

**AMENDED AND RESTATED MOU  
EXHIBIT N**

**FUNDING, RIGHT-OF-WAY ACQUISITION AND CONSTRUCTION  
ADMINISTRATION AGREEMENT  
FOR ROADWAY AND EAST LINK PROJECT IMPROVEMENTS  
AT 120<sup>TH</sup> AVE NE AND 124<sup>TH</sup> AVE NE**

This Agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015 between the City of Bellevue, herein after called “City”, and the Central Puget Sound Regional Transit Authority 401 South Jackson Street, Seattle, Washington 98104, herein after called “Sound Transit”, each of which is referred to herein individually as “Party” or collectively as “Parties.”

**RECITALS**

**WHEREAS**, the City is a non-charter optional municipal code City incorporated under the laws of the State of Washington, with authority to enact laws and enter into Agreements to promote the health, safety and welfare of its citizens and for other lawful purposes; and

**WHEREAS**, Sound Transit is a regional transit authority created pursuant to chapters 81.104 and 81.112 Revised Code of Washington (RCW) with all the powers necessary to implement a high capacity transit system within its boundaries in King, Pierce, and Snohomish Counties; and

**WHEREAS**, the City and Sound Transit entered into an Umbrella Memorandum of Understanding hereinafter “MOU” for Intergovernmental cooperation regarding the East Link Project, on November 15, 2011, and First Amendment to the MOU on June 21, 2013; and

**WHEREAS**, the MOU provides for subsequent Agreements that may be necessary to fully implement the project and that the final form of such Agreements will need to be developed; and

**WHEREAS**, the MOU provides for a collaborative design process throughout the final design of the East Link project; and

**WHEREAS**, in November 2011, the Parties entered into a Transit Way Agreement which provides Sound Transit’s temporary and long term use of City right-of-way; and

**WHEREAS**, the Parties have entered into an Amended and Restated Umbrella Memorandum of Understanding dated \_\_\_\_\_ which authorized execution of this Agreement; and

**WHEREAS**, Sound Transit and the City have agreed to a project alignment for East Link, which will require raising the existing street roadway profile of 120<sup>th</sup> Avenue NE and 124<sup>th</sup> Avenue NE to facilitate a retained cut station and alignment; and

**WHEREAS**, the City has adopted a Capital Investment Plan Program “CIP”, which includes advancing the necessary City design, right-of-way, and construction of planned arterial street improvements identified in the City’s Comprehensive Plan, Transportation Facilities Plan (TFP), and CIP for 120<sup>th</sup> Ave NE, between NE 12<sup>th</sup> Street and NE 16<sup>th</sup> Street, CIP Plan Project PW-R- 168, and 124<sup>th</sup> Ave NE, between NE Spring Boulevard and NE 18<sup>th</sup> Street, CIP Plan Project PW-R-166; and

**WHEREAS**, the Parties have agreed that it is of benefit to have the arterial street improvements constructed and substantially completed as early as reasonably possible prior to Sound Transit’s construction of the East Link project and associated contract package known as E-335; and

**WHEREAS**, the City and Sound Transit desire to coordinate the design, right-of-way acquisition and construction of the 120<sup>th</sup> Avenue NE and 124<sup>th</sup> Avenue NE projects to improve efficiency and to reduce costs to the Parties as well as the public and private property owners whose property is necessary to construct and operate the two projects; and

**WHEREAS**, the City has designed 120<sup>th</sup> Avenue NE and 124<sup>th</sup> Avenue NE projects, with input, review, and concurrence from Sound Transit; and

**WHEREAS**, the City will act as the lead agency in completing the design and constructing the arterial street improvements including the bridge and supporting structures and systems; and

**WHEREAS**, the City shall be responsible for the bid advertisement, award, construction administration, materials testing, and agency representation of the arterial street improvements; and

**WHEREAS**, Sound Transit shall be responsible for concurrence of the design, inspecting the work, and taking ownership and control of those portions of the 120<sup>th</sup> Avenue NE and 124<sup>th</sup> Avenue NE Projects which are necessary to raise the existing street roadway profile for the East Link Project; and

**WHEREAS**, the Parties shall be responsible for acquiring all necessary property rights as set forth in this Agreement from private and public property owners to construct and operate their respective projects and systems, and have agreed on a common and joint approach to coordinating the appraisal analysis and securing the necessary rights required.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein and in the MOU, the Parties agree to the following terms and conditions:

**1.0 PURPOSE:**

The East Link Project, defined below, is designed to cross under two existing roadways, 120<sup>th</sup> Avenue NE and 124<sup>th</sup> Avenue NE, which will require elevating the profile of the roadway. The

City has identified 120<sup>th</sup> Ave NE, between NE 12<sup>th</sup> Street and NE 16<sup>th</sup> Street (CIP Plan Project PW-R- 168)( the “120th Project”), and 124<sup>th</sup> Ave NE, between NE Spring Boulevard and NE 18<sup>th</sup> Street (CIP Plan Project PW-R-166) (the “124th Project”) for widening and other improvements described below (collectively referred to as Project). The City and Sound Transit desire to coordinate and share the costs for the design, right-of-way acquisition and construction of the Project to improve efficiencies and reduce costs.

The purpose of this Agreement is to identify and define the responsibilities of the Parties with respect to funding, design, property acquisition, and construction for the Project, including but not limited to underground and overhead utilities, arterial street improvements, bridge, bridge abutments, piers (excluding architectural finishes), pier cap, retaining walls, railings and fencing, asphalt and concrete pavements, illumination systems, traffic signal systems, landscaping, curb and gutter, and sidewalks.

## **2.0 DEFINITIONS**

**2.1 East Link Project. Contract Package E335** of the East Link leaves the former BNSF Railway corridor at-grade and then transitions to a retained cut under 120<sup>th</sup> Ave NE to a retained cut at 120<sup>th</sup> Station. After leaving the 120<sup>th</sup> Station, the route continues in a retained cut under 124<sup>th</sup> Ave NE. The retained cut rail profile requires raising the existing roadway profiles, and constructing new bridges spanning the retained cut. As depicted and described in **Exhibits A and B** attached hereto and incorporated herein.

