

**REIMBURSEMENT AGREEMENT
BETWEEN
CITY OF CAPITOLA AND COUNTY OF SANTA CRUZ**

Background:

1. This Agreement is entered into between the City of Capitola (“City”) and the County of Santa Cruz (“County”), collectively referred to as the “Parties.”
2. The County, acting through its Department of Public Works (“County”), intends to apply pavement resurfacing treatments to various County-maintained roads (“County Roads”). The application of pavement resurfacing treatments to County Roads is referred to herein as the County’s 2022 Measure D Pavement Management Project or “Project.”
2. The City of Capitola (“City”) maintains a system of public roads located in proximity to the County Roads (“City Roads”), and desires to have pavement resurfacing treatments applied to certain City Roads at the same time as the County is performing the Project.
3. Government Code section 54980 *et seq.* permits the legislative body of any local agency to contract with any other local agency for the performance by the latter of municipal services or functions within the territory of the former. “Municipal services and functions” include the type of work contemplated by the City and County under this Agreement.
4. Combining the road-related work of both City and County into the same project will provide mutual benefit to the City and County due to economy of scale.
5. As such, the City and County desire and mutually agree to add pavement resurfacing work on specified City Roads to the County’s Project. In consideration for the County’s work on City Roads, the City will reimburse the County for the costs associated with the proportion of Project work completed on City Roads.

Agreement:

The City and County mutually agree that:

1. This Agreement shall be effective when fully executed by the City and County.
2. A list of the City Roads subject to this Agreement is attached hereto as Exhibit A. Exhibit A may be updated from time to time with mutual consent of the Parties.
3. The County will procure the Project consistent with all applicable legal requirements, and will award the contract for the Project (“Contract”) to the lowest responsive, responsible

bidder. The County will provide the City a copy of the “Summary of Proposals” for City’s review upon opening of bids; the City shall have 14 calendar days from receipt of the Summary of Proposals to terminate this Agreement.

4. The Contract shall require the contractor performing the Project to warranty the Project for materials and workmanship for a period of one (1) year after final written acceptance of the Project. This requirement shall be detailed in the Project specifications including in the bidding requirements, and this warranty coverage will extend to all work in the contract, including work on City Roads.
5. The City shall provide construction inspection services for all City Roads included in the Project, and such services shall include inspection and acceptance of the work performed on City Roads to confirm that it was performed in accordance with the City-supplied special provisions.
6. The City will reimburse the County upon completion and acceptance by City, which acceptance shall not be unreasonably withheld, of all work done pursuant to this Agreement. The amount to be reimbursed shall include bid costs for work done on City Roads and any overages or contract change orders that may later prove necessary to complete work on City Roads, as approved by the City. City shall also reimburse the County for 8% of the Contract, to cover overhead costs associated with work on City Roads. This reimbursement shall constitute the City’s sole financial obligation under this Agreement. The City and County agree that the Engineer’s estimate attached to this Agreement as Exhibit B shows contract bid items and quantities for contract work to be performed for the City, but that actual costs for each of the items included in Exhibit B will only be determined at the time of bid opening for the Project. City agrees to reimburse the County for whatever the final costs are for each of the items on Exhibit B as determined at bid opening, and subject to any change orders related to City Roads.
7. The City will endeavor to confirm and accept in writing to the County that Project work on City Roads has been completed to City’s satisfaction no later than 15 calendar days from being advised by the County that all work on City Roads under the Project has been completed. If the City does not find that the work on City Roads is acceptable, it will notify the County of its decision, in writing, within 15 calendar days of receipt of notification from the County that the work is complete. If the City does not confirm and accept in writing to the County that Project work on City Roads has been completed to City’s satisfaction within 15 calendar days from being advised by the County that all work on City Roads under the Project has been completed, or advise the County in writing that the work is unacceptable, the Project work shall be deemed accepted by the City. Upon receipt of the City’s written confirmation of completion and acceptance and completion of all other Project work, the County shall issue a Notice of Completion for the Project. Once the Notice of Completion has been issued by the County, the County will submit a final invoice to the City for the City’s cost-share portion of Project work. The City shall provide full payment to the County no later than 45 calendar days from the date of issuance of the final invoice.

8. Upon its completion and acceptance of work performed on City Roads, the City shall immediately assume all responsibility and liability for operation and maintenance of City Roads that were included in the Project. The County assumes no responsibility, and shall not be liable, for the future operation of City Roads.

