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INTERLOCAL AGREEMENT

THIS AGREEMENT ("Agreement") is entered into between the **City of Woodinville**, a Washington Municipal Corporation, located and doing business at 17301 133rd Avenue NE, Woodinville, Washington 98072 ("CITY") and **Woodinville Water District**, a Washington Municipal Corporation, located and doing business at 17238 NE Woodinville-Duvall Road, Woodinville, Washington 98072 ("DISTRICT") (individually a "Party" and collectively the "Parties").

RECITALS

- A. The DISTRICT is constructing a water main replacement project, a portion of which is on 164th Ave NE from NE 180th St to NE 175th St, within the City of Woodinville, Washington ("PROJECT").
- B. The CITY desires to overlay the road on 164th Ave NE from NE 180th St to NE 175th St. ("CITY WORK").
- C. The DISTRICT is willing to include the installation of the CITY WORK as part of the PROJECT conditioned on the CITY reimbursing the DISTRICT for the actual costs, charges and expenses paid by the DISTRICT to its Contractor for the Contractor's performance of the CITY WORK and the CITY'S agreement to the terms and conditions of this Agreement.
- D. The Parties can achieve cost savings and benefits in the public's interest by combining construction of PROJECT and CITY WORK by enhanced agency coordination and reduced contract administration. Inclusion of the CITY's WORK with the PROJECT will also greatly reduce disruption to traffic during construction of both projects.
- E. The Parties are authorized to undertake joint and cooperative action pursuant to Chapter 39.34 RCW.

AGREEMENT

Section 1. General: The DISTRICT, as agent acting for and on behalf of the CITY, agrees to perform the CITY WORK, in accordance with and as described in the Draft Scope of Work marked **Exhibit A** and Draft CITY SCHEDULE marked **Exhibit B** attached hereto, which by this reference are made part of this Agreement.

Section 2. Construction Plans: Plans, specifications and cost estimates for the CITY WORK have been prepared by the DISTRICT generally in accordance with CITY design standards ("Plans and Specifications"). The CITY hereby approves the Draft Scope of Work for the CITY WORK as described in **Exhibit A** attached hereto and incorporated herein by this reference ("Draft Scope of Work").

Section 3. Bidding and Construction: The DISTRICT is hereby designated the CITY's construction agent for the PROJECT. The DISTRICT will incorporate the Plans and Specifications into to the PROJECT contract in such a manner as to allow, to the greatest extent possible, identification of cost allocations between the respective work for the Parties. The CITY shall finalize and approve the CITY SCHEDULE prior to the PROJECT advertisement for bid. The DISTRICT shall provide the CITY a final ENGINEER'S ESTIMATE for the work associated with the CITY SCHEDULE thirty (30) days prior to advertisement for bid. The DISTRICT shall thereafter advertise the resulting PROJECT, including the CITY WORK, for competitive bid. Following the DISTRICT's receipt of bids for the PROJECT work, the DISTRICT shall furnish the CITY with the bid, bid prices, and the list of contractors for the CITY WORK for the CITY's review with identification of the lowest responsible bidder for the PROJECT, including the CITY WORK. CITY shall review the bid documents and notify DISTRICT in writing within ten (10) business days of the receipt of the bid whether the CITY approves or rejects the bid for the CITY WORK. The CITY agrees to make payment to the DISTRICT in the amount of \$6,500 within thirty (30) days of the execution of this Agreement to compensate the DISTRICT for the extra expense incurred to have its consultant prepare the bid documents to include the CITY's WORK in the PROJECT bid documents.

The CITY has the right to reject the bid for the CITY WORK if the bid exceeds the ENGINEER'S ESTIMATE for the CITY WORK by ten percent (10%). The DISTRICT shall not proceed with the CITY WORK if the DISTRICT has received written notification from the CITY within ten (10) days of the date of written notice from the DISTRICT staff of their determination of the lowest responsive responsible bid, that the CITY rejects the bid(s) for the CITY WORK. Bid award shall be made to the lowest responsive responsible bidder for the total cost of the PROJECT, including the CITY's SCHEDULE, subject to applicable laws and regulations. However, if the DISTRICT rejects the bid for the DISTRICT WORK, this Agreement shall become null and void at the time of rejection and neither Party shall have any further obligation or responsibility to the other Party.