**2.2 120<sup>th</sup> Project.** The 120<sup>th</sup> Project includes elevating the existing roadway profile, including the bridge and supporting structures and systems, to accommodate the East Link Project and completing widening and other improvements of 120<sup>th</sup> Ave NE, between NE 12<sup>th</sup> Street and NE 16<sup>th</sup> Street as identified in CIP Plan Project PW-R-168. As depicted and described in **Exhibit A** attached hereto and incorporated herein.

**2.3 124<sup>th</sup> Project.** The 124<sup>th</sup> Project includes elevating the existing roadway profile, including the bridge and supporting structures and systems, to accommodate the East Link Project and completing widening and other improvements of 124<sup>th</sup> Ave NE, between NE Spring Boulevard and NE 18<sup>th</sup> Street as identified in CIP Plan Project PW-R- 166. As depicted and described in **Exhibit B** attached hereto and incorporated herein.

**2.4 Right-of-Way Defined.** The “Right-of-Way” is comprised of the property and property rights Sound Transit needs to acquire to construct improvements in a raised profile configuration and the City needs to acquire to construct an arterial street improvement.

**2.5 Right-of-Way-Costs** include but are not limited to administrative costs, appraisal, and other consultant fees, negotiation costs, condemnation costs, legal fees (internal and/or external), attorney’s fees and costs if awarded, damages or cost to cure,

relocation expenses and just compensation for fee, permanent and temporary easements, or other construction rights. Section 3.0 of this Agreement identifies the Right-of-Way to be acquired and conveyed by either Party, and what portion of the cost sharing of the Right-of-Way-Costs is assigned to each of the Parties for fee, permanent and temporary easements or other construction rights.

### **3.0 PROPERTY ACQUISITION**

**3.1 Acquisition of property for 120<sup>th</sup> Project – City as Lead Agency.** The Parties have identified the Right-of-Way necessary for the 120<sup>th</sup> Project as generally depicted and described in **Exhibit C**. The City is designated as the Lead Agency and is authorized to acquire all Right-of-Way for construction of the 120<sup>th</sup> Project. Such acquisition authorization includes making offers to, negotiating agreements with, and commencing any actions under eminent domain to acquire the property necessary for the 120<sup>th</sup> Project.

**3.2 Acquisition of property for 124<sup>th</sup> Project – Sound Transit as Lead Agency.** The Parties have identified the Right-of-Way necessary for the 124<sup>th</sup> Project as generally depicted and described in **Exhibit D**. Sound Transit is designated as the Lead Agency and is authorized to acquire all Right-of-Way for construction of the 124<sup>th</sup> Project. Such acquisition authorization includes making offers to, negotiating agreements with, and commencing any actions under eminent domain to acquire the property necessary for the 124<sup>th</sup> Project. Upon acquisition of the necessary property rights for the 124<sup>th</sup> Project, Sound Transit shall execute a Temporary Construction Easement, in substantially the form attached hereto as **Exhibit E** granting the City, and its respective employees, representatives, agents, and contractors, access upon, over, across and under property acquired by Sound Transit for the 124<sup>th</sup> Project and East Link guide-way and 120<sup>th</sup> Station, which are necessary for the construction of the improvements contemplated under this Agreement.

### **3.3 Lead Agency Responsibilities and Standards.**

3.3.1 **Negotiation.** Both Parties acknowledge that they are required to pay fair market value for the Right-of-Way for the Project. The Parties also acknowledge that the Project is being constructed with public funds and that such acquisitions may impact project budgets. As further outlined in this Agreement, the assigned property agents shall keep each other informed of the status of negotiations and shall consider input from each other as to settlement.

3.3.2 **Acquisition Process.** In addition to the agreed process steps outlined in this Section, the Parties agree to follow applicable agency regulations and guidelines in conducting their respective property acquisition activities, and further acknowledge that the property acquisitions processes may involve additional required steps, to be determined by the Real Property agents for the City and Sound Transit responsible for the acquisitions.

Acquisitions shall comply with all necessary grant funding requirements, and FHWA, WSDOT, and FTA certification requirements and provisions.

- 3.3.3 **Feasibility/Appraisal/Other Document Exchange.** At the time of conveyance, the assigned property agent for the Lead Agency shall provide a copy of their complete acquisition file for each parcel identified to the assigned property agent for the other Party. Such acquisition file may include title report(s), feasibility studies, appraisal(s), review appraisal(s), and other relevant documents related to the acquisition.
- 3.3.4 **Right-of-Way Certification.** The City shall be responsible for coordinating with WSDOT for Right-of-Way Certification. For those parcels on which Sound Transit is the Lead Agency, Sound Transit shall coordinate with the City to ensure the Right-of-Way Certification procedures are followed, diaries of communications with property owners are maintained, and appropriate documentation is provided to the City for such Right-of-Way Certification.
- 3.3.5 **Utilities.** For the 120<sup>th</sup> Ave NE and 124<sup>th</sup> Ave NE Projects, where there are recorded private utility easements with existing franchise utilities, which require relocation for the purposes of constructing the roadway improvements and require acquisition of new private easement rights, the City shall develop the necessary agreement with the franchise utility and be responsible for negotiations, acquisition, and compensation for those necessary easements.

**3.4 Payment – Property Acquisition.** The Parties acknowledge that certain property interests, and/or certain damages are associated only with the City’ improvements to 120<sup>th</sup> Avenue NE, and 124<sup>th</sup> Avenue NE, or only with Sound Transit’s project to elevate the roadways to accommodate the East Link project, and that certain other interests are required, to various degrees, for each Project. The Parties agree that **Exhibit F** accurately captures their respective percentage of responsibility for Right-of-Way Costs for the Projects.

Each Party shall be responsible to pay its identified percentage of actual Right-of - Way Costs incurred for the Project to the Lead Agency in the manner set forth in this Agreement. Each Party’s respective obligation to pay the percentage set forth herein shall apply to the final just compensation established for each property, regardless of how the compensation is established, and regardless of whether the final just compensation amount is higher or lower than the agency’s appraised amount, subsequent offers or amended offers, negotiated settlement or judgment at trial (Final Just Compensation). Such obligation shall also include all the costs associated with acquiring the Right-of-Way as defined in Section 2.5 of this Agreement.

