

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Authorize the City Manager to Execute an Interagency Agreement with the Washington State Department of Transportation Accepting a Washington State Regional Mobility Grant in the Amount of \$5,000,000 for the N/NE 145 <sup>th</sup> (SR 523) – Interstate 5 Interchange Project
<b>DEPARTMENT:</b>	Public Works
<b>PRESENTED BY:</b>	Tricia Juhnke, City Engineer
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

Staff is requesting that the City Council authorize the City Manager to execute an agreement with the Washington State Department of Transportation (WSDOT) for a \$5,000,000 grant to fund the construction phase of the N/NE 145<sup>th</sup> (SR 523) – Interstate 5 Interchange Project, hereinafter referred to as the Interchange Project.

The City has been actively seeking funding to complete the Interchange Project since its inception in 2014. The City applied to WSDOT for grant funding through their Regional Mobility Grant program in 2020.

In January 2021, the City was notified that the Interchange Project was recommended for funding and in May 2021, the City was awarded a Washington State Regional Mobility Grant for the Project. The Project will replace signalized intersections with multilane roundabouts on the west and east sides of the 145<sup>th</sup>/I-5 overpass and add bicycle and pedestrian facilities, improving access to I-5 and future light rail and bus rapid transit. This Regional Mobility Grant will provide partial funding for the construction phase of the Project.

In accordance with the City’s Grants Management Policy, this grant agreement requires Council authorization for City Manager approval authority. Additionally, WSDOT requires formal Council authorization of interagency agreements prior to execution. WSDOT administers Federal and State funds awarded to the City of Shoreline.

**RESOURCE/FINANCIAL IMPACT:**

This project is included in the City’s adopted 2021-2026 Capital Improvement Plan. The project budget summary is as follows:

## EXPENDITURES

City Staff	\$ 260,000
Direct Expenses	\$ 50,000
<b>Consultant Contracts</b>	
HW Lochner Contract, Including Supplement 1	\$ 2,124,935
HW Lochner Supplement 2, Including Management Reserve	\$ 2,471,183
WSDOT Review	\$ 125,000
WSDOT Project Administration Assistance	\$ 100,000
Right of Way Acquisition	\$ 6,000,000
Construction Administration & Engineering	\$ 2,500,000
Construction	\$ 13,359,343
Construction Contingency	\$ 3,339,836
<b>Total</b>	<b>\$ 30,070,297</b>

## REVENUE

Roads Capital Fund	\$ 1,272,000
Federal STP Grant - Design 2018	\$ 3,892,500
Federal STP Grant - Construction 2020	\$ 4,920,000
Sound Transit Agreement	\$ 10,000,000
Transportation Improvement Board	\$ 5,000,000
<b>WSDOT Regional Mobility Grant - Construction 2021</b>	<b>\$ 5,000,000</b>
<b>Total</b>	<b>\$ 30,084,500</b>

With this grant and the pending Transportation Improvement Board (TIB) grant, the Interchange Project is fully funded, including contingency costs.

## RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to execute an Interagency Agreement with the Washington State Department of Transportation accepting a Washington State Regional Mobility Grant in the amount of \$5,000,000 for the N/NE 145th (SR 523) – Interstate 5 Interchange Project.

Approved By:           City Manager **DT**   City Attorney **MK**

## **BACKGROUND**

In 2016, the City began implementing improvements identified in the 145<sup>th</sup> Street Multimodal Corridor Study to improve access and safety for all travel modes and to improve access to Sound Transit's (ST) 145<sup>th</sup> Street Light Rail Station. In 2017, the City began design for improvements to the SR523/145<sup>th</sup> Street-Interstate 5 Interchange. During the initial design work, the City worked closely with the Washington State Department of Transportation (WSDOT), ST, Metro Transit, the City of Seattle, and other stakeholders to identify and agree to an interchange configuration of two roundabouts instead of traditional traffic signals.

In January 2020, the City Council concurred with staff's recommendation to proceed with design of the roundabout configuration. This recommendation also identified the need and commitment to find funding for the remainder of the project. The staff report for this Council discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2020/staffreport012720-8a.pdf>.

Since this time the City has secured the following funding for the Interchange Project:

- In 2020, the City received \$4,920,000 in additional funding from the Surface Transportation Program (STP).
- In November 2021, ST approved a \$10 Million contribution to the Project.

Also in November 2021, the City was notified of the pending award of \$5 Million from the Transportation Improvement Board (TIB) for the project. This grant will come to Council for authorization at a later date.

## **DISCUSSION**

The City applied to WSDOT for grant funding through their Regional Mobility Grant program in 2020. In January 2021, the City was notified that the Interchange Project was recommended for funding and in May 2021, the City was awarded a \$5 million Regional Mobility Grant. The grant funds will be used for the construction phase of the Project. The combination of this Regional Mobility Grant and the pending TIB grant provides the remaining funding needed to fully fund the Project.

The alternative of not authorizing this grant would result in the project not being fully funded. There are limited remaining funding alternatives and the project would likely not begin construction as scheduled in 2023 if Council does not provide authorization to the City Manager to execute the interagency agreement with WSDOT for this grant.

## **COUNCIL GOAL(S) ADDRESSED**

The Interchange Project directly supports two of the City Council's Goals:

- Goal 2 - Continue to deliver highly valued public services through management of the City's infrastructure and stewardship of the natural environment.
- Goal 3 - Continue preparation for regional transit in Shoreline.

## RESOURCE/FINANCIAL IMPACT

This project is included in the City's adopted 2021-2026 Capital Improvement Plan. The project budget summary is as follows:

### **EXPENDITURES**

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<b>Total</b>	<b>\$ 30,084,500</b>

As is noted above, with this grant and the pending TIB grant, the Interchange Project is fully funded, including contingency costs.

## RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to execute an Interagency Agreement with the Washington State Department of Transportation accepting a Washington State Regional Mobility Grant in the amount of \$5,000,000 for the N/NE 145th (SR 523) – Interstate 5 Interchange Project.

## ATTACHMENTS

Attachment A: WSDOT Interagency Capital Construction Grant Agreement



**Public Transportation Division**  
310 Maple Park Avenue S.E.  
P.O. Box 47387  
Olympia, WA 98504-7387

WSDOT Contact: Jeff Petterson 360-705-7917

<b>Regional Mobility Grant Program Capital Construction Grant Agreement</b>		
<b>Agreement Number</b>	PTD0420	<b>Contractor:</b>  <b>City of Shoreline</b> 17500 Midvale Ave North Shoreline, WA 98133-4905  <b>Contact:</b> Bob Earl 206-801-2479
<b>Term of Agreement</b>	July 1, 2021 through June 30, 2025	
<b>Vendor #</b>	911683888	
<b>CFDA #</b>	N/A	
<b>DUNS</b>	961859345	
<b>Service Area</b>	As defined in Section 1 - Scope of Work and Budget	

**THIS AGREEMENT**, entered into by the Washington State Department of Transportation, hereinafter "WSDOT," and the Contractor identified above, hereinafter the "CONTRACTOR," either of which may be referred to individually as the "PARTY" and collectively as the "PARTIES."

WHEREAS, the State of Washington in its Sessions Laws of 2021, Chapter 333 Section 220 authorizes funding for Public Transportation Programs and other special proviso funding as identified in the budget through its 2021-2023 biennial appropriations to WSDOT; and

WHEREAS, WSDOT Public Transportation Division administers Regional Mobility Grant Program funds to provide assistance solely for transportation projects as identified in LEAP Transportation Document 2021-2 ALL PROJECT as developed on April 23, 2021, Program- Public Transportation Program (V);

WHEREAS, the CONTRACTOR has requested funds for the project or program(s) shown under Section 1 (hereinafter known as the "Project") which has been selected by WSDOT for funding assistance.

**NOW THEREFORE**, in consideration of the terms, conditions, covenants, and performances contained herein, or attached and incorporated and made a part hereof, IT IS MUTUALLY AGREED AS FOLLOWS:

**Section 1  
Scope of Work and Budget**

**Project Title:** City of Shoreline – State Route 523 and I-5 Roundabouts

**UPIN #** 20210006

**Project Limits (County or Counties):** King County

**Scope of Work:** Replace signalized intersections with multilane roundabouts on the west and east sides of the 145th/I-5 overpass and add bicycle facilities, improving access to I-5 and future light rail and bus rapid transit.

<b>Funds</b>	<b>Federal Award Identification #</b>	<b>Current Percentage</b>	<b>Current Funds</b>	<b>Projected Funds</b>	<b>Total Current and Projected Funds</b>
Regional Mobility Funds	N/A	20%	3,500,000	1,500,000	5,000,000
Contractor's Funds	N/A	80%	20,000,000	20,000,000	20,000,000
<b>Total Project Cost</b>	N/A	<b>100%</b>	<b>23,500,000</b>	<b>21,500,000</b>	<b>25,000,000</b>

***Budget:** Current Funds reflect total funding appropriated by the Washington State Legislature for the Project in the 2021-2023 biennium. Projected Funds (if applicable) are subject to appropriation by the Washington State Legislature, once appropriated, funds will be added to this AGREEMENT by written amendment. Contractor's Funds reflect the total commitment over the life of the Project.*

**Project Milestones**

<b>Phases</b>	<b>Date</b>
Preliminary Engineering Start Date	06/2017
Right of Way Certification (if applicable)	12/2021
Contract Award Date	11/2022
Construction Operationally Completed	12/2024

***Note:** The Project Milestone table is for planning purposes. While the total funding and match (contractor's funds) must be maintained, funding may be moved to different phases as mutually agreed upon by both PARTIES.*

**Section 2**  
**Purpose of Agreement**

A. The purpose of this AGREEMENT is for WSDOT to provide capital funding to the CONTRACTOR for the design, acquisition, construction and/or improvements of capital facilities and infrastructure to be used in the provision of transportation services to persons in the State of Washington, referred to as the "Project." Reference to the "Project" shall include all such capital facilities, infrastructure and/or associated equipment ("Equipment") designed, acquired, constructed, improved or installed under this AGREEMENT.

B. On projects where WSDOT is providing only state funds and the contractor is using funds received directly from the federal government as their share or part thereof on the project, the contractor must assume full responsibility for complying with all federal rules and regulations. If the contractor is found in non-compliance with federal rules and regulations, the contractor shall provide a written notification to WSDOT supplying details related to the non-compliance. Both PARTIES will analyze and determine the impact on the scope, schedule, and funding of the project. Remedies required up to and including return of funds will be identified to ensure the project's scope of work is met as intended.

**Section 3**  
**Scope of Project**

The CONTRACTOR agrees to perform the work and complete the Project as described and detailed in Section 1. The CONTRACTOR shall complete the Project within the project limits described Section 1.

**Section 4**  
**General Compliance Assurance**

The CONTRACTOR agrees to comply with all instructions as prescribed in the *Regional Mobility Grants Program Guidebook*, hereinafter referred to as the "Guidebook", and any amendments thereto, found at <https://wsdot.wa.gov/transit/grants/apply-manage-your-grant>, which by this reference is incorporated herein as if fully set forth in this AGREEMENT.

