

RESOLUTION NO. 1670

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIFE, PIERCE COUNTY, WASHINGTON, AUTHORIZING THE CITY MANAGER TO EXECUTE A LETTER OF AGREEMENT WITH TACOMA FOR THE CONVERSION OF TACOMA POWER'S OVERHEAD FACILITIES TO UNDERGROUND FACILITIES AS PART OF THE HIGHWAY 99 ROAD IMPROVEMENTS PROJECT FROM 58<sup>TH</sup> TO 65<sup>TH</sup> AVENUES EAST

WHEREAS, the Fife City Council approved capital budget for the 2015-16 biennium includes the provision and upgrade of pedestrian improvements along the north side of Pacific Highway East between 54<sup>th</sup> Avenue East and Fife's east city limits at 65<sup>th</sup> Avenue East, and related improvements; and

WHEREAS, this segment of Pacific Highway East is State Route 99, and substantial funding for the pedestrian improvements is provided by a grant for a state pedestrian safety fund for city sidewalks along state highways; and

WHEREAS, the improvements funded by this project will fill the last gap in the provision of sidewalks along Pacific Highway East for its full length between Fife's east and west city limits; and

WHEREAS, related improvements include the conversion of overhead electric and telecommunications lines to underground, the addition of a second left turn lane from westbound Pacific Highway East to southbound 54<sup>th</sup> Avenue East, and the addition of stormwater quality control systems; and

WHEREAS, Fife has received grants for the stormwater quality control systems, and may receive grants for the additional left turn lane but is unlikely to receive grants for the conversion of overhead utilities to underground; and

WHEREAS, existing electrical and telecommunications lines are already underground between 54<sup>th</sup> and 58<sup>th</sup> Avenues, so only the east seven blocks of the project will be converted with this project; and

WHEREAS, the City of Tacoma, through its Department of Public Utilities, Light Division ("TPU") provides electrical service to the proposed public works project area along Pacific Highway East; and

WHEREAS, the City and TPU have entered into a franchise whereby by the City and TPU will share in the cost of undergrounding utilities when the undergrounding is part of a

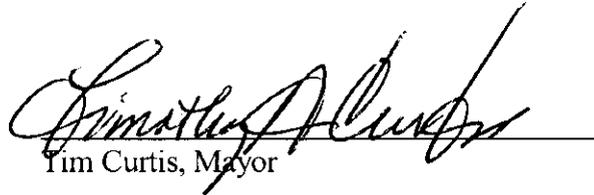
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City Public Works project and the attached agreement is intended to implement that franchise provision as to this project; now, therefore

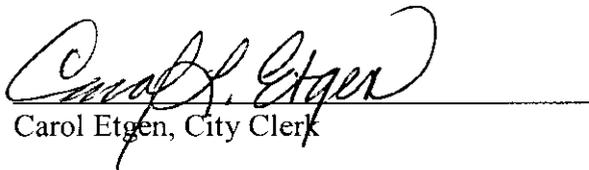
BE IT RESOLVED that the Fife City Council hereby authorizes the City Manager to execute the Letter of Agreement between the City of Fife and TPU regarding undergrounding utilities within the Highway 99 Road Improvements project from 58<sup>th</sup> Avenue to 65<sup>th</sup> Avenue East in the form attached hereto as Exhibit A.

ADOPTED by the City Council at an open public meeting held on the 14<sup>th</sup> day of July, 2015.



Tim Curtis, Mayor

Attest:



Carol Etgen, City Clerk

**MEMORANDUM**

CITY OF FIFE  
CITY MANAGER  
1 JAN 29 2015



**DATE:** January 26, 2015  
**TO:** Subir Mukerjee, City Manager, City of Fife  
**FROM:** Margie Villanueva, Project Manager, Tacoma Power  
**SUBJECT:** Highway 99 Road Improvements from 58<sup>th</sup> to 65<sup>th</sup> Avenues East

Enclosed is the Letter of Agreement to be signed by the City of Fife and Tacoma Power. Once the City of Fife has signed the agreement, Tacoma Power will submit a Request for Resolution to the City of Tacoma Public Utility Board. After a resolution has been issued, the Letter of Agreement will be routed for signature within Tacoma Power. A copy of the completed agreement will be returned to the City of Fife. It will take several weeks to complete this process. Please contact me with any questions at 253-502-8371 or [mvillanu@cityoftacoma.org](mailto:mvillanu@cityoftacoma.org)



3628 South 35<sup>th</sup> Street  
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

## LETTER OF AGREEMENT

January 22, 2015

City of Fife  
Mr. Subir Mukerjee  
City Manager, City of Fife  
3725 Pacific Hwy East  
Fife, WA 98424

Dear Mr. Mukerjee:

Subject: Highway 99 Road Improvements from 58<sup>th</sup> to 65<sup>th</sup> Avenues East

This Letter of Agreement will memorialize the understanding of the Cities of Tacoma and Fife as to the scope of work and payment provisions for the project involving the underground conversion of Tacoma Power's facilities in conjunction with the City of Fife (hereinafter referred to as "Fife") road improvements on Pacific Highway East (Highway 99) from 58<sup>th</sup> Avenue to the Fife City Limits at approximately 65<sup>th</sup> Avenue East (hereinafter referred to as the "project"). The copy of this Letter Agreement marked Customer's Copy is for your reference and file. Please review and return a signed copy of this agreement to Tacoma Power, Attention: Margie Villanueva, PO Box 11007 Tacoma WA 98411, at your earliest convenience.