**Schedule.** The Parties agree that time is of the essence and to initiate property acquisition for those parcels for which they have been designated as Lead Agency

immediately following execution of this Agreement or as soon thereafter as reasonably practical. The Parties shall use best efforts to acquire the necessary property rights for the Project in accordance with all regulatory and acquisition procedures, which secures all necessary right-of-way for 120<sup>th</sup> Ave NE on or before August 1, 2015, and secures all necessary right-of-way for 124<sup>th</sup> Ave NE on or before November 10, 2015. In the event condemnation is required and enforced, these dates shall be March 11, 2016, and December 30, 2015, respectively. These dates are critical to allowing construction to begin as early as possible, and minimize other financial risks and obligations of each Party.

**3.5 Coordination.** The Parties shall work cooperatively to respond to and work with affected property owners regardless of the Lead Agency assigned to the acquisition. All final design and construction inquiries shall be directed to the City as they are lead for final design, construction, and administration of the construction contract. The City shall consult with Sound Transit where inquiries are related to construction of facilities that will be owned and maintained by Sound Transit.

**3.6 Modifications to Right-of-Way Necessary for the Project.** The Parties acknowledge that modifications to the Right-of-Way for the Project may be necessary to address alterations to the Project, property acquisition negotiations, or other issues encountered. The Parties shall work cooperatively to update **Exhibits C, D, H and I** to address such concerns, which may include more detailed parcel maps. Such modifications shall not alter the Parties' proportionate share of responsibility identified in **Exhibit F**.

**3.7 Payment.** Upon determination of Final Just Compensation, the Lead Agency shall invoice, with all necessary backup documentation, the other Party for their percentage of responsibility as identified in **Exhibit F**. The Party invoiced shall remit payment within 60 days of receipt of such invoice, unless otherwise agreed to by the Parties. Invoices and payments to the City shall be sent to the City's Designated Representative set forth in Section 9.0 of this Agreement. Invoices and payments to Sound Transit shall be sent to "Sound Transit Accounts Payable, Union Station, 401 S. Jackson Street, Seattle, WA 98104". Failure to pay within 60 days will be deemed a failure to perform and subject to the provisions of Section 10.0 Default set forth herein.

#### **4.0 OWNERSHIP OF IMPROVEMENTS AND CONVEYANCE**

**4.1 Ownership of Improvements.** Upon completion and Final Acceptance of the Project, each Party shall take ownership of its respective improvements identified in this Section as "City Improvements" and "Sound Transit Improvements" and further depicted and described in **Exhibits M and N**. Throughout the course of design and construction, each Party shall be solely responsible for approving the final design, inspecting the construction of, and taking ownership and control over the improvements to be owned by that Party.

4.1.1 **124<sup>th</sup> Project:**

- a. “City Improvements”: The City shall own and maintain all improvements above the pile cap, excluding the Sound Transit Throw Screens, as depicted and described on **Exhibit M**.
- b. “Sound Transit Improvements”: Sound Transit shall own and maintain all improvements below the pile cap and the Sound Transit Throw Screens above the pile cap, as depicted and described on **Exhibit M**.

4.1.2 **120<sup>th</sup> Project**

- a. “City Improvements”: The City shall own and maintain all improvements above the pile cap, excluding the Sound Transit Throw Screens, as depicted and described on **Exhibit N**. The City shall also own and maintain the storm drainage pipe and casing, which passes under the East Link Project, as depicted and described on **Exhibit N**.
- b. “Sound Transit Improvements”: Sound Transit shall own and maintain all improvements below the pile cap and the Sound Transit Throw Screens above the pile cap, as depicted and described on **Exhibit N**.

**4.2 Conveyance**

- 4.2.1 Transit Way Agreement. Upon completion and final acceptance of the Project, the City’s Transportation Director and Sound Transit’s Executive Director of Design Engineering Construction Management shall update Exhibits “A” and “B” of the Transit Way Agreement to reflect the widened and improved roadway as contemplated in Section 4.0 of the Transit Way Agreement dated November 2011. All Sound Transit Improvements within the footprint of the improved Public Rights-of-Way shall be subject to the grant of the Transit Way Agreement and all other terms and conditions contained therein.
- 4.2.2 120<sup>th</sup> Project. Upon completion and final acceptance of the 120<sup>th</sup> Project, the City shall execute all documents necessary to transfer the property rights generally depicted and described in the attached **Exhibit H** to Sound Transit for the East Link Project and Sound Transit Improvements not covered by Section 4.2.1 of this Agreement.
- 4.2.3 124<sup>th</sup> Project. Upon completion and final acceptance of the 124<sup>th</sup> Project, Sound Transit shall execute all documents necessary to transfer the property rights generally depicted and described in the attached **Exhibit I** to City for the City Improvements identified in this Section.

**4.3 As-Built Copies:** After physical completion of the Project, the City shall provide Sound Transit as-built copies in Auto-CAD format for all areas of Work, as defined in this Section to be owned by Sound Transit (the Sound Transit Improvements).

## **5.0 DESIGN**

**5.1 Design.** The Design is the work necessary to complete the overall engineering design and associated costs for the Project between 30% preliminary design to final design, including supporting engineering through project bid advertisement, permitting, acquiring environmental approvals where applicable, utility coordination, consultant and administrative costs.

### **5.2 City Responsibilities.**

- 5.2.1 The City shall be the Lead Agency for completing the final design of the Project including preparation of Plans, Specifications, and Cost Estimates (PS&E) in accordance with the City's Design Manual, WSDOT Standard Specifications for Road, Bridge, and Municipal Construction, and Sound Transit's Design Construction Manual, where applicable. Design coordination shall include Sound Transit review, comment, and concurrence to advancing the final design. The City will address and document all deviation approvals related to the City's standards and Sound Transit's Design Criteria Manual, guidelines, and funding for related CIP improvements.
- 5.2.2 Design and related Construction documents shall be developed in accordance with applicable FHWA and FTA requirements, criteria, and grant funding provisions. The Parties shall coordinate to determine how and where requirements and provisions are applicable and how to best format necessary Plans, Contract Documents, Specifications, and Special Provisions ensuring compliance and resolution of any potential conflicts.
- 5.2.3 The City shall have the final approval with respect to the design of the City improvements.

