

**Pipeline Modification and Reimbursement Agreement between the City of Commerce City and Suncor Energy (U.S.A.) Pipeline related to the East 104<sup>th</sup> Avenue Improvements, Phase 3B Project, Project No. 9062-11**

**Project Description:**

The Suncor Energy Pipeline Company has an existing ten (10) inch diameter crude oil pipeline located within the 104<sup>th</sup> Avenue right-of-way. As a part of the 104<sup>th</sup> Avenue widening project, Suncor must make certain modifications to the pipeline. Suncor is sharing the costs of these modifications with the City, subject to the terms and conditions contained in the Pipeline Modification and Reimbursement Agreement. This agreement has been reviewed and approved by Suncor and has been reviewed and is recommended for approval by City staff along with the change order.

The total estimated cost of the pipeline replacement is \$738,092, including \$70,875 if rock is encountered during boring operations. Per the agreement, the City would be responsible for 50% of these costs or \$369,046.

**Schedule:**

Suncor will have a contractor complete this work. Their contractor will work closely with the City's contractor, Zak Dirt, Inc. to coordinate schedules, road closures and work crews. Because the City's contractor is ahead of schedule, staff does not anticipate significant impacts to the overall schedule as a result of this additional work.

**Financial Impact:**

The project budget is \$41,466,721 and includes adequate funding to cover this change order.

**Staff Recommendation:**

Staff recommends approval of Resolution No. 2014-65.