



3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

LETTER OF AGREEMENT

June 7, 2017

Mr. Subir Mukerjee
City Manager, City of Fife
3725 Pacific Hwy E
Fife, WA 98424-1135

Subject: Brookville Gardens; 6518 Valley Ave E., Fife Washington

Dear Mr. Mukerjee:

This Letter of Agreement will memorialize the understanding of Tacoma Power, a division of Tacoma Public Utilities, a department of the City of Tacoma (hereinafter referred to as "Tacoma") and the City of Fife (hereinafter referred to as "Fife") as to the scope of work and payment provisions for the project involving the underground conversion of Tacoma's facilities in conjunction with Fife's road improvements at 6518 Valley Ave E for the Brookville Gardens park frontage improvement. Overall, there will be approximately 400 feet of underground conversion (hereinafter referred to as the "Project").

It is the understanding of Tacoma and Fife that the overhead distribution system along 6518 Valley Ave. East as described above can be converted to an underground electrical system for an estimated cost of \$178,000.00. At the end of the project, final construction costs then can be finalized between the Tacoma Power and City of Fife. Cost sharing then can be discussed at the end of the project for Tacoma's shared portion for the trenching provided by your contractor for the vaults, and thermal backfill along Valley Ave East.

The cost estimate does not include conduit, trenching and excavation and vaults along Valley Ave East. Tacoma is providing the electrical (cables and equipment) systems, along with removal of the existing poles and overhead conductors, all of which will remain the property of Tacoma Power.

This estimate does not include any cost associated with street lighting or traffic signal circuits and/or any electrical service additions or deletions that are not a part of the current Project. These items of work are not within Tacoma's scope of work provided by this Letter of Agreement.

It is agreed and understood that Tacoma will utilize Tacoma Power to complete the items listed below and complete Tacoma's scope of work. It is agreed and understood that Fife will be responsible for construction bidding and contracting functions observing competitive bidding and prevailing wage laws in performing the items of work Fife has agreed to complete as described below.

FIFE'S CONSTRUCTION RESPONSIBILITY (CIVIL PORTION)

City of Fife shall:

Provide and install the entire civil system including but not limited to the trench and backfill work, the placement of conduit and vaults, according to the plans and specifications (provided by Tacoma) to be included by Fife in the bid documents. Fife will also be responsible for conversion of all secondary services and all restoration work.

Fife will be responsible for making all payments to their contractors. All work to be performed on Tacoma's facilities by Fife's contractors must first be approved by a Tacoma Construction Inspector.

Fife and its' contractors shall coordinate all activities and schedules associated with the project.

TACOMA'S CONSTRUCTION RESPONSIBILITY (ELECTRICAL PORTION)

Tacoma Power shall:

Provide and install all necessary primary cables, terminations and pad mounted transformer.

Frame the terminal pole and complete the terminal pole riser.

Provide and install all secondary cables from the transformer to the secondary service box and associated terminations. Remove all its wholly owned poles in the project area following installation of the underground system.

Fife shall coordinate removal of poles owned by other entities as necessary.

Provide a copy of its construction plan to each of the utilities currently attached to the poles to be removed as a result of the project. Tacoma will work cooperatively with the other utilities in converting overhead systems to underground; however, it will be Fife's responsibility to obtain commitments from the other utilities, and to assure that those utilities will work cooperatively with Tacoma. Tacoma shall not be liable for delay or any impacts associated with the failure of other utilities and/or telecommunication entities to timely remove or relocate their facilities from poles or elsewhere, in advance of the above referenced project, or any other unforeseen circumstance over which Tacoma has limited or no control.

OTHER

Based upon information provided by Fife, Tacoma estimates its total construction time for its scope of work to be 45 working days commencing with and following the completion of the civil system. Working days are Monday through Friday, excluding holidays, and may not be consecutive. Work time each work day is 8:00 a.m. to 4:30 p.m. Fife, (not Tacoma) will assure that work days and work times are coordinated with the other utilities and the electrical contractor converting secondary services.

Fife shall be responsible for coordinating Tacoma's estimated 45 working day schedule with other utilities and contractors to avoid scheduling conflicts, job site congestion, and delays with Tacoma's work.

Tacoma will provide a construction drawing, a set of construction standards, and technical specifications to be included in Fife's Request for Bid package, for use only with Tacoma Power's scope of the work.

PAYMENT

Under the terms of Section 5 (attached for reference) of the Franchise Agreement (Franchise), if Fife desires to underground aerial utilities and more than 50% of the aerial facilities are impacted by a public improvement project, Fife will pay 50% of the actual cost of converting the existing overhead facilities to underground. Those costs set forth in Sections 5(c) 3, and 5(c) 4, of the Franchise shall not be used in calculating the total project cost. Since this is a cooperative effort between the two parties, with no intended profits or windfalls, the final billing and costs to be paid by Fife and Tacoma shall be 50% of all actual costs incurred to complete those items within its scope of work for the project including the removal of overhead facilities.