### **5.3 Sound Transit Responsibilities.**

- 5.3.1 Sound Transit shall support the City's completing the final design, and construction of the Project.
- 5.3.2 Sound Transit shall review, comment, and collaborate in reaching concurrence and resolution of comments for advancing the final design. The Parties will work to resolve all comments in providing a complete final set of documents for bid advertisement and construction. Any items identified for Addenda will also be coordinated with the City for inclusion in final contract documents.

- 5.3.3 Sound Transit will review and approve all deviations related to the East Link project and associated Design Construction Manual.
- 5.3.4 Sound Transit shall have the final approval with respect to the design of the Sound Transit Improvements.
- 5.3.5 Sound Transit's failure to comment, within 20 working days, on any final design plans prior to bidding or construction shall be at Sound Transit's risk of loss.

**5.4 Payment – Design.** Sound Transit shall pay the City \$1,882,846 for its proportionate share of the Design of the Project within 60 days of invoice from the City accompanied by copies of invoices from City's consultants to verify costs. Such payment shall be sent to the City's Designated Representative set forth in Section 9.0 of this Agreement. Failure to pay within 60 days will be deemed a failure to perform and subject to the provisions of Section 10.0 Default of this Agreement.

## **6.0 CONSTRUCTION CONTRACT ADMINISTRATION**

### **6.1 Construction.**

- 6.1.1 Definition of "Work". The provision of all labor, materials, tools, equipment, and everything needed to successfully complete the Project according to the construction contract(s). A brief description of the Work is included in **Exhibit J** attached hereto and incorporated herein.
- 6.1.2 Construction of the Project shall comply with the current edition of the Washington State Department of Transportation Standard Specifications for Municipal Construction, current edition City of Bellevue Special Provisions, current edition of the City of Bellevue Utility Engineering Standards, current edition of Sound Transit's Design Criteria Manual (DCM) for East Link, Utility relocation Agreements with third party utilities, property commitments, and approved deviations, where applicable.
- 6.1.3 Construction of the project shall follow the City's construction procedures including but not limited to construction inspection, dispute resolution, and acceptance of the project, including coordination with Sound Transit in the processing of Change Orders, Materials submittals and acceptance, and contract documentation or authorization of any additional work. A matrix establishing the limits of individual approval authority by representatives of the Parties is attached in **Exhibit K**.

### **6.2 City Responsibilities.**

- 6.2.1 The City shall be responsible for the construction administration, inspection, materials testing, and agency representation during construction of the Project.
- 6.2.2 As Lead Agency, the City shall provide all necessary construction administration actions to administer and complete the Project.
- 6.2.3 The City shall have exclusive control of the Project, such that the Parties are satisfied that the final accepted work is performed in accordance with the contract documents.

### **6.3 Sound Transit Responsibilities.**

- 6.3.1 Sound Transit shall be responsible for the inspection, materials reviews, and approvals for the Sound Transit Improvements defined in Section 4.1. Sound Transit's inspections, review comments, and approvals shall be coordinated and communicated through the City to the prospective contractor. Sound Transit will also be provided the opportunity, but shall not be obligated, to review and comment on bridge submittals, provided Sound Transit shall provide comment within 10 working days of notice from the City.

### **6.4 Bid Review and Award.**

- 6.4.1 The City shall advertise, review bids, award, and administer the performance of the construction contract(s), perform inspections, materials testing, and represent all agency interests, including coordination and receiving authorization by WSDOT Local Programs to advertise and award the Project, as may be required.
- 6.4.2 **Advertising and Award:** Upon Bid opening the City shall review the bid proposals to determine the lowest responsible bidder and shall submit the name of the bidder and bid amount along with the names and bid amounts of the next lowest and responsive bidders to the Sound Transit Designated Representative within five (5) calendar days of the bid opening.
- 6.4.3 **Recommendation to accept or reject bids:** Within three (3) calendar days of receipt of the bid information, Sound Transit shall submit to the City Designated Representative their recommendation regarding the Bid Award to the lowest responsible bidder or justification for rejection of a bid proposal. Upon receipt of Sound Transit's written concurrence and recommendation to award to the lowest responsible bidder, the City shall advance the recommendation to the Bellevue City Council by motion for award of a construction contract.

- 6.4.4 **City's Right to Reject Bids:** The City further reserves the right to reject any and all bids based on the City's determination of bid irregularities or non-responsive bids as provided in the City's codes and policies and the WSDOT Standard Specifications.
- 6.4.5 **Pre-Construction and Construction Meetings.** The City Designated Representative shall invite the Sound Transit Designated Representative to participate in pre-construction and on-going construction meetings with the City's contractor awarded the contract(s). The City shall represent all communications with the contractor, including issues or concerns that may be raised by Sound Transit.
- 6.4.6 **Compliance with laws:** The City shall secure, or cause the contractor to secure, all permits, approvals, licenses and inspections necessary for execution of the Work. Furthermore, the City shall be responsible or shall cause its contractor to be responsible, as applicable, for the Project's compliance with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on performance of the Work.
- 6.4.7 **Use, Control, and Maintenance:** Federal transit law requires a recipient of a federal grant or loan to have satisfactory continuing control over the use of and the ability to maintain the improvements and facilities constructed with federal funds. The facilities constructed under this Agreement will be operated for the purposes for which the grants were given over the useful life of the facilities. Any operating changes made to the facilities will be consistent with the federal continuing control requirement.

## **6.5 Design or Construction Contract Changes and/or Change Orders:**

- 6.5.1 **Change Order Matrix.** The administration of change orders will typically follow the contract amounts and scalability as provided in **Exhibit K.**
- 6.5.2 **City Added Work.** The City in its sole discretion may add betterments to the scope of work as provided herein, and shall be solely responsible for all costs due to the betterments, including design, permitting, and increases on construction costs, including administration and inspection of the betterment, impacts to original work, and related construction working days or other related costs.
- 6.5.3 **Sound Transit Added Work.** Sound Transit may request the City to add additional work within the design and construction of the Project. Such requests shall be made in writing and shall describe the additional work required to be accomplished. The Parties shall agree on what additional

work will be included, which does not jeopardize grant funding or other obligation requirements. Upon Agreement to the scope of work to be added, Sound Transit shall be solely responsible for all costs due to the requested and agreed to additional work, and shall pay such costs within 45 days of invoice by the City.