The CONTRACTOR agrees that WSDOT, and/or any authorized WSDOT representative, shall have not only the right to monitor the compliance of the CONTRACTOR with respect to the provisions of this AGREEMENT but also have the right to seek judicial enforcement with regard to any matter arising under this AGREEMENT.

**Section 5**  
**Term of Project**

The Project period of this AGREEMENT shall commence and terminate on the dates shown in the caption space header titled "Term of Agreement" regardless of the date of execution of this AGREEMENT, unless terminated as provided herein. The caption space header titled "Term of Agreement" and all caption space headers above are by this reference incorporated herein into the AGREEMENT as if fully set forth in the AGREEMENT.

**Section 6**  
**State Review of Project**

WSDOT shall review the Project identified in this AGREEMENT as Section 1, at least semiannually to determine whether the Project is making satisfactory progress. If WSDOT has awarded funds, but the CONTRACTOR does not report satisfactory activity within one (1) year of the initial grant award, WSDOT shall review the Project to determine whether the grant should be terminated as provided in Section 34, Termination.

## **Section 7**

### **Project Costs and Minimum Contractor's Match Requirement**

A. The reimbursable costs of the Project shall not exceed the amounts detailed in Section 1. The CONTRACTOR agrees to expend eligible funds, together with other funds allocated for the Project, in an amount sufficient to complete the Project as detailed in Section 1. If at any time the CONTRACTOR becomes aware that the cost of the Project will exceed or be less than the amount identified in Section 1, the CONTRACTOR shall notify WSDOT in writing within thirty (30) calendar days of making that determination.

B. The CONTRACTOR is required to provide a minimum match of funds for the Project as identified in Section 1 – Scope of Work and Budget, indicated as Contractor's Funds. Any reduction in match will result in a proportional reduction in grant funds.

## **Section 8**

### **Inspection of the Project**

The CONTRACTOR shall inspect any Project Equipment purchased pursuant to this AGREEMENT at the time of delivery to the CONTRACTOR. The CONTRACTOR has 15 calendar days from delivery to either accept or reject the Project Equipment. If rejected, the CONTRACTOR shall provide a written notice specifying the Project Equipment deficiencies to its vendor and WSDOT, allowing the vendor a reasonable amount of time to cure the deficiencies or defect. Upon receipt and acceptance of Project Equipment, the CONTRACTOR agrees that it has fully inspected the Project Equipment and accepts it as suitable for the purpose under this AGREEMENT, as being in good condition and state of good repair, and that the CONTRACTOR is satisfied with the Project Equipment and that the Project Equipment complies with all applicable regulations, rules, and laws. Payment to the vendor must occur within thirty days of the Project Equipment acceptance.

## **Section 9**

### **Use of Park and Ride Facilities**

In order to be eligible to receive a Regional Mobility grant, a transit agency must establish a process for private transportation providers to apply for the use of park and ride facilities.

*Tier and Consolidated Grant funded projects are explicitly excluded from the provisions of Section 9-Use of Park and Ride Facilities.*

## **Section 10**

### **Miscellaneous Charges and Conditions**

The CONTRACTOR shall pay and be solely responsible for all storage charges, parking charges, late fees, and fines, as well as any fees and taxes, except applicable state sales or use tax, which may be imposed with respect to the Project by a duly constituted governmental authority as the result of the CONTRACTOR's use or intended use of the Project. All replacements, repairs, or substitutions of parts or Project Equipment shall be at the cost and expense of the CONTRACTOR.

## **Section 11**

### **Payment**

A. State and/or federal funds may be used to reimburse the CONTRACTOR for allowable expenses incurred in completing the Project as described in Section 1. Allowable Project expenses shall be determined by WSDOT as described in the Guidebook, and any amendments thereto. In no event shall the total amount reimbursed by WSDOT exceed the Total Project Cost, less any Contractor's Funds, identified in Section 1.

B. Payment will be made by WSDOT on a reimbursable basis for actual net Project costs incurred within the timeframe in the caption space titled "Term of Agreement." Such costs to be reimbursed shall be calculated as described in the Guidebook, and any amendments thereto. WSDOT shall make no payments for costs incurred prior to the beginning or after the end date of



the “Term of Agreement” as set forth in the caption space header above. The CONTRACTOR shall submit an invoice detailing and supporting the costs incurred. Such invoices may be submitted no more than once a month and no less than once per quarter. If approved by WSDOT, said invoices shall be paid by WSDOT within thirty (30) days of submission to WSDOT. Payment is subject to the submission to and approval by WSDOT of appropriate invoices, reports, and financial summaries. Any financial summaries submitted to WSDOT must include a record of the actual costs.

C. The CONTRACTOR shall submit an invoice for completed work in the same state fiscal period, as defined in RCW 43.88, starting on July 1 and ending on June 30 the following year within the timeframe set forth in the caption space header of this AGREEMENT entitled “Term of Agreement” during which the work was performed. Reimbursement requests must be received by July 15 of each state fiscal period. If the CONTRACTOR is unable to provide an invoice by this date, the CONTRACTOR shall provide an estimate of the charges to be billed so WSDOT may accrue the expenditures in the proper fiscal period. Any subsequent reimbursement request submitted will be limited to the amount accrued as set forth in this section. Any payment request received after the timeframe prescribed above will not be eligible for reimbursement.

### **Section 12**

#### **Assignments, Subcontracts, and Leases**

A. The CONTRACTOR shall submit to WSDOT a copy of any contract, amendment, or change order thereto pertaining to this Project for review and documentation. This includes any completed Project facilities and/or infrastructure under this AGREEMENT, or other actions obligating the CONTRACTOR in any manner with any third party with respect to its rights and responsibilities under this AGREEMENT, including any leasing and/or lending the Project or any part thereof to be used by anyone not under the CONTRACTOR’s direct supervision.