Costs incurred that are solely associated with Click! Network infrastructure, are subject to a separate Cable TV franchise agreement and will not be included in the cost share described in the above paragraph. Fife's cost to convert Click! Network only facilities from overhead to underground will be tracked and funded separately by Tacoma.

Payment arrangements will be by mutual agreement between Fife and Tacoma. Tacoma Power's historical experience with this type of project indicates the cost ratio for the civil and electrical portions are approximately 1/3 and 2/3, respectively. With this in mind, both parties agree to provide monthly cost updates although invoicing and payments will not occur until project completion or within two (2) months after Tacoma's work is complete, whichever occurs first.

Monthly invoicing shall occur thereafter unless both parties agree to alternate arrangements in writing. Fife agrees it will remit payment to Tacoma within thirty (30) days following receipt of Tacoma's invoice for any balance due. In the event Fife fails to pay any amount to Tacoma when due hereunder, Fife shall pay interest on such unpaid sum from thirty (30) calendar days after the date due at the rate of 1% per month with a three dollar (\$3.00) minimum interest payment.

In the event Fife incurs costs associated with the completion of work at the direction of Tacoma for the benefit of Tacoma, Tacoma agrees to remit payment to Fife within thirty (30) days following receipt of Fife's invoice for any balance due. In the event Tacoma fails to pay any amount to Fife when due hereunder, Tacoma shall pay interest on such unpaid sum from thirty (30) calendar days after the date due at the rate of 1% per month with a three dollar (\$3.00) minimum interest payment.

Disputes of billing amounts will be brought to the attention of both parties within 15 days of receipt of the invoice.

INDEMNIFICATION / INSURANCE

It is agreed and understood that Tacoma and Fife mutually and reciprocally agree to indemnify and hold each other harmless from any and all claims of bodily injury or property damage arising from their respective acts of negligence in the performance of the work contemplated by this Agreement, pursuant to RCW 4.24.115; that they waive immunity under title 51 RCW, and agree that this provision has been mutually negotiated. It is further agreed and understood that Fife shall require the contractor awarded the contract for the project contemplated by this Agreement to have in place during the performance of all work required by this Agreement, a policy of Commercial General Liability (CGL) coverage providing coverage for claims of bodily injury and property damage arising from its work contemplated by this Agreement, with policy limits of no less than \$1,000,000 combined single limit of liability per occurrence, \$2,000,000 general aggregate, with the City of Tacoma named as an additional insured. Said policy CGL policy shall have a self-insured retained limit of no more than \$10,000. The CGL policy shall be written on an occurrence policy form not a "claims made" form, and endorsed providing primary coverage for Tacoma, and non-contributing to Tacoma's insurance program.

PROPERTY RIGHTS

The current preliminary road design does not reflect that there currently exists adequate right-of-way to accommodate the required utility structures; therefore, the issues pertaining to the acquisition of property rights must be addressed in advance of any final design and construction.


Tacoma will identify and Fife shall pay any and all cost for the acquisition of easements and any other property rights necessary to install vaults, switchgear, transformers and associated electrical and data facilities for the Project; and Fife shall pursue those actions necessary to secure any necessary property rights, for the installation of facilities by Tacoma for the Project.

All questions and correspondence regarding Tacoma's scope of work shall be directed to:

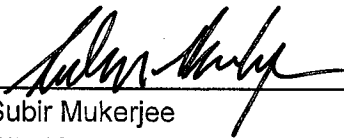
Daniel Reed, Senior Engineer
New Services Engineering, Tacoma Power
253-502-8292 / DLReed@ci.tacoma.wa.us
PO BOX 11007, Tacoma, WA 98411

This Letter of Agreement is pursuant to and incorporates by reference the franchise agreement authorized by City of Fife Ordinance No. 1497-03 granted to Tacoma by Fife on September 23, 2003, and is intended to realize its objectives. In the event of any material inconsistencies between the Franchise and this Agreement, this Agreement shall control only with respect to this project.


AGREED:




Chris Robinson Date
Power Superintendent/COO
Tacoma Power



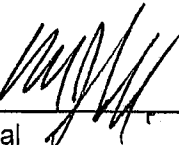
Subir Mukerjee 7/24/17 Date
City Manager
City of Fife



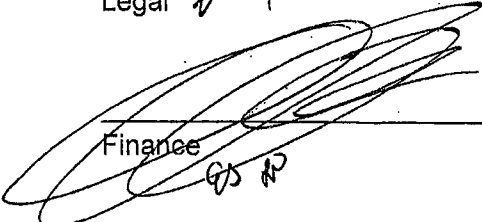
William A. Gaines Date
Director of Utilities/CEO
Tacoma Public Utilities

approved as to form

assisted as to date

Approved as to form:



Legal Date
6/8/17



Finance Date
6-12-2017