch polyethylene (PE) gas pipe, 111,000 linear feet of 2-inch PE gas pipe, 6,500 linear feet of 1-inch PE gas pipe, 45,000 linear feet of ½-inch PE gas pipe, 1,400 residential service lines and other items of work. The quantities noted will not be used at one time, rather, in definable portions of work identified by separate projects. Projects may be the complete installation of an operational gas system for a subdivision or a commercial development.

Location: The projects are installed throughout the City of Mesa's gas utility service area including the Magma gas system in Pinal County, on an as needed basis.

Schedule of Contract: Contract time for this agreement shall be for a period of 365 calendar days and may be extended for an additional year.

Community Impact – Temporary impacts to the area will include construction noise and dust. A majority of the work will be in undeveloped areas where new construction is occurring and other subdivision, commercial and site improvements are being constructed. Work is anticipated on an ongoing basis for the duration of the contract throughout Mesa and also in the Magma gas system in Pinal County as new projects arise.

## Alternatives

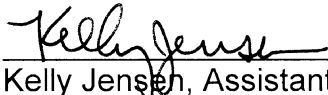
An alternative would be to not proceed with this project and not enter into an annual contract for gas main and service line installations. This is not recommended due to the nature and timing of new development work. By the time a potential customer approaches the City to request natural gas service, they have started their permitting and do not have time to wait for the City to design and publically bid the individual project's gas construction. Turn-around time needs to be within 2-3 months to ensure the project under construction is not delayed due to gas service not being available. In addition, the City has experienced a cost savings in previous years due to economies of scale for work being completed under one contract.


## Fiscal Impact

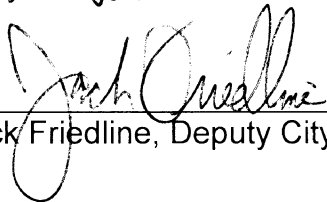
The recommended total award of this project is \$1,206,071.85. Since this contract spans two fiscal years, this contract is funded from the adopted FY 08/09 Gas Operations Program and the preliminary FY 09/10 Gas Bond Program.

## Coordinated With

The Energy Resources Department concurs with this recommendation.

  
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Kelly Jensen, Assistant City Engineer

  
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Elizabeth Huning, City Engineer

  
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Jack Friedline, Deputy City Manager

Budget Information:  
FY 08/09 and 09/10 Gas Bond Capital Program

CITY OF MESA  
MESA, ARIZONA

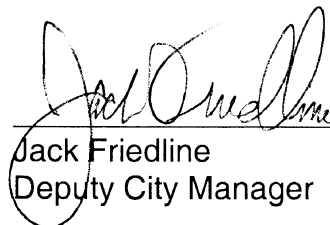
GAS MAINS AND SERVICES ANNUAL CONTRACT

**PROJECT NO. M99-2008-017**

Tabulation of Bids Received, Thursday, February 19, 2009, at 3:30 P.M.

<b>ENGINEER'S ESTIMATE</b>	<b>\$1,213,338.50</b>
1. Northern Pipeline Construction Com	\$1,206,071.85
2. Mastec North America Inc.	\$1,300,547.20
3. Arizona Pipeline Company	\$1,475,063.50

Recommend award to low bidder, Northern Pipeline Construction Company, in the amount of \$1,206,071.85 plus an additional \$120,607.19 (10% allowance for change orders) for a total award of \$1,326,679.04.

  
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Jack Friedline  
Deputy City Manager