B. The CONTRACTOR agrees to include all applicable sections of the AGREEMENT such as Section 4, Sections 12 through 26 and Section 30, Section 33 and Section 34 of this AGREEMENT in each subcontract and in all contracts it enters into for the employment of any individuals, procurement of any materials, or the performance of any work to be accomplished under this AGREEMENT.

### **Section 13**

#### **Reports and Project Use**

A. The CONTRACTOR agrees that the Project shall be used for the provision of transportation services within the area indicated in Section 1 for the term of the Project plus four years after the project is complete, as set forth in the Guidebook, and any amendments thereto. The CONTRACTOR further agrees that it will not use or permit the use of the Project in a negligent manner or in violation of any applicable law, or so as to avoid any insurance covering the same, or permit the Project to become subject to any lien, charge, or encumbrance. Should the CONTRACTOR unreasonably delay or fail to use the Project during the Project term and reporting period, the CONTRACTOR agrees that it may be required to refund up to the entire amount of the “State and/or Federal Funds” expended on the Project. The CONTRACTOR shall immediately notify WSDOT when any Project facilities and/or infrastructure is withdrawn from Project use or when the Project or any part thereof is used in a manner substantially different from that identified in Section 1. If the Project is permanently removed from transportation services, the CONTRACTOR agrees to immediately notify WSDOT of its intentions regarding the disposal of the Project or any part of the Project thereof.

B. **Reports.** The CONTRACTOR shall submit quarterly reports to WSDOT for the Term of Project, regarding the progress of the Project. If this is a Regional Mobility or Transit project (TIER), annual performance reports for four calendar years after the project is operationally complete, as prescribed in the Guidebook, and any amendments thereto, or as WSDOT may require, including,

but not limited to, interim and annual reports. The CONTRACTOR shall keep satisfactory written records with regard to the use of Project and shall submit the following reports to, and in a form and at such times prescribed by WSDOT as set forth in the Guidebook, and any subsequent amendments thereto:

1. A draft Performance Measurement Plan (PMP) must be submitted to WSDOT before submitting the first reimbursement request. If the contractor does not submit a PMP and is nonresponsive to requests from WSDOT for improvements and information, the contractor may be deemed out of compliance.
2. An Annual Performance Report that includes a summary of overall project performance and supporting data.
3. Reports describing the current usage of the Project and other data which WSDOT may request from the CONTRACTOR by memos, e-mails or telephone requests.
4. In the event any portion of the Project sustains disabling damage, the CONTRACTOR shall notify WSDOT immediately after the occasion of the damage, including the circumstances thereof.
5. The CONTRACTOR shall collect and submit to WSDOT, at such time as WSDOT may require, such financial statements, data, records, contracts, and other documents related to the Project as may be deemed necessary by WSDOT.

C. **Remedies for Misuse or Noncompliance.** If WSDOT determines that the Project has been used in a manner materially different from Section 1, WSDOT may direct the CONTRACTOR to repay WSDOT the State funded share of the Project. WSDOT may also withhold payments should it determine that the CONTRACTOR has failed to materially comply with any provision of this AGREEMENT.

#### **Section 14 Maintenance of the Project**

The CONTRACTOR shall make all necessary repairs and reasonably maintain the Project to assure it remains in good and operational condition until the end of its useful life. The useful life of a constructed project is determined based on the Architectural/Engineering requirements for each type of structure, materials used, industry standards, and other federal and/or state standards and specifications. All service, materials, and repairs in connection with the use and operation of the Project during its useful life shall be at the CONTRACTOR's expense. CONTRACTORS who are transit agencies must also have a Transit Asset Management Plan certified by WSDOT that details the transit agency's plan to maintain the Project. All other CONTRACTORS must submit a written Maintenance Plan to WSDOT for approval prior to the occupation and/or operations of the Project. The CONTRACTOR agrees, at a minimum, to maintain the Project and service or replace parts at intervals recommended in the manuals and/or instructions provided by the subcontractors and/or component manufacturers, or sooner if needed. The CONTRACTOR shall have the Project routinely inspected and make arrangements for any appropriate service and repair under the manufacturer's warranty, if applicable. WSDOT shall not be liable for repairs. The CONTRACTOR shall retain records of all maintenance and parts replacement performed on the Project in accordance with Section 22, Audits, Inspection, and Retention of Records. The CONTRACTOR shall provide copies of such records to WSDOT, upon request.

#### **Section 15 Compliance with State Design Standards**

The CONTRACTOR agrees the Project design must comply with all applicable Washington State Standard Specifications for Road, Bridge, and Municipal Construction, and any applicable revisions thereto. Projects that wish to use design standards that differ from state standards must submit a request to WSDOT's Public Transportation Division and obtain documented approval before design work commences.

## Section 16

### No Obligation by the State Government

No contract between the CONTRACTOR and its subcontractors shall create any obligation or liability of WSDOT with regard to this AGREEMENT without WSDOT's specific written consent, notwithstanding its concurrence in, or approval of, the award of any contract or subcontract or the solicitations thereof and the CONTRACTOR hereby agrees to include this provision in all contracts it enters into for the design, acquisition, and construction of facilities and/or infrastructure related to the Project, or the performance of any work to be accomplished under this AGREEMENT.

## Section 17

### Ethics

A. **Relationships with Employees and Officers of WSDOT.** The CONTRACTOR shall not extend any loan, gratuity or gift of money in any form whatsoever to any employee or officer of WSDOT, nor shall the CONTRACTOR knowingly rent or purchase any Project equipment and materials from any employee or officer of WSDOT.

B. **Employment of Former WSDOT Employees.** The CONTRACTOR hereby warrants that it shall not employ on a full, part-time, or other basis during the period of this AGREEMENT, any professional or technical personnel who are, or have been, at any time during the period of this AGREEMENT, in the employ of WSDOT without written consent of WSDOT.

