

**BOARD OF SUPERVISORS  
FINANCE/GOVERNMENT OPERATIONS AND ECONOMIC DEVELOPMENT  
COMMITTEE  
ACTION ITEM**

**SUBJECT:** Contract Award/ Utilities Relocation for Mooreview Parkway – Columbia Gas Transmission, LLC

**ELECTION DISTRICT:** Dulles

**CRITICAL ACTION DATE:** March 8, 2016

**STAFF CONTACTS:** Melissa Tello, Transportation and Capital Infrastructure  
Joe Kroboth, Transportation and Capital Infrastructure  
Cheryl Middleton, Finance and Procurement  
Belkys Escobar, Assistant County Attorney

**PURPOSE:** To award a utilities relocation contract to Columbia Gas Transmission, LLC (CGT) for the Mooreview Parkway project and to amend the FY 2016 Capital Improvement Programs (CIP) and budget to transfer \$1,800,000 from the Transportation District Fund in local gasoline tax funding to the Capital Fund to fund the Mooreview Parkway (\$1,800,000) capital project.

**RECOMMENDATIONS:**

**Staff:** Staff recommends that the Finance/Government Operations and Economic Development Committee (FGOEDC) recommend that the Board of Supervisors (Board) authorize the Purchasing Agent to award a contract for the relocation of utilities for the construction of the Mooreview Parkway project to CGT in the estimated amount of \$1,430,021. Staff further recommends that the FGOEDC recommend that the Board amend the FY 2016 CIP and budget to transfer \$1,800,000 from the Transportation District Fund to the Capital Fund for the Mooreview Parkway capital project for this purpose and sufficient contingency.

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**BACKGROUND:** The Mooreview Parkway project will construct a new roadway between Croson Lane and Old Ryan Road. On April 3, 2013, the Board adopted the FY 2014 Capital Improvement Program Fiscal Plan which approved the use of \$6.3M of fund balance to fund the construction of road improvements that are proffered by Moorefield Station, namely Mooreview Parkway from Croson Lane to Old Ryan Road; Old Ryan Road from Mooreview Parkway to Southland Street; and Southland Street between Old Ryan Road and Mooreview Parkway. On October 16, 2013, the Board approved the Mooreview Parkway Reimbursement Agreement, dated September 30, 2013, which established an agreement that, in the event the County constructs these road improvements, the Claude Moore Charitable Foundation (CMCF) will reimburse the County

for the actual cost of construction, based on a specified formula, at the issuance of zoning permits for non-residential construction. On July 16, 2014, the Board approved the First Amendment to the Mooreview Parkway Reimbursement Agreement, dated June 30, 2014, to revise the terms of the reimbursement to add an annual contribution in addition to the per square foot reimbursement. The Mooreview Parkway Agreement was incorporated by reference in the July 14, 2014 proffer statement associated with the Moorefield Station proffer amendment, ZCPA-2014-0002, which was approved by the Board on July 16, 2014.

The design of the Mooreview Parkway project was approved in 2010 and 2014 based on the project construction plans. Two CGT lines (26" diameter each) pass through the area of the Mooreview Parkway project. CGT maintains 50' wide easements (25' on either side) at each gas line. CGT was originally engaged by the Department of Transportation and Capital Infrastructure (DTCI) for coordination for the construction phase and for a preliminary engineering assessment of the condition of the gas lines. Through the course of that coordination process, it was then confirmed that due to the design elevation of the roadway, the maximum coverage permitted by CGT would be exceeded therefore requiring a vertical relocation of the lines.

In February 2015, DTCI contracted with CGT to deliver a preliminary engineering report following several months of discussion. DTCI received the preliminary engineering report deliverable in October 2015 and CGT has since identified a relocation cost of \$1,430,021. This cost includes vertical relocation of the two 26" diameter transmission lines. The requested contract award is a sole source contract because CGT, as the owner of the utility, is the only firm that may relocate its assets.

On January 12, 2016, staff presented an item FGOEDC regarding the amendment of the FY 2016 CIP and use of Local Gasoline Tax Funding for Mooreview Parkway. Action was not taken at that time in order for additional negotiations with CGT to continue. That item is included as Attachment 1. The \$1,800,000 in local gasoline tax funding requested in this item is required to cover the CGT relocation costs and to add a sufficient contingency.

