



STAFF REPORT

DATE: May 16, 2017

CONSENT

ITEM #: 8

AGENDA ITEM: 2017 Seal Coat Project – West Lakeland Township Joint Services Agreement

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Krintina Handt, City Administrator
Rob Weldon, Public Works Director
Ryan Stempski, Project Engineer

ISSUE BEFORE COUNCIL: Should the City Council approve the West Lakeland Township Joint Services Agreement for the 2017 Seal Coat Project?

BACKGROUND: Since 2012, Lake Elmo and West Lakeland Township have successfully contracted jointly for the annual street seal coat projects to share and reduce overall project costs. Each jurisdiction pays its portion of the construction costs and shares in the engineering design, bidding and construction administration costs. The construction observation services are contracted directly by each jurisdiction.

PROPOSAL DETAILS/ANALYSIS: Staff is recommending that the City continue to work jointly with West Lakeland Township to perform seal coating for routine maintenance of City and Township streets, therefore, staff has reviewed and updated the Joint Services Agreement with West Lakeland Township in preparation of the 2017 Seal Coat Project. The agreement identifies the terms and conditions upon which the City of Lake Elmo prepares and administers a contract for the 2017 Seal Coat Project to be completed on streets within both the City and Township. The City of Lake Elmo is defined as the lead entity and prepares the plans and specifications with input from the Township. The City bids the project and enters into a contract with the selected contractor for all the work. West Lakeland will pay a fee to the city in the amount of \$3,000 to reimburse the City for the Township's share of the design, bidding and construction administration services related to the project. The Township will reimburse the City within 30 days of receiving contractor invoices for the work performed on West Lakeland streets.

FISCAL IMPACT: Cost savings of \$3,000 in engineering and administration services. Staff believes that a unit price savings for the seal coat work is also likely due to the economy of scale at the time of bid/construction.

Through a joint project effort, the City of Lake Elmo, West Lakeland Township and, at times, Baytown Township, have been realizing project cost savings through an economy of scale and sharing in project expenses for preparation of plans and specifications, bidding, and construction administration. In addition, staff believes that by combining the project work for multiple communities, we can continue to promote a more favorable bidding environment that may result in lower overall construction costs.

RECOMMENDATION: Staff is recommending that the City Council consider approving, *as part of the consent agenda*, the West Lakeland Township Joint Services Agreement for the 2017 Seal Coat Project. If removed from the consent agenda, the recommended motion for this action is as follows:

***“Move to approve the West Lakeland Township Joint Services Agreement
for the 2017 Seal Coat Project.”***

ATTACHMENTS:

1. West Lakeland Township Joint Services Agreement for the 2017 Seal Coat Project.

JOINT SERVICES AGREEMENT FOR THE 2017 SEAL COAT PROJECT

This Agreement is made this ____ day of _____ 2017, by and between the West Lakeland Township (hereinafter referred to as “West Lakeland”) and the City of Lake Elmo (hereinafter referred to as “Lake Elmo”).

WHEREAS, it is the desire of the parties, and it is the purpose of this Agreement, that certain road-related services be performed or contracted by Lake Elmo on behalf of West Lakeland for the purpose of seal coating certain street segments as designated by West Lakeland;

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth below, the above parties hereto agree as follows:

1. Term: The term of this Agreement shall commence upon the date of execution and shall be for the duration of the one year warranty period for the 2017 Seal Coat Project.

2. Services. For the term of this Agreement, Lake Elmo shall provide West Lakeland with the following services in and on behalf of West Lakeland and at the direction of West Lakeland’s Engineer:

- a. Lake Elmo will provide professional engineering services to prepare Plans and Specifications and Contract documents for the 2017 Seal Coat Project. The project will include seal coating of street segments located in West Lakeland, in addition to the street segments located in Lake Elmo for which Lake Elmo is otherwise contracting.
- b. Prior to March 15, 2017, West Lakeland will provide Lake Elmo with a plan, designating and depicting the street segments to be seal coated in West Lakeland, said plan to be suitable for inclusion in the Plan documents, along with a tabulation of the estimated quantities (in square yards) showing the seal coating work to be performed in West Lakeland as a part of the project.
- c. Lake Elmo will advertise the 2017 Seal Coat Project for contractor bids and may award a contract for seal coating, or a portion of thereof, as deemed in the best interests of Lake Elmo. If Lake Elmo awards a contract for the 2017 Seal Coat Project and West Lakeland agrees, the award shall include that portion of streets within West Lakeland.
- d. Lake Elmo will provide professional engineering services for the construction administration of the contract.
- e. At its sole cost and expense, West Lakeland will provide a construction observer to inspect the seal coat work performed on West Lakeland streets.