## Section 18

### Compliance with Laws and Regulations

The CONTRACTOR agrees to abide by all applicable state and federal laws and regulations including but not limited to, those concerning employment, equal opportunity employment, nondiscrimination assurances, project record keeping necessary to evidence compliance with such federal and state laws and regulations, and retention of all such records. The CONTRACTOR will adhere to all applicable nondiscrimination provisions in Chapter 49.60 RCW. Except when a federal statute or regulation pre-empts state or, local law, no provision of this AGREEMENT shall require the CONTRACTOR to observe or enforce compliance with any provision, perform any other act, or do any other thing in contravention of state or local law. Thus if any provision or compliance with any provision of this AGREEMENT violates state, or local law, or would require the CONTRACTOR to violate state or local law, the CONTRACTOR agrees to notify WSDOT immediately in writing. Should this occur, WSDOT and the CONTRACTOR agree to make appropriate arrangements to proceed with or, if necessary, expeditiously, terminate the Project.

## Section 19

### Labor Provisions

**Overtime Requirements.** No CONTRACTOR or subcontractor contracting for any part of the Project work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty (40) hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty (40) hours in such workweek. CONTRACTOR will comply with all applicable provisions of Title 49 RCW, Labor Regulations.

## Section 20

### Environmental Requirements and Archeological Preservation

The CONTRACTOR agrees to comply with all applicable requirements of chapter 43.21C RCW "State Environmental Policy Act" (SEPA). The CONTRACTOR also agrees to comply with all applicable requirements of Executive Order 05-05, Archeological and Cultural Resources, for all capital construction projects or land acquisitions for the purpose of a capital construction project, not undergoing Section 106 review under the National Historic Preservation Act of 1966 (Section 106).

**Section 21**  
**Accounting Records**

A. **Project Accounts.** The CONTRACTOR agrees to establish and maintain for the Project either a separate set of accounts or separate accounts within the framework of an established accounting system that can be identified with the Project. The CONTRACTOR agrees that all checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, readily accessible and available to WSDOT upon request, and, to the extent feasible, kept separate from documents not pertaining to the Project.

B. **Documentation of Project Costs and Program Income.** The CONTRACTOR agrees to support all allowable costs charged to the Project, including any approved services contributed by the CONTRACTOR or others, with properly executed payrolls, time records, invoices, contracts, or vouchers describing in detail the nature and propriety of the charges. The CONTRACTOR also agrees to maintain accurate records of all program income derived from implementing the Project.

**Section 22**  
**Audits, Inspection, and Retention of Records**

A. **Submission of Proceedings, Contracts, Agreements, and Other Documents.** During the term of the Project and for six (6) years thereafter, the CONTRACTOR agrees to retain intact and to provide any data, documents, reports, records, contracts, and supporting materials relating to the Project as WSDOT may require. Project closeout does not alter these recording and record-keeping requirements. Should an audit, enforcement, or litigation process be commenced, but not completed, during the aforementioned six (6) year period then the CONTRACTOR's obligations hereunder shall be extended until the conclusion of that pending audit, enforcement, or litigation process.

B. **General Audit Requirements.** The CONTRACTOR agrees to obtain any other audits required by WSDOT at CONTRACTOR's expense. Project closeout will not alter the CONTRACTOR's audit responsibilities.

C. **Inspection.** The CONTRACTOR agrees to permit WSDOT, and the State Auditor, or their authorized representatives, to inspect all Project work materials, payrolls, maintenance records, and other data, and to audit the books, records, and accounts of the CONTRACTOR and its contractors pertaining to the Project. The CONTRACTOR agrees to require each third party contractor to permit WSDOT, the State Auditor, or their duly authorized representatives, to inspect all work, materials, payrolls, maintenance records, and other data and records involving that third party contract, and to audit the books, records, and accounts involving that third party contract as it affects the Project.

**Section 23**  
**Permitting**

The CONTRACTOR agrees to be solely responsible for all required Federal, State and/or local permitting as related to the Project.

**Section 24**  
**Loss or Damage to the Project**

A. The CONTRACTOR, at its own expense, shall cover any loss, theft, damage, or destruction of the Project's facilities, associated equipment and/or infrastructure using either of the following methods:

1. The CONTRACTOR shall maintain property insurance for facilities, associated equipment and/or infrastructure adequate to cover the value of the Project; the CONTRACTOR shall supply a copy of the Certificate of Insurance specifying such coverage to WSDOT with the first request for reimbursement, and supply proof of renewal annually thereafter; or

2. The CONTRACTOR shall certify that it has self-insurance and provide a written certificate of self-insurance to WSDOT with the first request for reimbursement, and annually thereafter. The CONTRACTOR will cover from its own resources the costs of repairing or replacing any Project facilities, associated equipment and/or infrastructure, if it is stolen, damaged, or destroyed in any manner.

B. If the damage to the Project does not result in a total loss, payments for damage shall be paid directly to the CONTRACTOR. The CONTRACTOR shall, within thirty (30) days, either:

1. Devote all of the insurance proceeds received to repair the Project and place it back in service, and the CONTRACTOR shall, at its own expense, pay any portion of the cost of repair which is not covered by insurance; or

2. In the event the CONTRACTOR certified to self- insurance, devote all funds necessary to repair the Project and place it back into service.