Once the PROJECT contract is awarded, the DISTRICT will administer and manage the PROJECT contract. As construction agent, the DISTRICT will perform all engineering and field inspections for the DISTRICT PROJECT Work, including the CITY WORK, and shall make all payments to the Contractor. The CITY shall provide an inspector for the CITY WORK and will coordinate any engineering design changes with the CITY. The DISTRICT will keep the CITY advised as to the progress of the PROJECT work. The DISTRICT, as construction agent, shall have final judgment, after consulting with the CITY, with regards to decisions related to the work of the Contractor.

Section 4. Authority to Construct: Subject to the provisions in Section 3 herein, the CITY hereby authorizes the DISTRICT to proceed with construction in accordance with CITY WORK and CITY SCHEDULE for the purpose intended by this Agreement, and as further described in Section 8.

Section 5. Inspection by City: The CITY shall furnish an inspector on the PROJECT to inspect the CITY WORK. Any costs for such inspection shall be borne solely by the CITY. All contact between the CITY's inspector and the DISTRICT's

Contractor shall be through the DISTRICT's representatives. Any submittals for material used in the construction of the CITY WORK, shall be reviewed and approved by the CITY. The CITY shall receive from the DISTRICT all submittals associated with CITY WORK such that the CITY shall have a reasonable time to review such submittals. It is the Parties intent that all CITY WORK shall be at the sole cost and expense of the CITY, meeting or exceeding the CITY's standards plans and specifications, but the DISTRICT, as construction agent, shall have final judgment, after consulting with the CITY with regard to decisions related to the work of the Contractor.

Section 6. Acceptance: The DISTRICT shall conduct a field review of each constructed facility with representatives of the CITY and with the intent all punchlist items are corrected to the satisfaction of the CITY and the DISTRICT before final acceptance by the DISTRICT. The CITY agrees, upon satisfactory completion of the work involved as determined by the DISTRICT, to deliver to the District a Letter of Acceptance of the CITY WORK, the timely delivery of which shall not be reasonably withheld. The CITY'S acceptance of the CITY WORK shall not constitute acceptance of any unauthorized or defective work or materials, nor be a waiver of any manufacturer's, supplier's or contractors' warranties. Final acceptance of the PROJECT shall be by the DISTRICT after inspection by all agencies involved.

Section 7. Payment: The CITY, in consideration of the faithful performance of the work to be done by the DISTRICT, agrees to reimburse the DISTRICT for the actual direct construction cost of all work specified in the CITY SCHEDULE as well as a portion of mobilization and erosion control; mobilization and erosion control costs shall be six percent (6%) of the bid contract for the CITY WORK, as provided in the CITY SCHEDULE of the awarded contract. The CITY also agrees to pay the actual costs for the DISTRICT's hired construction manager for administration costs specifically associated with the management of the CITY's WORK based on actual time records and invoices. Payment shall be made by the CITY to the DISTRICT within forty-five (45) calendar days of the CITY'S acceptance of the CITY WORK as referenced in Section 6, upon the request of the DISTRICT.

The DISTRICT is required to make partial monthly payments to the Contractor for work completed in accordance with the contract requirements of the PROJECT. These periodic payments may or may not include work performed by the Contractor that is CITY WORK. If the periodic partial payment includes payment to the Contractor for CITY WORK, the DISTRICT will send an invoice to the CITY for the value of CITY WORK completed that is being paid to the Contractor, including applicable sales taxes in that partial payment.

When the DISTRICT receives a request for partial payment from the Contractor that includes payment for CITY WORK, the DISTRICT will send a copy to the CITY for the CITY'S review within five (5) days of receipt. If the CITY disagrees with the Contractor's request for payment for work completed as listed in the CITY SCHEDULE, the CITY shall notify the DISTRICT of the disagreement within five (5) calendar days of the date the request was sent to the CITY. If the CITY does not respond within five (5) calendar days, it shall be assumed for the purpose of this Agreement that the CITY agrees with

the request for payment by the Contractor. Except for disputed requests for payment, the CITY agrees to pay such invoices within forty-five (45) calendar days of the invoice date sent by the DISTRICT; thereafter the invoice shall accrue simple interest at a rate of 6% per annum for the date of billing.

The CITY agrees to make final payment within forty-five (45) calendar days of invoice date sent by the DISTRICT; thereafter the bill shall accrue simple interest at the rate of one (1) percent per month.

