

RESOLUTION NO. 2014-14

A RESOLUTION APPROVING AN AGREEMENT WITH MARATHON PETROLEUM TO REPLACE AND ENLARGE A DEPARTMENT OF WATERWORKS MAIN ADJACENT TO THE MARATHON FACILITY

WHEREAS, the Town of Speedway, Indiana (the "Town") owns, operates and maintains a waterworks department; and,

WHEREAS, Marathon Petroleum ("Marathon") has need for additional capacity to serve and provide fire suppression capacity at their Speedway Facility; and,

WHEREAS, the Town and Marathon now desire to work cooperatively to complete the project.

NOW THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SPEEDWAY, INDIANA:

1. The Town Council hereby approves an Agreement with Marathon for the replacement and enlargement of a water main as outlined at "Attachment A" hereto
2. The Council authorizes the Town Manager to sign the Project Agreement and to take the administrative steps necessary to initiate the Project.

PASSED BY the Speedway Town Council this 14th day of April 2014.

TOWN COUNCIL OF THE TOWN OF
SPEEDWAY, INDIANA



Gary L. Raikes, President



David Lindsey, Vice President



Eileen Fisher, Member



Jeff Hartman, Member



William Suffel, Member

ATTEST



Monty W. Combs
Clerk-Treasurer

CONSTRUCTION AND REIMBURSEMENT AGREEMENT

THIS CONSTRUCTION AND REIMBURSEMENT AGREEMENT ("Agreement") is made by and between Marathon Petroleum Company LP (hereafter "Marathon") and the Town of Speedway, an Indiana municipal corporation (the "Town") to outline the terms and conditions under which the Town will plan, design and construct such portion of a replacement water main as is required by Marathon to service certain infrastructure (the "Project") at the Marathon light products terminal facility located on Olin Avenue within the Town of Speedway (the "Facility").

1. General

Marathon plans to make additions and improvements to the Facility and the Town fully supports Marathon in this endeavor and desires to facilitate and work cooperatively to support the improvements and to outline a process and protocol to follow.

Marathon is constructing a 90,000 gallon butane storage tank and related infrastructure at the Facility (the "Improvements"). The Town's 8-inch water main that currently provides water to the Facility does not have the required capacity to meet the needed future demand contemplated as part of the Improvements. The proposed Improvements require additional water to be available from the Town of Speedway to meet fire flow and suppression demands once the Improvements are put in to service; a preliminary concept of the Project is outlined in **Attachment A**.

2. Town Commitment

Marathon has requested that a new, larger capacity 16-inch water main be designed and constructed to meet future demand. The Town will construct a new 16-inch water main beginning at the eastern end of its existing 16-inch water main and continuing eastward to the connection point where the Town's water system terminates into the Facility at the Facility property line.

The Town will:

- a. retain the services of American Structurepoint to provide design, bidding and technical services for the Project and will cooperate fully with Marathon in the timely completion of the Project.
- b. share all relevant design, bidding, contract and related information with Marathon, including costs estimates or change orders as available.
- c. host regularly scheduled project meetings with the Town's water department, American Structurepoint and Marathon to review progress and issues related to the Project.

The Town agrees to complete the water main construction and place the new 16-inch main into service not later than September 30, 2014 provided there are no force majeure events.

The Town acknowledges that it has knowingly selected American Structurepoint as the contractor to perform the Project and hereby releases and agrees to hold harmless Marathon from any claims, demands, costs, expense, liabilities, and/or damages arising from any act or omission of such contractor. Marathon shall bear no responsibility for any waste or other material produced and/or required to be disposed of as a result of performance of the Project.

3. Marathon Commitment

Marathon will pay all engineering, bidding and design, construction and related expenses for the completion of the Project, so long as such expenses are subject to good faith cost control efforts on the part of the Town and do not exceed the sum of the contract bid award plus a contingency of 10% and all reasonable and necessary engineering, bidding, inspection and related professional services necessary to complete the project, the total of which is the "Not-to Exceed Amount". All such expenses shall be identified in writing and agreed to by both parties and added as an addendum to this Agreement. Any expenses pertinent to the Project that would extend beyond such Not to Exceed Amount must be approved by Marathon in writing in advance for any reimbursement obligation to apply. Upon presentation of invoices by the Town, Marathon will review and submit payment to the Town for the full amount less retainage. Upon substantial completion of the Project, Marathon will agree to release retainage by making payment to the Town.

The Town will invoice Marathon monthly for all Project expenses as contractor and engineering invoices are received. Marathon shall make payment to the Town within 30 days.

Marathon's sole commitment hereunder is to reimburse the Town for qualifying expenses up to the not to exceed amount indicated above. Nothing herein shall require Marathon to otherwise participate in the Project or assume any responsibility for its performance.

The Parties agree that at the completion of the Project, the water main will be owned, operated and maintained by the Town.

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of April 2014.

Marathon Petroleum Company LP
By: MPC Investment LLC, its general partner

Town of Speedway

Signature

Signature

Printed _____

Gary Raikes, President Town Council

Title _____

Date _____

Date 4/14/14 _____

Attachment A