C. If the Project is a total loss, either by theft or damage, the insurance proceeds or equivalent shall be paid directly to the CONTRACTOR and within fifteen (15) days the CONTRACTOR shall pay WSDOT its proportionate funded share of such proceeds received. The CONTRACTOR shall within sixty (60) days of loss, theft, or damage, notify WSDOT that it either:

1. Intends to replace the lost Project facilities, associated equipment and/or infrastructure; or

2. Does not intend to replace the lost Project facilities, associated equipment and/or infrastructure.

D. If the CONTRACTOR intends to replace the Project facilities, associated equipment and/or infrastructure then WSDOT will reimburse the CONTRACTOR upon receipt of an approved invoice, funds up to the amount WSDOT received in insurance proceeds.

E. Coverage, if obtained or provided by the CONTRACTOR in compliance with this section, shall not be deemed as having relieved the CONTRACTOR of any liability in excess of such coverage as required by the limitation of liability section of this AGREEMENT, or otherwise.

### **Section 25 Liens on the Project**

WSDOT shall be listed as the legal owner on titles and hold titles for all vehicles the CONTRACTOR acquires using federal funds through WSDOT's grant program. WSDOT will have legal ownership to any non-vehicle Project Equipment the CONTRACTOR acquires or modifies using the "Federal and/or State Funds" identified in Section 1. For the purposes of this Agreement, equipment shall mean all tangible, nonexpendable, personal property that has a service life of more than one year and an acquisition and installation cost of \$5,000 or more per unit. If the Contractor acquires vehicles using state funds provided through WSDOT's grant program, WSDOT may within its discretion, allow the CONTRACTOR to be listed as the legal owner and hold title. In all cases, WSDOT will maintain a copy of titles for all funded vehicles under this agreement and oversight responsibility on those vehicles through their minimum useful life.

The CONTRACTOR has legal title to the Project and any portion thereof during its useful life as set forth in this Section and agrees that it shall not use the Project or any portion thereof as collateral, nor shall the CONTRACTOR encumber the Project in any way without the consent of WSDOT, which consent shall not be unreasonably withheld or delayed. If the CONTRACTOR determines to discontinue use of the Project before the end of its useful life, it shall consult with WSDOT as to appropriate disposition alternatives, including transferring the use of the Project to another agency for purposes consistent with the original grant award or reimbursing WSDOT for its proportional State funded share of the disposal price. The CONTRACTOR shall follow the terms stated in Section 12A regarding use and disposal of the Project and/or any portion thereof.

**Section 26**  
**Limitation of Liability**

A. The CONTRACTOR shall indemnify, defend, and hold WSDOT, its agents, employees, and officers harmless from and process and defend at its own expense any and all claims, demands, suits at law or equity, actions, penalties, losses, damages, or costs (hereinafter referred to collectively as "claims"), of whatsoever kind or nature brought against WSDOT arising out of, in connection with or incident to this AGREEMENT and/or the CONTRACTOR's performance or failure to perform any aspect of this AGREEMENT. This indemnity and defense provision applies to all claims against WSDOT, its agents, employees and officers arising out of, in connection with or incident to the negligent acts or omissions of the CONTRACTOR, its agents, employees, officers and subcontractors of any tier. Provided, however, that nothing herein shall require the CONTRACTOR to indemnify, defend, and hold harmless or defend WSDOT, its agents, employees or officers to the extent that claims are caused by the negligent acts or omissions of WSDOT, its agents, employees or officers; and provided further that if such claims result from the concurrent negligence of (a) the CONTRACTOR its employees, agents, officers or contractors and (b) the STATE, its employees or authorized agents, or involves those actions covered by RCW 4.24.115, the indemnity and defense provisions provided herein shall be valid and enforceable only to the extent of the negligence of the CONTRACTOR, its employees, officers, authorized agents, and/or contractors. The indemnification and hold harmless provision shall survive termination of this AGREEMENT.

B. The CONTRACTOR shall be deemed an independent contractor for all purposes, and the employees of the CONTRACTOR or its subcontractors and the employees thereof, shall not in any manner be deemed to be employees of WSDOT.

C. The CONTRACTOR agrees that its obligations under this AGREEMENT extend to any claim, demand, and/or cause of action by, or on behalf of its employees or agents while performing under this AGREEMENT. For this purpose, the CONTRACTOR, by MUTUAL NEGOTIATION, hereby waives any immunity that would otherwise be available to it against such claims under the Industrial Insurance provisions in Title 51 RCW.

D. In the event either the CONTRACTOR or WSDOT incurs attorney's fees, costs or other legal expenses to enforce the provisions of this section of this AGREEMENT against the other PARTY, all such fees, costs and expenses shall be recoverable by the prevailing PARTY.

**Section 27**  
**Personal Liability of Public Officers**

No officer or employee of WSDOT shall be personally liable for any acts or failure to act in connection with this AGREEMENT, it being understood that in such matters he or she is acting solely as an agent of WSDOT.

**Section 28**  
**WSDOT Advice**

The CONTRACTOR bears complete responsibility for the administration and success of the Project as it is defined by this AGREEMENT and any amendments thereto. If the CONTRACTOR solicits advice from WSDOT on problems that may arise, the offering of WSDOT advice shall not shift the responsibility of the CONTRACTOR for the correct administration and success of the Project, and WSDOT shall not be held liable for offering advice to the CONTRACTOR.

**Section 29**  
**Forbearance by WSDOT Not a Waiver**

Any forbearance by WSDOT in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

**Section 30  
Lack of Waiver**

In no event shall any WSDOT payment of funds to the CONTRACTOR constitute or be construed as a waiver by WSDOT of any CONTRACTOR breach, or default. Such payment shall in no way impair or prejudice any right or remedy available to WSDOT with respect to any breach or default

**Section 31  
Changed Conditions Affecting Performance**

The CONTRACTOR hereby agrees to immediately notify WSDOT of any change in conditions or law, or of any other event, which may affect its ability to perform the Project in accordance with the provisions of this AGREEMENT.