Section 8. Extra Work: If unforeseen causes require an increase in the CITY's cost obligation of ten percent (10%) or more from the cost included in ENGINEER'S ESTIMATE, this Agreement shall be modified and amended by supplemental agreement covering the increased cost for the CITY WORK. In the event it is determined that any SUBSTANTIAL CHANGE, (defined as any changes requiring an increase in the CITY's financial obligation (per ENGINEER'S ESTIMATE) greater than ten percent (10%)), from the description of the work contained in the Agreement is required, the DISTRICT shall obtain written approval from the CITY before undertaking such additional or changed work. The DISTRICT shall provide prior written notice for all changes to the CITY's portion of the work regardless of the financial obligation. Any increased costs, expenses, or damages incurred by the DISTRICT due to delay in obtaining required approvals from the CITY, shall be paid by the CITY to the DISTRICT consistent with Section 7 above.

Section 9. Legal Relations: Each Party agrees to hold harmless and indemnify the other, its elected and appointed officials, agents, and employees from any and all costs, claims, demands and obligations of whatsoever nature caused by the Party's sole negligence or the Party's concurrent negligence, but only to the extent of the Party's concurrent negligence, and arising by reason of participation in or connection with the CITY WORK described by this Agreement, including, but not limited to, claims by the Contractor for additional compensation related in any way to utility relocation work.

The DISTRICT shall require the Contractor constructing the PROJECT to have the CITY, its elected and appointed officers, agents and employees named as an insured by specific endorsement on all policies of insurance to be maintained by contractor(s) under the terms of any PROJECT contract(s), with the DISTRICT contractor building the PROJECT required to maintain Commercial General Liability Insurance, Commercial Automobile Insurance and Workers Compensation. The Contractor shall provide the DISTRICT with either a certified copy of all policies with endorsements attached or a Certificate of Insurance with endorsements attached as are necessary to comply with the contract specifications. The DISTRICT shall provide the CITY with copies of all such policies and documents upon receipt of same by the DISTRICT.

The DISTRICT shall require the Contractor building the PROJECT to indemnify, defend, and save harmless the CITY and its elected and appointed officers, agents, or employees from any claim, damage, action, liability of proceeding brought or filed against the CITY or its officers, agents or employees alleging damage or injury arising out of the Contractor's participation in the PROJECT. The Contractor shall also be required to waive the Contractor's immunity under Washington's Industrial Insurance Act, RCW Title 51, as to the CITY solely for the purposes of the indemnification.

Section 10. Termination: This Agreement may only be terminated by written mutual agreement of the Parties, except as provided below:

A. The CITY has the right to terminate this Agreement if the DISTRICT determines not to undertake the PROJECT or to discontinue the PROJECT; provided the CITY shall be responsible only for costs incurred by the DISTRICT prior to the DISTRICTS's notice of termination to the CITY.

B. The CITY can terminate this Agreement any time before the DISTRICT PROJECT's contract for construction is awarded to the lowest responsive, responsible bidder as agreed by the CITY in Section 3; provided the CITY shall be responsible only for costs incurred by the DISTRICT prior to the CITY's notice of termination to the DISTRICT.

C. This Agreement shall terminate when the DISTRICT's Board of Commissioners accepts the DISTRICT's construction PROJECT as complete and all payments for reimbursement are made by CITY to the DISTRICT.

Section 11. Resolution of Disputes and Governing Law: This Agreement shall be governed and construed in accordance with the laws of the State of Washington. If the Parties are unable to settle any dispute, difference or claim arising from the Parties' performance of this Agreement, the exclusive means of resolving that dispute, difference or claim, shall only be by filing suit exclusively under the venue, rules and jurisdiction of the King County Superior Court located in Seattle, King County, Washington, unless the Parties agree in writing to an alternative dispute resolution process. In any claim or lawsuit for damages arising from the Parties' performance of this Agreement, the prevailing party shall be entitled to judgment against the other for all its reasonable legal costs and attorney's fees incurred in defending or bringing such claim or lawsuit, in addition to any other recovery or award provided by law, provided, however, nothing in this paragraph shall be construed to limit the CITY's or DISTRICT's right to indemnification under Section 9 of this Agreement.

Section 12. Written Notice: Any notice under this Agreement will be in writing and shall be delivered by mail or hand delivery (copies may be emailed) to the Parties as specified below:

If to the DISTRICT: Woodinville Water District
17238 NE Woodinville-Duvall Road
P.O. Box 1390
Woodinville, WA 98072
Attn: Ken Howe, P.E.
Email: khowe@woodinvillewater.com

If to the CITY: City of Woodinville
17301 – 133rd Avenue NE
Woodinville, WA 98072
Attn: Thomas E. Hansen, P.E.
Email: tomh@ci.woodinville.wa.us

Either Party may change the above addresses to which notices are sent by giving notice of such change to the other Party in accordance with the provisions of this Section.