- 6.5.4 **Verbal/Email Change Order Approval:** The City may request a verbal approval from the Sound Transit Designated Representative, which must be simultaneously confirmed by an email from the Sound Transit Designated Representative, for a change order if it is determined that it is in the best interest of the Project and the Parties to proceed with the work immediately in order to avoid added delay costs to the Project and approval shall not be unreasonable withheld by Sound Transit. Such verbal/email authorization will subsequently be captured by written Agreement and transmittal of the approved change order.
- 6.5.5 **Written Approval from Sound Transit:** For Change Orders that are not going to potentially pose a delay to the Project or are deemed within the scope of the Project intent, the City shall issue a written notice and request for approval from Sound Transit of the change order within five (5) working days from receipt of a complete change order from the City's contractor. Failure of Sound Transit within 10 working days to (a) issue written notice of rejecting the Change Order or (b) provide notice to the City that additional review time is necessary shall be deemed as approval of the Change Order.
- 6.5.6 **Change Orders that Exceed the "Project Total Budget":** A change order request that will cause the City to exceed the established "Project Total Budget" as shown on **Exhibit L**, shall be reviewed within 45 calendar days to allow the Parties time to identify sufficient funds to pay their proportionate share of the Work as set forth in Section 6.16 and **Exhibit L**.
- 6.5.7 **Cost Sharing:** Notwithstanding any provisions of this Agreement, the Parties shall approve and provide the funding for the approved Project and associated Change Orders arising out of the results of construction, and administering construction of the Project and terms of the construction contract. Any protest, dispute and claims and resolution thereof, within the process of administering the construction contract shall be binding on the City and Sound Transit in the same manner. The City shall be the lead agency in presenting any settlement recommendations. Nothing in this Agreement shall excuse the City or Sound Transit from their respective responsibilities or of its own negligence or gross errors.

**6.6 Notice of Protest by Contractor.** In the event that the City's Contractor submits a written Notice of Protest, all matters regarding said protest shall be addressed in

accordance the Washington State Standards Specifications and Contract documents. The City shall provide Sound Transit with a copy of any written protest within fifteen calendar days of receipt. The City shall allow Sound Transit fifteen (15) calendar days to review and comment on the Protest.

6.6.1 Failure of Sound Transit to issue written comment within fifteen (15) calendar days of receipt of said Protest shall be deemed as “No Comment from Sound Transit” and the City shall proceed to resolve the Protest in accordance with the dispute resolution processes set forth in its contract with the Contractor. Sound Transit will be kept informed of the status of the Protest and any protest resolution, which requires compensation, shall be documented in a written change order, and processed in accordance with the terms of this section.

**6.7 Contactor Claims.** In the event that the City’s Contractor submits a construction claim that meets the requirements of the WSDOT Standard Specifications, the City shall submit a copy of the same to Sound Transit. The City shall allow Sound Transit fifteen (15) calendar days to review and comment on the claim.

6.7.1 Failure of Sound Transit to issue written comment within fifteen (15) calendar days of receipt of said claim shall be deemed “No Comment from Sound Transit” and the City shall proceed to resolve the Claim in accordance with the dispute resolution processes set forth in its contract with the Contractor. Sound Transit will be kept informed of the status of the Claim and any resolution, which requires compensation, shall be documented in a written change order, and processed in accordance with the terms of this section.

6.7.2 In the event such claims cannot be settled through the dispute resolution processes and the Contractor files a lawsuit or demands arbitration, the City shall defend against such actions. Sound Transit shall pay its proportionate share based on **Exhibit L** of all defense costs incurred by the City, including reasonable attorney fees and consultant costs and any settlement, court judgment, or arbitration awards resulting from such claims unless the claims were caused by the negligent acts or omissions of the City.

**6.8 Suspension of Contract Work.** The City may take action allowed by the WSDOT Standard Specifications to suspend all or part of the Work on the contract. Routine contract actions such as suspension for weather conditions or for critical item delivery may be taken without consultation with Sound Transit. Non-routine suspension actions will be discussed with Sound Transit before they are taken.

**6.9 Inspection and Acceptance of Work.** The City is the lead agency for inspection and acceptance for construction of the Project. Through on-going coordination Sound Transit will be informed of submittals and any rejection of materials. Sound Transit

will provide their approval and acceptance of materials or changes associated with the Sound Transit Improvements.

6.9.1 Sound Transit shall provide inspection support and written acceptance on the Sound Transit Improvements, including but not limited to the following:

- a) Secant Pile walls, and CSL testing results
- b) Girder or Diaphragm elements which provide for their Overhead Catenary Systems attachments
- c) Barriers, throw fencing and attachments,
- d) Final grades and locations for construction of the sub-structure elements, including staking for secant pile walls, pier caps, and girder seats.
- e) Wall drains

6.9.2 Sound Transit shall be responsible for all costs or other work associated with verification of the City's alignment and control for construction of the Project.

**6.10 Substantial Completion.** In accordance with the WSDOT Standard Specifications, the City may determine construction of the Project to be substantially complete. Sound Transit shall participate in the Substantial Completion inspection activities, including any formal Project field reviews and any formal meetings or discussions. Sound Transit shall provide the City with a complete list of concerns or deficiencies within fourteen calendar days from the date of the substantial completion inspection for inclusion in the City's formal punch list. Sound Transit shall inspect all associated corrective actions to deficiencies found, and inform the City in writing of any further corrections or deficiencies.

**6.11 Physical Completion.** In accordance with the WSDOT Standard Specifications, the City may determine construction of the Project to be Physically Complete. The City shall notify Sound Transit in writing of its intent to declare the Project Physically Complete. Sound Transit shall respond in writing, within fourteen calendar days indicating Agreement or a detailed description of any objection. Failure of Sound Transit to provide a written response within fourteen calendar days shall constitute Sound Transit's concurrence with the City's determination of the Project being Physically Complete. If Sound Transit expresses an objection, the Parties may pursue dispute resolution as provided herein. Both Parties agree to act as expeditiously as possible to assure timely resolution.