**Section 32  
Agreement Modifications**

Either PARTY may request changes to this AGREEMENT. Any changes to the terms of this AGREEMENT must be mutually agreed upon and incorporated by written amendment to this AGREEMENT. Such written amendment to this AGREEMENT shall not be binding or valid unless signed by persons authorized to bind each of the PARTIES. Provided, however, that changes to the federal award identification number, DUNS, project title, federal ID number, CFDA number, milestones, UPIN the contact person of either PARTY, or dollar amount changes that do not affect the Project total cost, will not require a written amendment, but will be approved and documented by WSDOT through an administrative revision. WSDOT shall notify the CONTRACTOR of the revision in writing.

**Section 33  
Disputes**

A. **Disputes.** Disputes, arising in the performance of this AGREEMENT, which are not resolved by agreement of the PARTIES, shall be decided in writing by the WSDOT Public Transportation Division's Assistant Director or designee. This decision shall be final and conclusive unless within ten (10) days from the date of CONTRACTOR'S receipt of WSDOT's written decision, the CONTRACTOR mails or otherwise furnishes a written appeal to the Director of the Public Transportation Division or the Director's designee. The CONTRACTOR's appeal shall be decided in writing by the Director of the Public Transportation Division within thirty (30) days of receipt of the appeal by the Director of the Public Transportation Division or the Director's designee. The decision shall be binding upon the CONTRACTOR and the CONTRACTOR shall abide by the decision.

B. **Performance During Dispute.** Unless otherwise directed by WSDOT, CONTRACTOR shall continue performance under this AGREEMENT while matters in dispute are being resolved.

C. **Claims for Damages.** Should either PARTY to this AGREEMENT suffer injury or damage to person, property, or right because of any act or omission of the other PARTY or any of that PARTY's employees, agents or others for whose acts it is legally liable, a claim for damages therefore shall be made in writing to such other PARTY within thirty (30) days after the first observance of such injury or damage.

D. **Rights and Remedies.** All remedies provided in this AGREEMENT are distinct and cumulative to any other right or remedy under this document or afforded by law or equity, and may be exercised independently, concurrently, or successively and shall not be construed to be a limitation of any duties, obligations, rights and remedies of the PARTIES hereto. No action or failure to act by WSDOT or CONTRACTOR shall constitute a waiver of any right or duty afforded any of them under this AGREEMENT, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

**Section 34  
Termination**

**A. Termination for Convenience.** WSDOT and/or the CONTRACTOR may suspend or terminate this AGREEMENT, in whole or in part, and all or any part of the financial assistance provided herein, at any time by written notice to the other PARTY. WSDOT and the CONTRACTOR shall agree upon the AGREEMENT termination provisions including but not limited to the settlement terms, conditions, and in the case of partial termination the portion to be terminated. Written notification must set forth the reasons for such termination, the effective date, and in case of a partial termination the portion to be terminated. However, if, in the case of partial termination, WSDOT determines that the remaining portion of the award will not accomplish the purposes for which the award was made, WSDOT may terminate the award in its entirety. The PARTIES may terminate this AGREEMENT for convenience for reasons including, but not limited to, the following:

1. The requisite funding becomes unavailable through failure of appropriation or otherwise;
2. WSDOT determines, in its sole discretion, that the continuation of the Project would not produce beneficial results commensurate with the further expenditure of funds;
3. The CONTRACTOR is prevented from proceeding with the Project as a direct result of an Executive Order of the President with respect to the prosecution of war or in the interest of national defense; or an Executive Order of the President or Governor of the State with respect to the preservation of energy resources;
4. The CONTRACTOR is prevented from proceeding with the Project by reason of a temporary preliminary, special, or permanent restraining order or injunction of a court of competent jurisdiction where the issuance of such order or injunction is primarily caused by the acts or omissions of persons or agencies other than the CONTRACTOR; or
5. The State Government or WSDOT determines that the purposes of the statute authorizing the Project would not be adequately served by the continuation of financial assistance for the Project.
6. In the case of termination for convenience under subsections A.1-5 above, WSDOT shall reimburse the CONTRACTOR for all costs payable under this AGREEMENT that the CONTRACTOR properly incurred prior to termination. The CONTRACTOR shall promptly submit its claim for reimbursement to WSDOT. If the CONTRACTOR has any property in its possession belonging to WSDOT, the CONTRACTOR will account for the same, and dispose of it in the manner WSDOT directs.

**B. Termination for Default.** WSDOT may suspend or terminate this AGREEMENT for default, in whole or in part, and all or any part of the financial assistance provided herein, at any time by written notice to the CONTRACTOR, if the CONTRACTOR materially breaches or fails to perform any of the requirements of this AGREEMENT, including:

1. Take any action pertaining to this AGREEMENT without the approval of WSDOT, which under the procedures of this AGREEMENT would have required the approval of WSDOT;
2. Jeopardizes its ability to perform pursuant to this AGREEMENT, United States of America laws, Washington state laws, or local governmental laws under which the CONTRACTOR operates;
3. Failure to perform the Project or any part thereof including, but not limited to:
  - a) Failure to build the Project according to the design specifications and all applicable building code required standards;
  - b) Failure to remedy all material defects in the performance of the Project and correct all faulty workmanship by the CONTRACTOR or its subcontractors in a timely manner;
  - c) Failure to take any necessary and reasonable action which could affect the ability of the Project to perform its designated function or takes any action which could shorten its useful life for Project use or otherwise; or
  - d) Failure to make reasonable and appropriate use of the Project real property, facilities, equipment and/or infrastructure.
4. Fails to make reasonable progress on the Project or other violation of this AGREEMENT that endangers substantial performance of the Project; or



5. Fails to perform in the manner called for in this AGREEMENT, or fails, to comply with or, is in material violation of, any provision of this AGREEMENT. WSDOT shall serve a notice of termination on the CONTRACTOR setting forth the manner in which the CONTRACTOR is in default hereunder. If it is later determined by WSDOT that the CONTRACTOR had an excusable reason for not performing, such as events which are not the fault of or are beyond the control of the CONTRACTOR, such as a strike, fire or flood, WSDOT may: a) allow the CONTRACTOR to continue work after setting up a new delivery of performance schedule, or b) treat the termination as a termination for convenience.