3. Payments. West Lakeland shall make payments to Lake Elmo for services related to the project or directly for services as follows:

- a. West Lakeland will pay Lake Elmo a fee in the amount of \$3,000 for engineering and administration fees performed by Lake Elmo for the seal coat project. Lake Elmo will invoice this amount to West Lakeland once the Lake Elmo City Council accepts the bids and awards the construction contract.
- b. Lake Elmo will make Contractor payments for all work completed in accordance with the Contract. West Lakeland will reimburse Lake Elmo for the work completed and paid to the contractor in accordance with the contract for the actual quantities of work performed on West Lakeland streets.
- c. Lake Elmo will invoice West Lakeland for services to be reimbursed by West Lakeland as outlined above and West Lakeland will pay all invoices within 30 days after receipt of the invoice. Lake Elmo shall include with its invoices copies of the contractor's claims showing the amount charged for the work performed and materials used in West Lakeland.

4. Insurance. Lake Elmo shall require its contractor(s) to provide insurance as specified below, and West Lakeland shall be named as an additional insured on such insurance:

Comprehensive General Liability	\$1,000,000 per occurrence, \$2,000,000 aggregate
Auto Liability	\$1,200,000 per occurrence
Workers compensation	Statutory amount

5. Indemnification. Lake Elmo agrees to defend, indemnify and hold harmless West Lakeland, and its officials, agents and employees from and against all claims, actions, damages, losses and expenses, including attorneys fees, arising out of or resulting from Lake Elmo's performance of the duties required under this Agreement, provided that any such claim, action, damage, loss or expense is caused in whole or in part by an alleged negligent act, omission, or willful misconduct (including, but not limited to, a claimed breach of contract made by the contractor) of Lake Elmo. Lake Elmo agrees to require, as part of its contract with the contractor used to provide the seal coating, to include West Lakeland in the contractor's indemnification obligation under the contract. West Lakeland agrees to defend, indemnify and hold harmless Lake Elmo, and its officials, agents and employees from and against all claims, actions, damages, losses and expenses, including attorneys' fees, arising out of or resulting from West Lakeland's performance of the duties required of it under this Agreement, provided that any such claim, action, damage, loss or expense is caused in whole or in part by an alleged negligent act or omission or willful misconduct of West Lakeland. This provision shall not be construed as a waiver by either party of any defenses, immunities or limitations on liability to which they are entitled, under Minnesota Statutes, Chapter 466 or otherwise. Under no circumstances shall a party be required to pay on behalf of itself and other parties, any amounts in excess of the limits of liability established in Minnesota Statutes, Chapter 466, applicable to any one party. The limits of liability for some or all of the parties may not be added together to determine the maximum amount of liability for any party.

6. Service Contract. This is a service contract. The parties do not intend to create, and nothing herein shall be construed as creating, a joint powers agreement, joint venture, or joint enterprise. However, to the extent a court of competent jurisdiction may find such a relationship exists, Lake Elmo and West Lakeland shall be considered a single governmental entity as provided

in Minnesota Statutes, section 471.59, subdivision 1a for the purposes of determining total liability. The limits of liability for Lake Elmo and West Lakeland shall not be added together to determine the maximum amount of liability for either party or for any occurrence.

7. Contracting Procedure and Oversight. Lake Elmo shall be solely responsible for letting the contracts for the services to be provided hereunder in accordance with all applicable laws, rules, and regulations. The bonds obtained from the contractor for the work shall include the work to be performed in West Lakeland. Lake Elmo shall, to the extent reasonably necessary, assist West Lakeland to draw upon the performance bond as needed to complete or correct any work the contractor fails to perform in West Lakeland in accordance with the contract. West Lakeland will be responsible for inspecting the work to be performed in West Lakeland, but Lake Elmo shall be responsible for generally overseeing the contractor's performance of services in accordance with the contract.

8. Miscellaneous. This Agreement is solely for the benefit of the parties hereto and no other person shall have any right, claim, or interest in it.

9. Legal Compliance. Both parties agree to comply with all applicable state, federal and local laws, rules and regulations in carrying out their respective obligations under this Agreement.

10. Entire Agreement. This Agreement represents the entire agreement between Lake Elmo and West Lakeland and supersedes and cancels any and all prior agreements or proposals, written or oral, between the parties relating to the subject matter hereof. No amendments, addenda, alterations, or modifications to the terms and conditions of this Agreement shall be effective unless in writing and signed by both parties.

IN WITNESS WHEREOF, the parties have set forth their hands on the day and year first written above.

CITY OF LAKE ELMO

By: _____
Its Mayor

Date

By: _____
Its City Administrator

Date

TOWN OF WEST LAKELAND

By: _____
Its Town Chairperson

Date

By: _____
Its Town Clerk-Treasurer

Date