**ISSUES:** Staff intended to begin construction of the Mooreview Parkway project in Fall 2015 and issued an Invitation for Bid (IFB) in June 2015. On July 9, 2015 the County received one bid for the construction of the project. Staff, however, rejected the single bid received due to the bid price exceeding the project budget and the then unknown cost of CGT relocation work. In the months following, the preliminary engineering report was delivered by CGT including the estimated cost for the relocation work.

In recent weeks, the terms of agreement with CGT for their relocation work have been finalized. Upon execution of the agreement, CGT will complete the relocation work within six (6) months, weather permitting particularly during the period from October to February, in which CGT has alerted the relocation project may be delayed. Staff is planning to re-advertise the IFB for the construction of the Mooreview Parkway project at the earliest opportunity following the start of the CGT relocation work. The utility relocation work must be completed before the County may issue a Notice to Proceed to the County's contractor and, based on the duration of the CGT relocation work, it is likely that the road construction will not begin until Spring 2017.

**FISCAL IMPACT:** If approved by the Board, Staff will prepare a budget adjustment to transfer \$1,800,000 in local gasoline tax revenue from the Transportation District Fund to the Capital Fund for appropriation to the Mooreview Parkway gas line relocation.

While local gasoline tax revenue is trending downward due to declining gasoline prices, the use of the proposed local gasoline tax funding for Mooreview Parkway does not use any current revenue obligated to support the County's transit and commuter bus service. Therefore, there is sufficient surplus of local gasoline tax revenue within the Transportation District Fund that may be transferred and appropriated for this utility relocation purpose. In the near future, local gasoline tax revenues will be dedicated to paying for the County's share of operating costs for the Metro Silver Line once it becomes operational in the County. Current estimates place the opening of Metro Silver Line service in the County in FY 2020.

**ALTERNATIVES:**

1. The Committee may choose to recommend the transfer of some, none or all of the requested \$1,800,000 in local gasoline tax funding for the Mooreview Parkway capital project.
2. Do not recommend award of contract and direct staff on how to proceed.

**DRAFT MOTION:**

1. I move that the Finance/Government Operations and Economic Development Committee recommend that the Board of Supervisors authorize the Purchasing Agent to award a contract to Columbia Gas Transmission, LLC in the estimated amount of \$1,430,021. I further move the Finance/Government Services and Operations Committee recommend that the Board of Supervisors amend the FY 2016 Capital Improvement Program and budget and direct staff to execute a budget adjustment to transfer \$1,800,000 in local gasoline tax funding in the Transportation District Fund to the Capital Fund for the Mooreview Parkway capital projects.

OR

2. I move an alternate motion.

**ATTACHMENT:**

1. January 12, 2016 Finance/Government Operations and Economic Development Committee Item #10 – FY 2016 Capital Improvement Program Amendment/Use of Local Gasoline Tax Funding for Mooreview Parkway

Date of Meeting: January 12, 2016

**# 10**

**BOARD OF SUPERVISORS  
FINANCE/GOVERNMENT OPERATIONS and ECONOMIC DEVELOPMENT  
COMMITTEE  
ACTION ITEM**

**SUBJECT:** **FY 2016 Capital Improvement Program Amendment/Use of Local Gasoline Tax Funding for Mooreview Parkway**

**ELECTION DISTRICT:** Dulles

**CRITICAL ACTION DATE:** January 12, 2016

**STAFF CONTACTS:** Daniel Csizmar, Transportation and Capital Infrastructure  
Joe Kroboth, Transportation and Capital Infrastructure  
Erin McLellan, Management and Budget

**PURPOSE:** To amend the FY 2016 Capital Improvement Program (CIP) and budget to appropriate and transfer \$1,800,000 of local gasoline tax funding from the Transportation District Fund to the Capital Fund to fund the Mooreview Parkway capital project.

**RECOMMENDATIONS:** Staff recommends that the Finance/Government Operations and Economic Development Committee (FGSOC) recommend that the Board of Supervisors (Board) amend the FY 2016 CIP and budget to appropriate and transfer \$1,800,000 from the Transportation District Fund to the Capital Fund for the Mooreview Parkway capital project.

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**BACKGROUND:** As part of the capital project review process, the Department of Transportation and Capital Infrastructure (DTCI) staff identified that the Mooreview Parkway project between Croson Lane and Old Ryan Road is in need of an additional \$3,300,000 to fully fund the project. Of this additional amount, \$1,500,000 is required to cover added construction related costs due to project delays, inflation, and cost increases within the current project scope. Staff is developing a funding proposal as part of the Proposed FY 2017 – FY 2022 CIP to cover the added construction costs for the project. The additional \$1,800,000 in local gasoline tax funding, requested in this item, is required to fund the relocation of two gas transmission lines that interfere with development of this road segment. The latest cost estimate from Columbia Gas to relocate the gas line is approximately \$1,440,000. Adding a sufficient contingency to the gas line relocation cost would require a total request of \$1,800,000.