**6.12 Notification of Completion:** When the City determines that Completion has been accomplished, in accordance with the WSDOT Standard Specifications, the City shall notify the Sound Transit Designated Representative in writing of its intent to declare Completion. Sound Transit shall respond in writing within 7 calendar days indicating agreement or a detailed description of any objection.

6.12.1 Failure of Sound transit to issue such a response within 7 calendar days shall constitute Sound Transit concurrence with the declaration of Completion by the City. If Sound Transit does express objection to the intention of the City to declare Completion, the Parties may pursue the dispute resolution process described in this Agreement. The Parties agree to act as expeditiously as possible to assure a timely resolution.

**6.13 Final Acceptance.** Upon Final Acceptance of the Project, as defined in the WSDOT Standard Specifications, the City and Sound Transit shall assume care, custody, and control of their respective project elements, including bearing sole responsibility for the costs of maintenance, operations, and preservation of items described in Section 4.1.

6.13.1 **Defective Work:** The City will pursue any remedies available against the City's contractor or utility consistent with the construction contract provisions and WSDOT Standard Specifications. The City's contractor will be contractually responsible for correcting/replacing non-conforming work.

6.13.2 **Warranty:** The City will notify Sound Transit in writing of the planned release of the performance and warranty bond that will be held for one year following final acceptance of the Project. Sound Transit shall be responsible for all costs for inspection of its project elements prior to the City's release of the bond. The City shall be responsible for enforcing all corrective actions prior to release of the bond.

**6.14 Project Funding.**

6.14.1 **Budget.** An itemized estimated budget for the Project is attached hereto as **Exhibit L**, and is incorporated herein by this reference. **Exhibit L** shall be updated to reflect the award of construction contract(s), and final costs of the Project as set forth in Section 6.15.1 of this Agreement.

6.14.2 **Funding Commitment:** Sound Transit, in consideration of the faithful performance of the construction work to be administered by the City, agrees to reimburse the City for its respective share of the Total Project Budget, and the City will provide funds for the City's share of the Project Total Budget, for eligible actual direct and related indirect cost of the work as shown on **Exhibit L**.

6.14.3 **Grant Awards.** Should either Party utilize existing grant funds or obtain additional grant funding for the Project, said grant funding shall be applied toward that Party's contribution of this Agreement.

6.14.4 **Contingencies.** The Parties agree that construction contingencies will be held in reserve to address expenditures that may be in excess of the

awarded contract to address unforeseen changes that may be addressed through approved change orders, in accordance with the WSDOT Standard Specifications and City Special Provisions.

- 6.14.5 **Decisions Regarding Expenditures:** Notwithstanding Section 6.5, the Parties agree to the following rules for expenditures.
- a. Expenditures within the Total Budget: The City may expend funds up to the “Project Sub-Total” as shown in **Exhibit L** without further approval from Sound Transit and without regard to the percentages within individual cost categories; and
  - b. Expenditures in Excess of the Project Sub-Total Budget: The City must receive written approval from Sound Transit, except as provided otherwise in Section 6.5 of this Agreement, for expenditures that will cause the Project cost to exceed the Project Sub-Total Total Budget as shown in **Exhibit L**.

## **6.15 Payment - Construction.**

- 6.15.1 **Cost Sharing.** The Parties have agreed to the distribution and responsibilities in costs for construction as provided in **Exhibit L**. The Parties agree to supplement the attached **Exhibit L** to reflect the updated and final costs for the Project, including contingency provisions and costs for administration of the construction contract(s) as shown in **Exhibit L**. This is an administrative supplement, which will not require further Council action relative to this Agreement as provided herein.
- 6.15.2 **Initial Payment by Sound Transit:** Initial Payment by Sound Transit. Following award of the construction contract(s) and issuance of notice to proceed by the City, Sound Transit shall pay the City an initial payment of 10% of the construction contract(s) award plus estimated construction administrative, engineering and inspection costs within sixty (60) calendar days, for either the 120<sup>th</sup> Ave NE or 124<sup>th</sup> Ave NE, whichever may occur first. This advance payment will be used to cover both construction contract and construction administrative and inspection costs until such time as further reimbursement is necessary as supported by pay estimate approvals by the City. The advance payment will be credited toward the total amount of cost sharing as assigned to Sound Transit identified in **Exhibit L**.
- 6.15.3 **Invoicing:** The City shall invoice Sound Transit monthly to cover costs incurred for the Work necessary to complete the Project. Such invoices shall include the required documentation provided in Section 6.15.4 below. Sound Transit’s initial payment shall be credited toward its proportionate share of such costs identified in **Exhibit L** of this Agreement. Once such initial payment credit is expended, Sound Transit shall make payment to the City within 60 days of receipt of such invoices.

Failure to pay within 60 days will be deemed a failure to perform and subject to the provisions of Section 10.0 Default of this Agreement.

6.15.4 **Payment Request Documentation:** All requests for payment by the City shall be referenced to or accompanied by supporting documentation. Payments to the Contractor will be supported by documentation as described in the WSDOT Construction Manual. This documentation will be made available for Sound Transit to inspect at any time during normal working hours and any copies requested will be furnished. Documentation of all other costs included in the City's request for payment will be as agreed by the Parties.

6.15.5 **Prompt Payment by Sound Transit:** Sound Transit agrees to make prompt payment to the City within 45 calendar days from receipt of the City's invoice.

## 7.0 DESIGN AND CONSTRUCTION CONTRACTS

**7.1 Insurance and Liability.** The City shall require any contractors or subcontractors for the Project to maintain insurance as required by the City in its standard contracts, and to name Sound Transit as an additional insured on their required insurance. The City shall also either require any professional services consultants, subconsultants, contractors or subcontractors working on City projects impacting the Light Rail Transit Way to carry appropriate levels of Professional Liability insurance coverage during the course of design, engineering, and construction or the City may itself acquire such insurance or self-insure the work. In addition, the City shall require its contractors and subcontractors to indemnify and hold harmless Sound Transit in the same manner and to the same extent as the City, including the waiver of any industrial insurance immunities.

