

April 16, 2020

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Bradley Hill
Water Services Director
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Greg Clifton
City Manager
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Re: Extensions of Waterline
North from Ft. Tuthill 2,235 feet
Upsizing reimbursement protocol

Dear Brad, Greg and Ryan:

This letter is intended to document our understanding between the City of Flagstaff and Northern Arizona Healthcare Corporation regarding how the additional costs for upsizing the waterline extension will be reimbursed by the City of Flagstaff (herein City) to Northern Arizona Healthcare Corporation (herein NAHC). Coconino County shall act as Owner for the construction of the waterline, simultaneous with Coconino County's Fort Tuthill sewer line extension, with the intent to minimize the impact to the FUTS Trail. Coconino County and NAHC have entered into a separate reimbursement agreement for the installation of the waterline.

1. Coconino County will act as Owner and shall administer the Contract with Contractor.
2. As requested, the County protocol for bid advertisement consistent with state law will be followed.
3. The City and the County shall perform inspection and testing; upon successful completion of such, the City shall accept the water main and appurtenances.
4. The City reimbursement to NAHC will be the difference between the upsized waterline, a 16 inch from an 8 inch line, for the line otherwise required by NAHC as further clarified in item 5 below.

5. To determine the reimbursement amount:
 - a. The Contractors bidding the project will be asked to bid two Bid Schedules entitled:
 - (i) Bid Schedule A (Upsized Design)
 - (ii) Bid Schedule B (8" Design)
 - b. The City, Coconino County and NAHC will review the bids submitted to determine the three low qualified bidders for the entire project cost.
 - c. Selection of the lowest qualified bidder for the entire project cost will follow normal considerations, for the total County Bid.
 - d. The cost for the 8" Water Main, otherwise required by NAHC will be the lowest bid from among the three lowest qualified bidders for bid schedule A as determined above in 5b.
 - e. Reimbursement will also include any costs for changes or additions requested by the City during the course of construction. Reimbursement is authorized up to a maximum of \$ _____; any funding in excess of this amount will require City Council approval.
6. Coconino County shall be responsible for the periodic payment to Contractor for the Contract and its administration pursuant to Item 5c above, subject to NAHC reimbursement for the waterline actual expenses.
7. Coconino County shall handle all Pay Requests from Contractor during the course of construction. Upon City acceptance of the water main and the appurtenances, the City shall make the reimbursement as calculated above.

Please confirm, acknowledge and consent to this understanding.

Sincerely,
Shephard Wesnitzer, Inc.



Guillermo E. Cortes, P.E.
GC

ACCEPTED AND CONSENTED TO BY:
City of Flagstaff

ACCEPTED AND CONSENTED TO BY:
Northern Arizona Healthcare Corporation

By: _____

By: _____

Its: _____

Its: _____