



Date of Memo: October 08, 2024
Current Meeting: October 16, 2024
Board Meeting: October 24, 2024

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation (IPTC) Board of Directors
THROUGH: President and CEO Jennifer Pyrz
FROM: Director of Capital Projects Matt Duffy
SUBJECT: Consideration and approval of Blue Line Stormwater and Construction Agreement between IPTC – City of Indianapolis Department of Public Works (DPW) – and Citizens Energy Group (Citizens)

ACTION ITEM A – 4

RECOMMENDATION:

It is recommended that the Board of Directors authorize the President and Chief Executive Officer to execute a stormwater and construction agreement between IPTC, DPW, and Citizens related to the stormwater management infrastructure and utility relocations on the Blue Line BRT project. The agreement includes an IPTC contribution towards Citizens’ water utility relocations of an amount not to exceed \$6.5 million.

BACKGROUND:

This agreement is consistent with similar agreements associated with the Red and Purple line BRT projects that were executed in 2017 and 2020, respectively, to design and construct stormwater drainage facilities within the BRT Project area to conform with specified stormwater flow criteria. Each agreement also contained provisions for the timely review of submittals, eventual ownership, and maintenance responsibilities of the constructed infrastructure. In the case of the Purple Line, the agreement additionally included provisions for IPTC’s contractor to complete a combined storm sewer separation project with funding from DPW and Citizens, and provisions for reimbursement by IPTC of a portion of Citizens’ utility relocation costs.

As with the previous projects, the stormwater and construction agreement for the Blue Line BRT project includes provisions for how the three parties will work together on design, construction and construction change process, and long-term maintenance of the new infrastructure. The Blue Line agreement additionally set terms for how the parties will contribute financially to the new separated stormwater management infrastructure and utility relocations.

DISCUSSION:

The Blue Line project includes design and construction of a significant amount of new separated stormwater management infrastructure, including roadway drainage inlets, a new stormwater trunkline, and offsite detention facilities. Citizens is contributing \$9.5 million and DPW is contributing \$15 million to the project because this infrastructure is of significant benefit to each agency. The agreement outlines how these contributions will be paid to IPTC.

Additionally, there will be utility facilities, including water, sanitary sewer, and natural gas, that need to be relocated to accommodate construction of the Blue Line project. As of September 2024, estimates indicate that approximately \$42 million will be required to relocate Citizens’ utilities. IPTC is agreeing to contribute to these costs to move the project forward. The agreement will require Citizens to pay for the first \$35.5 million of relocation work costs (\$15.5 million for sewer, \$8 million for gas, and \$12 million for water). IPTC will pay the remaining \$6.5 million in relocation costs. IPTC’s contribution will be applied entirely to relocations of water utilities.

The parties have agreed to continue to coordinate and modify design plans to reduce conflicts and relocation costs wherever possible, including through the construction phase as utilities are relocated. In the event that costs exceed the \$42 million estimate, Citizens, DPW and IPTC will meet to determine a fair and reasonable allocation of the additional costs. If a cost-share agreement can't be reached, the agreement contains terms for dispute resolution. Note that Citizens' contributions to any potential overages are capped by this agreement. Citizens will not pay any more than \$12 million towards water relocations. Citizens is further limiting their contribution to overages on sewer and gas relocations to 33% of the total cost.

Relocations of Citizens' infrastructure will be designed and relocated by Citizens with the exception of sanitary relocations, which will be designed by Citizens but relocated by an IPTC contractor on the Blue Line project. Sanitary relocations will be conducted by an IPTC contractor to reduce relocation schedule impact and relocation costs. To protect the Blue Line construction schedule, a relocation schedule was included in the agreement. Terms for Citizens' reimbursement of sanitary relocation costs are included in the agreement.

The agreement requires compliance with Buy America regulations and provides that IPTC will not reimburse CEG for facilities providing greater capacity, capability, durability, efficiency, or function (e.g. – "betterments") except for compliance with current state and local codes.

ALTERNATIVES:

This agreement is a required prior to FTA executing the Blue Line Small Starts grant. IPTC has been negotiating this agreement with Citizens and DPW for several months. Staff does not believe that additional negotiation will result in more favorable terms.

FISCAL IMPACT:

Costs associated with this agreement are funded with local Capital funds as a part of the overall Blue Line BRT project budget.

DBE/XBE DECLARATION:

Not applicable

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Finance Committee and Service Committee on October 16, 2024.