Due to significant demand nationwide for labor and natural gas line construction brought about by the expansion of fracking to extract natural gas from the ground, gas pipeline construction labor is in short supply, which is driving up the costs and availability of labor to construct new gas pipelines

or relocate existing gas transmission lines. The cost for the gas line relocation is unusually high due to these labor demands, and requires a significantly higher contingency to help cover the fluctuations in the cost of gas line related work.

The Mooreview Parkway project is a critical missing highway link needed to provide connectivity to the planned Ashburn Metrorail Station. The project is also subject to a Reimbursement Agreement with the Claude Moore Charitable Foundation.

Staff is requesting the transfer of local gasoline tax funding now because the gas line relocation work must occur before the County can begin construction of the road segment between Croson Lane and Old Ryan Road; otherwise, the gas line relocation work would bisect and impede the project. Funding for the gas line relocation is needed prior to award of the construction contract, more specifically, before placing the project out for bid. In order to bid this project, staff needs an accurate project schedule for the Columbia Gas work; otherwise the County risks that the gas line relocation work will delay the progress of the general contractor if the County has already awarded a construction contract and issued the notice to proceed on construction.

This CIP amendment requests to allocate local gas tax funding as an amendment to the FY 2016 CIP to provide funds now to alleviate the gas line issue and time the allocation of the additional construction related funding in the CIP to align with when staff believes the construction contract will be issued for the project. The Mooreview Parkway project contains \$6,300,000 in fund balance appropriated as part of the FY 2014 CIP budget.

Due to limits on the amount of FY 2015 fund balance available to use towards capital project needs, and an attempt to alleviate pressure on the use of local tax funding and debt financing in the CIP, staff from the Department of Management and Budget (DMB) and DTIC completed an audit of the local gasoline tax project accounts in the Transportation District Fund to determine if any balances existed to allocate towards transportation-related capital projects in need of additional funds. Staff has identified balances in project accounts that were established for general contingency using local gasoline tax revenues in prior fiscal years. In time, these contingency accounts have become somewhat redundant as the CIP has established its own capital project-related contingencies. Staff believes reprogramming these funds is appropriate at this time to other one-time expenditures such as the gas transmission line relocations. Staff notes that these contingency funds are not planned to be replenished, and these funds are one-time in nature.

Local gasoline tax revenue has declined from historic levels as gasoline prices have declined; however, the use of the proposed local gasoline tax funding for Mooreview Parkway will not affect any current revenue needed to support the County's current transit and commuter bus service. As will be highlighted in the FY 2017 Proposed Budget, local gasoline tax balances are not accumulating as they had in the past and therefore should not be considered as a source of ongoing revenue for new or expanded programs.

In the near future, all local gasoline tax revenues will be diverted to cover the County's share of operating costs for the Metrorail Silver Line once it is operational in the County. Current estimates place the opening of Metrorail Silver Line service in the County in FY 2020.

**ISSUES:** An amendment to the FY 2016 CIP is required in order to transfer additional funds from the Transportation District Fund to the Capital Fund for the Mooreview Parkway project. If the Board chooses not to appropriate the use of local gasoline tax funding for the project, then the County will not have sufficient funding available to address the gas line relocation issue for the Mooreview Parkway project.

**FISCAL IMPACT:** If approved by the Board, staff will prepare a budget adjustment to appropriate and transfer \$1,800,000 in local gasoline tax funding in the Transportation District Fund to the Capital Fund for the Mooreview Parkway gas line relocation.

**ALTERNATIVES:** The Board may choose to recommend the appropriation and transfer of some, none or all of the requested \$1,800,000 in local gasoline tax funding for the Mooreview Parkway capital project. If the Board does not fully fund this request, staff would have to find other sources of proposed funding for the project, likely in the Proposed FY 2017 – FY 2022 CIP.

**DRAFT MOTIONS:**

1. I move the Finance/Government Operations and Economic Development Committee recommend that the Board of Supervisors amend the FY 2016 Capital Improvement Program and budget and direct staff to execute a budget adjustment to appropriate and transfer \$1,800,000 in local gasoline tax funding in the Transportation District Fund to the Capital Fund for the Mooreview Parkway capital projects.

OR

2. I move an alternate motion.