It is the understanding of Tacoma and Fife that the overhead distribution system along Highway 99 as described above can be converted to underground for an estimated cost of \$1,120,000. It is understood that the cost estimate includes the civil (conduit and vaults) and 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 Light/Traffic Signal circuits and/or any electrical service additions or deletions that are a part of Fife project.

It is agreed and understood that Tacoma will be utilizing Tacoma Power's forces to fulfill Tacoma's obligation to complete the items of work it has agreed to perform below. It is agreed and understood that Fife will be responsible for construction bidding and contracting functions observing public works 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)**

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, and conversion of all secondary services and all restoration, according to the plans and specifications (provided by Tacoma Power) to be included in the bid documents.

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

It is agreed and understood that all Tacoma Power customers within the project area must accept underground electrical service following completion of the project unless Fife allows existing customers to continue to receive overhead service through the use of service poles.

If Fife does not allow overhead service to a customer then, Fife is responsible for assuring that the customer(s) takes all the necessary steps required in order to receive new underground service. This includes, but is not limited to, trenching for service and data cable conduit.

All service conversions on private property will be the sole responsibility of the customer and Fife. No costs for service entrance changes or underground service conduit, data cable, or service reconnection will be the liability of Tacoma Power. An electrical permit and inspection by Tacoma Power is required for each service that is converted. Tacoma Power shall have no obligation to accelerate the permitting process.

Fife and/or its' contractor(s) shall coordinate all activities and schedules associated with the project.

**TACOMA POWER'S CONSTRUCTION RESPONSIBILITY (ELECTRICAL PORTION)**

Tacoma Power shall:

Provide and install all necessary primary cable, terminations, pad mounted transformers and switchgear.

Frame all terminal poles and complete the terminal pole risers.

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, conversion of all customer electric services to underground, and removal of all other utilities attached to poles. This excludes poles for electrical facilities greater than 15,000 volts. Fife shall coordinate removal of poles owned by other entities.

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 commitment from the other utilities, and to assure that those utilities will work cooperatively with Tacoma Power. Tacoma shall not be liable for delay or any impacts associated with the failure of other utilities and/or telecommunication entities to timely move their facilities in advance of the above referenced project, or any other unforeseen circumstance over which Tacoma Power has no control.

## **OTHER**

Based upon information provided by Fife, Tacoma Power estimates its total construction time for its scope of work to be 110 working days commencing with and following the completion of the civil system. Working days are Monday through Friday, 8:00 a.m. to 4:30 p.m., excluding holidays, and may not be consecutive. Work time must coordinate with the other utilities and the electrical contractor converting secondary services.

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

Fife shall be responsible for coordinating Tacoma Power's estimated 110 working day schedule with other utilities and contractors to avoid scheduling conflicts, job site congestion, and delays with Tacoma Power's work.

## **PAYMENT**

Under the terms of Section 5 (attached for reference) of the franchise agreement, 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 Power 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.

Payment arrangements will be by mutual agreement between Fife and Tacoma Power. Tacoma Power's historical experience with this type of project indicates that 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 Power's work is complete, whichever occurs first.

Monthly invoicing shall occur thereafter unless both parties agree to alternate arrangements in writing. Fife agrees that it will remit payment to Tacoma Power within thirty (30) days following receipt of Tacoma Power's invoice for any balance due. In the event Fife fails to pay any amount to Tacoma Power 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.

Tacoma Power agrees that it will 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 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 shall have in place during the performance of all work required by this Agreement, a policy of Commercial General Liability 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.

#### **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 Power will identify and Fife shall pay any and all cost for the acquisition of easements and any other property rights necessary to place vaults, switchgear, transformers and

associated electrical and data facilities; and Fife shall pursue those actions necessary to secure any necessary property rights.

After reviewing this letter, please return the signed original to this office. If you have any questions please call Margie Villanueva at 253-502-8371.

This Letter of Agreement is pursuant to and incorporates by reference the Franchise 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:

_____ Theodore C. Coates Power Superintendent/COO Tacoma Power	Date	_____ Subir Mukerjee City Manager City of Fife	Date
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\_\_\_\_\_  
William A. Gaines  
Director of Utilities/CEO  
Tacoma Public Utilities

Date

Approved as to form: \_\_\_\_\_  
Legal Date

Finance: \_\_\_\_\_  
Date