C. WSDOT, in its sole discretion may, in the case of a termination for breach or default, allow the CONTRACTOR ten (10) business days, or such longer period as determined by WSDOT, in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate conditions. If the CONTRACTOR fails to remedy to WSDOT's satisfaction the breach or default within the timeframe and under the conditions set forth in the notice of termination, WSDOT shall have the right to terminate this AGREEMENT without any further obligation to CONTRACTOR. Any such termination for default shall not in any way operate to preclude WSDOT from also pursuing all available remedies against CONTRACTOR and its sureties for said breach or default.

D. In the event that WSDOT elects to waive its remedies for any breach by CONTRACTOR of any covenant, term or condition of this AGREEMENT, such waiver by WSDOT shall not limit WSDOT's remedies for any succeeding breach of that or of any other term, covenant, or condition of this AGREEMENT.

### **Section 35 Venue and Process**

In the event that either PARTY deems it necessary to institute legal action or proceedings to enforce any right or obligation under this AGREEMENT, the PARTIES hereto agree that any such action shall be initiated in the Superior Court of the State of Washington situated in Thurston County. The PARTIES agree that the laws of the State of Washington shall apply.

### **Section 36 Changed Conditions Affecting Performance**

The CONTRACTOR hereby agrees to immediately notify WSDOT in writing of any change in conditions or law, or of any other event, including any current or prospective dispute, which may adversely affect WSDOT's interest in the Project or affect CONTRACTOR's ability to perform the Project in accordance with the provisions of this AGREEMENT.

### **Section 37 Subrogation**

A. **Prior to Subrogation.** WSDOT may require the CONTRACTOR to take such reasonable action as may be necessary or appropriate to preserve the CONTRACTOR's right to recover damages from any person or organization alleged to be legally responsible for injury to the Project or other property in which WSDOT has a financial interest.

B. **Subrogation.** WSDOT may require the CONTRACTOR to assign to WSDOT all right of recovery against any person or organization for loss, to the extent of WSDOT's loss. Upon assignment, the CONTRACTOR shall execute, deliver, and do whatever else reasonably necessary to secure WSDOT's rights. The CONTRACTOR shall do nothing after any loss to intentionally prejudice the rights of WSDOT.

C. **Duties of the Contractor.** If WSDOT has exercised its right of subrogation, the CONTRACTOR shall cooperate with WSDOT and, upon WSDOT's request, assist in the prosecution of suits and enforce any right against any person or organization who may be liable to

WSDOT due to damage to the Project. The CONTRACTOR shall attend hearings and trials as requested by WSDOT, assist in securing and giving evidence as requested by WSDOT, and obtain the attendance of witnesses as requested by WSDOT.

**Section 38  
Severability**

If any covenant or provision of this AGREEMENT shall be adjudged void, such adjudication shall not affect the validity or obligation of performance of any other covenant or provision, or any part thereof, which in itself is valid if such remainder conforms to the terms and requirements of applicable law and the intent of this AGREEMENT. No controversy concerning any covenant or provision shall delay the performance of any other covenant or provision except as herein allowed.

**Section 39  
Counterparts**

This AGREEMENT may be simultaneously executed in several counterparts, each of which shall be deemed to be an original having identical legal effect.

**Section 40  
Complete Agreement**

This document contains all covenants, stipulations, and provisions agreed upon by the PARTIES. No agent or representative of WSDOT or the CONTRACTOR has authority to make, and neither WSDOT nor the CONTRACTOR shall be bound by or be liable for, any statement, representation, promise or agreement not set forth herein or made by written amendment hereto.

**Section 41  
Order of Precedence**

Any conflict or inconsistency in this AGREEMENT and its attachments will be resolved by giving documents precedence in the following order:

1. Federal Law
2. State Law
3. This AGREEMENT
4. The Guidebook

**Section 42  
Agreement Close Out**

The CONTRACTOR shall notify WSDOT if the AGREEMENT is completed prior to the end date set forth in the caption header, "Term of Agreement" by written notification and in its capital Quarterly Progress Report, as referenced in the Guidebook, and any amendments thereto, for the quarter in which the project is completed. WSDOT will prepare an amendment to modify the AGREEMENT to reflect the actual amount spent and the Project completion date. WSDOT will send a close out letter to the CONTRACTOR.

**Section 43  
Execution**

This AGREEMENT is executed by the Director, Public Transportation Division, State of Washington, Department of Transportation or the Director's designee, not as an individual incurring personal obligation and liability, but solely by, for and on behalf of the State of Washington, Department of Transportation, in the capacity as Director, Public Transportation Division, or as a designee.

**Section 44  
Binding Agreement**

The undersigned acknowledge that they are authorized to execute this AGREEMENT and bind their respective agency(ies) and/or entity(ies) to the obligations set forth herein.

IN WITNESS WHEREOF, the PARTIES hereto have executed this AGREEMENT the day and year signed last below.

**WASHINGTON STATE  
DEPARTMENT OF TRANSPORTATION**

**CONTRACTOR**

\_\_\_\_\_  
Brian Lagerberg, Director  
Public Transportation Division

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date