

VALLEY LINE WEST

Approval of Increase of Pipeline Agreement Amount

RECOMMENDATION

1. That the increase in the amount related to the agreement with Trans Mountain Pipeline be approved, such that the total is not to exceed \$2.1 million plus GST, as outlined in Attachment 1 of the March 1, 2023, Integrated Infrastructure Services report IIS01626.
2. That Attachment 1 of the March 1, 2023, Integrated Infrastructure Services report IIS01626 remain private pursuant to sections 16 (disclosure harmful to business interest of a third party), 24 (advice from officials) and 25 (disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*.

Requested Council Action		Decision required	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work to achieve our strategic goals.		Urban Places	
City Plan Values	Access, Live		
City Plan Big City Move(s)	A Community of Communities	Relationship to Council's Strategic Priorities	Mobility Network
Corporate Business Plan	Transforming for the future		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none">• The City Plan• Mass Transit Network• Valley Line West LRT		
Related Council Discussions	<ul style="list-style-type: none">• IIS00453, Valley Line West Approval of Crossing Agreements, Executive Committee, April 12, 2021• IIS01377, Valley Line West Approval of Increase of Pipeline Agreement Amount, Executive Committee, August 24, 2022		

Executive Summary

- Executive Committee is being asked to approve an increase in the value of the pipeline agreement with Trans Mountain Pipelines for pipeline protection work to accommodate the Valley Line West LRT project. The previous funding approval for Trans Mountain Pipelines is not sufficient to cover the full cost of the pipeline protection. The approval of the additional amount is needed to construct the Valley Line West project.
- Specifically, this report requests approval for an increase in the pipeline agreement amount for the Trans Mountain Pipelines protection work required to accommodate the Gerry Wright Operations & Maintenance Facility expansion as part of the Valley Line West LRT project.
- This is not a request for additional funds, only the reallocation of a portion of the amounts previously approved in the April 12, 2021, Executive Committee report IIS00453 (Valley Line West Approval of Crossing Agreement).
- As per City Administration Bylaw 16620, amendments to agreements previously approved by a Standing Committee must be approved by the appropriate Committee of Council where the value of the amendment will exceed 10 per cent of the approved value of the agreement.

REPORT

The Valley Line West LRT project (the “Project”) includes the construction of a Light Rail Vehicle (LRV) maintenance and storage facility east of the Gerry Wright Operations and Maintenance Facility located at Whitemud Drive and 75 Street. The tracks connecting the two facilities must cross an existing pipeline right of way and will conflict with an existing pipeline that is owned by Trans Mountain Pipeline LP (“Trans Mountain”), two pipelines owned by Plains Midstream Canada ULC (“Plains Midstream”) and a pipeline owned by Pembina Pipeline Corporation (“Pembina”). The pipeline right of way is also shared with a pipeline owned by ATCO Pipelines but has no conflict and can remain in place without modification. As owners of their pipelines, Trans Mountain, Plains Midstream and Pembina have sole authority with respect to the mitigation work associated with the Project. The City will provide reimbursement for the related costs.

It is the City’s obligation under the Valley Line West LRT Design-Build-Finance Project Agreement to obtain agreements to mitigate pipeline conflicts at the Gerry Wright Operations and Maintenance site.

Trans Mountain Pipelines

Trans Mountain completed their pipeline mitigation work in July 2022. The final cost for the pipeline mitigation work is \$2.1 million which exceeds the approved amount of \$1.5 million. The cost increase is a result of site conditions as well as further design development and additional material to accommodate the Valley Line West LRT contractor’s design.

Plains Midstream

Plains Midstream completed their pipeline mitigation work in January 2022. The agreement to cover all of the costs for the work did not exceed the approved amount of \$10 million.

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Pembina Pipeline Corporation

Pembina completed their pipeline mitigation work in November 2022. The agreement to cover all of the costs for the work did not exceed the approved amount of \$5 million.

Budget/Financial Implications

Mitigation work for existing pipelines owned by Trans Mountain, Plains Midstream and Pembina was a known scope element of the Valley Line West LRT project and the budget for the work is available under Capital Profile 16-66-7017.

This is not a request for additional funds, only the reallocation of a portion of the amounts previously approved. It is anticipated that, with this change, the overall cost for the pipeline work will be approximately \$11 million which is \$3 million less than the \$14 million previously approved by Council.

Legal Implications

As per City Administration Bylaw 16620, amendments to agreements previously approved by a Standing Committee must be approved by the appropriate Committee of Council where the value of the amendment will exceed 10 per cent of the approved value of the agreement.

COMMUNITY INSIGHT

Public engagement was not conducted as it is not applicable to the agreement with Pembina and would not impact Pembina's sole authority over the protection of its pipeline.

GBA+

The Valley Line West LRT Project is an important component in the LRT expansion portion of the Infrastructure Planning and Development 2022 City Priority and will assist the City in continuing to make transformational impacts. The increase in the pipeline agreement will allow the work to continue to support the Valley Line West LRT within the previously budgeted amounts.

ATTACHMENT

1. PRIVATE - Agreement Term Sheet - Trans Mountain