Section 13. Assignment: Any assignment of this Agreement by either Party without the written consent of the non-assigning Party shall be void.

Section 14. Modification: No waiver, alteration, or modification of any of the provisions for the Agreement shall be binding unless in writing and signed by a duly authorized representative of the CITY and the DISTRICT.

Section 15. Entire Agreement: The written provisions and terms of this Agreement together with any attached Exhibits, shall supersede all prior verbal statements of any officer or other representative of either Party, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this Agreement. This document, including all Exhibits, is the entire Agreement between the Parties. Should any language in any of the Exhibits to the Agreement conflict with any language contained in this Agreement, the terms of this Agreement shall prevail.

Section 16. Effective Date: This Agreement shall be effective as to all Parties on the last date signed below ("Effective Date").

IN WITNESS WHEREOF, this Agreement is executed by the Parties by their authorized officers indicated below

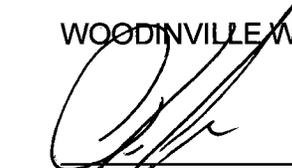
CITY OF WOODINVILLE



Richard A, Leahy
City Manager

Date Signed 5/01/2015

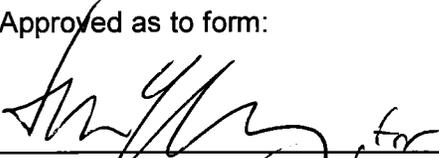
WOODINVILLE WATER DISTRICT



Ken Howe, P.E.
General Manager

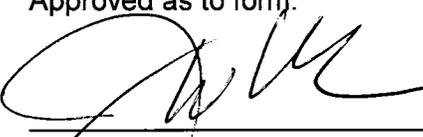
Date Signed 5/12/15

Approved as to form:



Greg Rubstello
City Attorney

Approved as to form:



Woodinville Water District Attorney

EXHIBIT A
SCOPE OF WORK

DISTRICT PROJECT

CITY WORK

SCOPE OF ASPHALT OVERLAY

The DISTRICTs consultant has prepared a set of plans and specifications that includes an asphalt overlay throughout most of the project area. A portion of this overlay is in within the City of Woodinville, along 164th Ave NE, between NE 175th St., and NE 180th St. The DISTRICT is required to overlay half of the road, along the area described above. The CITY wishes to have the whole road overlaid and the DISTRICT and CITY intend to partner on this overlay, so that the DISTRICT pays for approximately one half the road and the CITY pays for approximately one half the road. The full width overlay which is to be shared by the DISTRICT and CITY includes approximately: 5,000 SY of overlay, 600 SY of grinding, 200 pavement markers, 2,165 LF of paint line, 120 TONS of gravel, and a percentage of the Mobilization and Erosion control for the work within the City limits.

CONSTRUCTION WORK SCHEDULE

The estimated start date for construction of the PROJECT, including CITY WORK, is **June 19, 2015**. The anticipated duration is **125** working days. Project may be required to overwinter with paving occurring in the Spring of 2016.

EXHIBIT B
CITY SCHEDULE

Engineer's Estimate for CITY WORK

**ASHPALT OVERLAY WITHIN THE PROJECT LIMITS OF THE DISTRICT'S 164TH AVE NE
AC MAIN REPLACEMENT PROJECT**

Updated 4/10/15

Item No.	Description	Unit Quantity	Unit	Unit Price	Amount
1.	Asphalt Concrete Pavement Overlay	5000	SY	\$ 10.00	\$ 50,000.00
2.	Asphalt Grinding	600	SY	\$ 10.00	\$ 6,000.00
3.	Raised Pavement Marker Type 2	2	HUND	\$ 500.00	\$ 1,000.00
4.	Paint Line	2165	FT	\$ 1.00	\$ 2,165.00
5.	CSTC Edge Rock	120	TON	\$ 35.00	\$ 4,200.00
CONSTRUCTION TOTAL (SHARED ITEMS)					\$ 63,365.00

Agreed upon 43 COW/57 WWD split of cost of Shared Items \$27,595.00

Contingency @ 10% \$ 2,760.00

Incorporate City Work into District Plans \$ 6,500.00

Construction Management (CITY WORK) \$ 3,000.00

Mobilization and TESC (ESTIMATED 6% OF BID CONTRACT FOR WORK WITHIN CITY PER ILA) \$ 2,370.00

TOTAL (CITY WORK) \$42,225.00