



Oregon

John A. Kitzhaber, Governor

Department of Transportation
Right of Way Section
4040 Fairview Industrial Drive SE MS#2
Salem, OR 97302-1142
503-986-3600
Fax 503-986-3625

August 14, 2012

City of Newport

Attn: Timothy Gross, Public Works Director
169 SW Coast Highway
Newport, OR 97365

SUBJECT: Add Work Letter Agreement – Fixed Cost
PROJECT: US101: BEVERLY BEACH - ALSEA BAY BRIDGE
KEY#: 18138

Dear Mr. Gross:

This letter serves as an agreement between the City of Newport and the Oregon Department of Transportation (ODOT) for utility adjustment work added to the above titled Oregon Transportation Commission project. This letter agreement provides the details regarding the deposit of monies for construction of utility relocation work that is not reimbursable. The financial responsibilities of each party will be in accordance with State policy and 23 CFR 645A (Code of Federal Regulations). The City of Newport will pay based on the unit cost listed below. Bid quantity will be adjusted up or down to reflect changes in field quantities. The letter discusses the scope of utility work added to the contract, the project status, and the financial responsibilities. At the end of the letter, a space is provided for your signature, allowing you to express your acceptance of the letter's conditions.

The City of Newport has agreed to have their valve box adjustments included in the highway construction contract so that the work would be performed by the State's construction contractor. The work is being added to the contract as requested.

The City of Newport Cost Responsibilities

Since the City of Newport facilities are located on State right-of-way, the City of Newport will be responsible for paying the adjustment costs between the ranges of \$300 to \$600 for adjustment of boxes by using the most recent ODOT average unit bid costs.

The City of Newport agrees to submit a maximum of \$4,200.00 for seven (7) Valve box adjustments.

With regard to the payment of funds, the Oregon Constitution states that the revenue collected from taxes on motor vehicle use and fuel are to be used exclusively for highway purposes. This means that highway trust funds cannot be utilized for non-highway purposes, i.e., non-reimbursable utility work. Therefore, funds covering the cost of non-highway construction must be deposited with the agency administering the highway construction contract in advance of the actual construction. Since ODOT will administer the contract for this project, the City of Newport will be required to make a deposit of monies to ODOT for the non-reimbursable work included in the contract. At this time, no payment of funds is due. A letter will be sent by our Active Transportation Section, prior to the bid opening, requesting the above stated payment.

All work added to the project will comply with Buy America requirements as described in Section 10.340 (5) of Chapter 10 of the Right of Way Manual

http://www.oregon.gov/ODOT/HWY/ROW/docs/row_manual_chapter_10.pdf. Should the City of Newport supply materials to the ODOT contractor, those materials will also comply with Buy America requirements.

If the terms set forth above are acceptable to the City of Newport, please sign in the space provided on the following page and **return the original to this office by August 28, 2012**. If you have any questions, please do not hesitate to contact me at 503-986-3658.

Sincerely,



Heather Howe
State Utility Liaison
4040 Fairview Industrial Drive SE MS#2
Salem, OR 97302-1142

Cc: Brian Thompson, Region Utility Specialist
Jerry Wolcott, Project Leader
Amy Ramsdell, Interim Area Manager

By signing this letter agreement, you agree to the conditions of the letter and acknowledge that the City of Newport is responsible for the cost of the non-reimbursable utility work. The City of Newport will compensate ODOT for that portion of non-reimbursable utility work added to ODOT's contract, including any administrative costs ODOT incurs that are associated with the work.

Print name and title of the authorized City of Newport representative then sign and date as provided below.

APPROVED:

Name Timothy Gross

Signature 

Title Director of Public Works/City Engineer

Date 8/20/12