9. Upon the completion and acceptance of the Project, the City shall defend, indemnify, save and hold harmless the County from any and all claims, demands, suits, causes of action, damages, costs, expenses, attorney's fees, losses, or liability, in law or in equity, of every kind and nature whatsoever arising out of, or in connection with, the operation, maintenance and use of City Roads improved through the Project. The County shall defend, indemnify, save and hold harmless the City from any and all claims, demands, suits, causes of action, damages, costs, expenses, attorney's fees, losses, or liability, in law or in equity, of every kind and nature whatsoever arising out of, or in connection with, the Contract, including the bidding process, prior to acceptance of the Project by the City. Nothing herein shall be deemed to affect the rights, privileges, and immunities of either City or County, and the foregoing indemnity provision is not intended to be a waiver of any statutory or constitutional immunity or defense afforded to either party.

IN WITNESS WHEREOF, the above parties have executed this agreement the day and year first hereinabove written.

COUNTY OF SANTA CRUZ:

CITY OF CAPITOLA:

By: _____
Matt Machado
Assistant CAO
Director of Public Works

By: _____
Jamie Goldstein
City Manager

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
COUNTY COUNSEL


By: 
Samantha W. Zutler
CITY ATTORNEY

EXHIBIT A

All or portions of the following City Streets shall be included in the project:

- 42nd Avenue
- Diamond Street
- Ruby Court
- Fanmar Way
- Bay Avenue
- Capitola Road
- 30th Avenue

EXHIBIT B*

CITY OF CAPITOLA
 2022 MEASURE D PAVEMENT MANAGEMENT PROJECT
 BID FORM
 PAYMENT ITEM SCHEDULE

COUNTY OF SANTA CRUZ					Sheet 1 of 1
DEPARTMENT OF PUBLIC WORKS					
CITY OF CAPITOLA QUANTITIES					Made by DAM
PROJECT: 2022 Measure D Resurfacing Project					Checked by
LOCATION: Various City Roadways					Job Number P13409
DESCRIPTION: Bid Pricing					Bid Opening
Item No.	Item Description	Unit	Quantity	Unit Price	Amount
1	TRAFFIC CONTROL SYSTEM (24% OF TOTAL BID ITEM COST)	LS	1	\$42,000.00	\$42,000.00
2	CLEARING AND GRUBBING (24% OF TOTAL BID ITEM COST)	LS	1	\$13,440.00	\$13,440.00
3	GRIND AC PAVEMENT	SF	6,800	\$0.82	\$5,576.00
4	4" DIGOUT	SF	1,550	\$7.48	\$11,594.00
5	ASPHALT CONCRETE (TYPE A - 1/2" MAXIMUM, MEDIUM)	TON	225	\$137.00	\$30,889.22
6	ASPHALT RUBBER CAPE SEAL	SY	26,500	\$8.90	\$235,850.00
8	SLURRY SEAL, TYPE 2	SY	8,980	\$2.22	\$19,935.60
9	MICRO SURFACING SEAL, TYPE 3	SY	2,930	\$4.64	\$13,595.20
12	(S) THERMOPLASTIC STRIPING 4 IN WHITE	LF	1,010	\$0.65	\$656.50
13	(S) THERMOPLASTIC STRIPING 12 IN WHITE	LF	1,989	\$3.50	\$6,961.50
18	(S) THERMOPLASTIC STRIPING-DETAIL 9 (DASHED CL)	LF	990	\$1.00	\$990.00
19	(S) THERMOPLASTIC STRIPING-DETAIL 22 (DBL YELLOW)	LF	1,520	\$1.50	\$2,280.00
20	(S) THERMOPLASTIC STRIPING-DETAIL 29 (MEDIAN ISLANDS)	LF	295	\$2.50	\$737.50
21	(S) THERMOPLASTIC STRIPING-DETAIL 31 (TWO WAY LEFT TURN LANES)	LF	670	\$2.00	\$1,340.00
23	(S) THERMOPLASTIC STRIPING-DETAIL 39 (6 IN WHITE)	LF	3,360	\$0.80	\$2,688.00
24	(S) THERMOPLASTIC STRIPING-DETAIL 39A (6 IN WHITE DASHED)	LF	1,200	\$0.80	\$960.00
26	(S) THERMOPLASTIC STRIPING-PAVEMENT MARKINGS	SF	1,470	\$5.00	\$7,350.00
27	(S) RETROREFLECTIVE PAVEMENT MARKER - BLUE TYPE BB	EA	10	\$10.00	\$100.00
Note: Capitola Roads make up 24% of project by road surface area - Items #1 & 2 shall be based on 24% of the total item bid price					
Funding Information			Contract Total	=	\$396,944
			Dept Overhead	8%	\$31,755
			TOTAL	=	\$428,699