**7.2 FTA Design and Construction Provisions.** The City agrees to comply with the federal funding requirements described at [http://www.fta.dot.gov/12831\\_6195.html](http://www.fta.dot.gov/12831_6195.html) by incorporating the applicable federal clauses and requirements into its contracts with third party contractors and their subcontractors. The Parties will work cooperatively to determine which federal clauses and requirements are applicable to which contracts before the City initiates its procurement process for each contract. Questions from the designer or contractors regarding the interpretation or requirements of the FTA Federal Contracting Provisions will be directed to the City who will then coordinate with Sound Transit as soon as practicable for resolution.

## 8.0 DISPUTE RESOLUTION

**8.1** Each Party will work collaboratively to resolve disputes arising from activities performed under this Agreement. Disagreements will be resolved promptly at the lowest level of hierarchy. All Parties shall follow the following dispute resolution process, with the exception to construction claims or protests:

**8.2** The Designated Representatives of each Party as set forth in this Agreement shall use their best efforts to resolve disputes and issues arising out of or related to the tasks and services covered by this Agreement; provided however, this section does not apply to Contractor Protests and Claims, provided in Section 6.6 Notice of Protest by Contractor and Section 6.7 Contractor Claims. Each Party's designated Representatives will jointly cooperate in providing staff, and necessary support to facilitate and resolve the performance of this Agreement and resolution of any issues or disputes.

**8.3** Each of the Designated Representatives shall notify the other in writing of any issue or dispute that they believe requires resolution. Upon receipt of written notification, the Designated Representatives, and others a may be required, shall meet within three business days to attempt to resolve the issue, problem or dispute.

**8.4** Designated Representatives at this initial level will be:

City of Bellevue  
Maher Welaye  
Engineering Manager  
450 110<sup>th</sup> Ave NE  
Bellevue, WA 98004  
Phone: 425-452-4879  
[MWelaye@bellevuewa.gov](mailto:MWelaye@bellevuewa.gov)

Sound Transit  
Jason Bailey  
Senior Civil Engineer  
401 S. Jackson Street  
Seattle, WA 98104  
206-689-4983  
[Jason.bailey@soundtransit.org](mailto:Jason.bailey@soundtransit.org)

Alternate:  
David Cieri  
Construction Manager  
450 110<sup>th</sup> Ave NE  
Bellevue, WA 98004  
Phone: 425-452-2753  
[DCieri@bellevuewa.gov](mailto:DCieri@bellevuewa.gov)

Tony Raben  
Principal Construction Manager  
401 S. Jackson Street  
Seattle, WA 98104  
206-398-5171  
[tony.raben@soundtransit.org](mailto:tony.raben@soundtransit.org)

**8.5** In the event those persons are unable to resolve the dispute, the issue or dispute shall be elevated to the next higher level in hierarchy, and they shall meet within three business days and engage in good faith negotiations to resolve the issue or dispute.

City of Bellevue  
Ron Kessack  
Assistant Director  
Transportation Department  
450 110<sup>th</sup> Ave NE  
Bellevue, WA 98004  
Phone: 425-452-4631  
[RKessack@bellevuewa.gov](mailto:RKessack@bellevuewa.gov)

Sound Transit  
John Sleavin  
Deputy Proj. Dir. – East Link  
401 S. Jackson Street  
Seattle, WA 98104  
206-398-5150  
[john.sleavin@soundtransit.org](mailto:john.sleavin@soundtransit.org)

Alternate:  
David Berg  
Transportation Department Director  
450 110<sup>th</sup> Ave NE  
Bellevue, WA 98004  
Phone: 425-452-6468  
[DBerg@bellevuewa.gov](mailto:DBerg@bellevuewa.gov)

Ron Lewis  
Deputy Dir. – Link Light Rail  
401 S. Jackson Street  
Seattle, WA 98104  
206-689-4905  
[ron.lewis@soundtransit.org](mailto:ron.lewis@soundtransit.org)

**8.6** In the event that those persons are unable to resolve the dispute at the Assistant Director or Director level, the issues shall be elevated to the City Manager and Sound Transit Executive Director, and they shall meet within five business days and engage in good faith negotiations to resolve the issue or dispute.

**8.7** The Parties Agree that they shall have no right to seek relieve in a court of law until and unless each of these procedural steps have been exhausted.

## **9.0 DESIGNATED REPRESENTATIVE.**

The City and Sound Transit have designated formal points of contact and coordination for this Project as shown below.

City of Bellevue  
Maher Welaye  
Engineering Manager  
450 110<sup>th</sup> Ave NE  
Bellevue, WA 98004  
Phone: 425-452-4879  
[MWelaye@bellevuewa.gov](mailto:MWelaye@bellevuewa.gov)

Sound Transit  
Jason Bailey  
Senior Civil Engineer  
401 S. Jackson Street  
Seattle, WA 98104  
206-689-4983  
[Jason.bailey@soundtransit.org](mailto:Jason.bailey@soundtransit.org)

## **10.0 DEFAULT**

No party shall be in default under this Agreement unless it has failed to perform under this Agreement for a period of thirty (30) calendar days after written notice of default from the other party. Each notice of default shall specify the nature of the alleged default and the manner in which the default may be cured satisfactorily. If the nature of the alleged default is such that it cannot be reasonably cured within the 30-day period, then commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure; provided that in no event shall a cure take longer than ninety (90) days to complete without mutual written consent. Any dispute regarding the existence of a default or appropriate cure shall be handled through dispute resolution.

## **11.0 REMEDIES; ENFORCEMENT**

**11.1** The Parties reserve the right to exercise any and all of the following remedies, singly or in combination, and consistent with the dispute resolution and default

Sections of this Agreement, in the event the other violates any provision of this Agreement:

- a) Commencing an action at law for monetary damages;
- b) Commencing an action for equitable or other relief;
- c) Seeking specific performance of any provision that reasonably lends itself to such remedy; and
- d) The prevailing party (or substantially prevailing party if no one party prevails entirely) shall be entitled to reasonable attorney fees and costs.

**11.2** Remedies are cumulative; the exercise of one shall not foreclose the exercise of others.

**11.3** Neither Party shall be relieved of any of its obligations to comply promptly with any provision of this Agreement by reason of any failure by the other Party to enforce prompt compliance, and such failure to enforce shall not constitute a waiver of rights or acquiescence in the other Party's conduct.

## **12.0 TERMINATION AND RECORD RETENTION**

**12.1** This Agreement shall terminate upon completion of the Work under this Agreement and Final Acceptance of the Work by the City and Sound Transit. Neither the City nor Sound Transit may terminate this Agreement prior to project acceptance by the City nor may either Party terminate this Agreement without the concurrence of the other Party. Notice of termination shall be provided 10 days in advance and followed by written notification. Termination shall be in writing and signed by both Parties.

**12.2** During construction of the Project and for a period of not less than 6 years from the date of final acceptance as provided herein, the City will maintain and make available the records and accounts pertaining to the Project, for inspection and audit by Sound Transit, and for the use in the event of litigation, claim or any other purpose.

## **13.0 MUTUAL INDEMNITY AND HOLD HARMLESS**

**13.1 Sound Transit Owned Improvements and City Owned Improvements.** The Parties acknowledge that the Sound Transit Improvements are necessitated as a result of the East Link Project and that the widening and other improvements to 120<sup>th</sup> Avenue NE and 124<sup>th</sup> Avenue NE are necessitated as a result of the City's CIP. Upon completion and final acceptance, Sound Transit shall take ownership of the Sound Transit Improvements and the City shall take ownership of the City Improvements and each shall be responsible for maintenance and control of its respective facilities. To that end, each Party agrees to protect, defend, indemnify and hold harmless the other Party, its officers, employees and agents from any loss, claim, judgment, settlement or liability, including costs and attorney's fees,

arising out of or related to its respective improvements following completion and final acceptance of the Project.

- 13.2** Except as otherwise stated herein, Sound Transit will protect, defend, indemnify, and save harmless the City, its officers, employees, and agents from any and all costs, claims, judgments, and/or awards of damages, arising out of, or in any way resulting from, the negligent acts or omissions of Sound Transit, its officers, employees, and/or agents, in the performance of this Agreement. Sound Transit agrees that its obligations under this subsection extend to any claim, demand, and/or cause of action brought by, or on behalf of any of its employees or agents. For this purpose, Sound Transit, by mutual negotiation, hereby waives, as respects the City only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW. In the event the City incurs any judgment, award, and/or cost arising therefrom including attorney's fees to enforce the provisions of this article, all such fees, expenses, and costs shall be recoverable from Sound Transit.
- 13.3** Except as otherwise stated herein, the City shall protect, defend, indemnify and save harmless Sound Transit, its officers, employees and agents from any and all costs, claims, judgments and/or awards of damages, arising out of or in any way resulting from the negligent acts or omissions of the City, its officers, employees and agents in performing this Agreement. The City agrees that its obligations under this subsection extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, the City, by mutual negotiation, hereby waives, as respects of Sound Transit only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW. In the event Sound Transit incurs any judgment, award, and/or cost arising therefrom including attorneys' fees to enforce the provisions of this article, all such fees, expenses, and costs shall be recoverable from the City.
- 13.4** This Mutual Indemnity and Hold Harmless shall survive the termination or expiration of this Agreement.

## **14.0 GENERAL PROVISIONS**

- 14.1** Notice. All notices and communications concerning this Agreement shall be in writing and addressed to the Designated Representative. Any Party at any time by written notice to the other Party may designate a different address or person to which such notice or communication shall be given.
- 14.1.1 Unless otherwise provided herein, all notices shall be either: (i) delivered in person, (ii) deposited postage prepaid in the certified mails of the United States, return receipt requested, (iii) delivered by a nationally recognized overnight or same-day courier service that obtains receipts, or (iv) delivered electronically to the other Party's Designated Representative as listed herein.

- 14.2 Time is of the Essence. Time is hereby expressly declared to be of the essence of this Agreement and of each and every term, covenant, agreement, condition and provision hereof.
- 14.3 Jurisdiction and Venue. This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Washington. Venue for any action under this Agreement shall be King County, Washington.
- 14.4 No Third-party Beneficiary. This Agreement is made and entered into for the sole protection and benefit of the Parties hereto and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.
- 14.5 No Partnership. No joint venture or partnership is formed as a result of this Agreement. No employees, agents or subcontractors of one Party shall be deemed, or represent themselves to be, employees of any other Party.
- 14.6 Amendments. No modification or amendment of this Agreement may be made except by written agreement signed by both Parties.
- 14.7 Severability. If any one or more of the provisions of this Agreement or the applicability of any such provision shall be held invalid or unenforceable, such provision shall be modified to the extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision shall not be affected thereby.
- 14.8 Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to the subject matters of this Agreement.

**IN WITNESS WHEREOF**, each of the Parties has executed this Agreement by having its authorized representative affix his/her name in the appropriate space below:

CENTRAL PUGET SOUND REGIONAL      THE CITY OF BELLEVUE  
 TRANSIT AUTHORITY  
 (SOUND TRANSIT)

By: \_\_\_\_\_  
 Mike Harbour, Deputy CEO

By: \_\_\_\_\_  
 Brad Miyake, City Manager

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

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

Authorized by Motion No. \_\_\_\_\_

Authorized by Ordinance \_\_\_\_\_

Approved as to form:

Approved as to form:

By: \_\_\_\_\_  
Stephen G. Sheehy, Legal Counsel

By: \_\_\_\_\_  
Monica A. Buck, Assistant City Attorney

#### Exhibit List

- A. 120<sup>th</sup> Project - Description and Depiction
- B. 124<sup>th</sup> Project - Description and Depiction
- C. Property Rights necessary for 120<sup>th</sup> Project

- D. Property Rights necessary for 124<sup>th</sup> Project
- E. TCE
- F. Cost Sharing Proportionate Share for Property Acquisition
- G. Property Acquisition Schedule
- H. 120<sup>th</sup> Project – Property to Convey to Sound Transit
- I. 124<sup>th</sup> Project – Property to Convey to City
- J. Description of “Work”
- K. Change Order Matrix
- L. Total Budget and Proportionate Share for Construction
  
- M. 124<sup>th</sup> Project – Ownership of Improvements
- N. 120<sup>th</sup> Project – Ownership of Improvements