



CITY OF ANN ARBOR
TRAFFIC SIGNAL INSTALLATION
AND MODIFICATION AGREEMENT

This agreement is entered into this ____ day of _____, 2012 by and between the City of Ann Arbor (City) and the Costco Wholesale Corporation (Costco).

WHEREAS, Costco intends to provide and or modify existing traffic signals at the intersection of S State and Research Park Drive associated with the development of its new development located in Pittsfield Township and has concluded that contracting with the City to modify those signals is in the best interest to the traveling public and the City.

WHEREAS, The City is willing to provide those services in accordance with the terms of this agreement. as described below:

- 1) **INSTALLATION:** The City agrees to install or modify electrical traffic control devices (traffic signals) at the locations as illustrated in Exhibit A. The actual cost of installation will be reimbursed by Costco to the City in an amount not to exceed \$60,815.
- 2) **PERSONNEL, EQUIPMENT, AND FACILITIES:** the city shall provide competent personnel, equipment and facilities to perform the installation and maintenance functions specified in this agreement. In performing its obligations, the City will avoid unnecessary costs while utilizing current and accepted practices to maintain the working order for the traffic signals. The City agrees to be responsible for the continued maintenance and repair of the traffic signals. Nothing in this agreement, however, shall guarantee continuous operation of the traffic signals.
- 3) **SUBCONTRACTS:** At its sole discretion, the City may subcontract any portion of the work to be performed under this agreement.
- 4) **REIMBURSEMENT:** Costco shall reimburse the City for the following costs incurred in the performance of this agreement:
 - a. The City's direct labor, fringe benefit, administrative, and overhead costs.
 - b. Miscellaneous and non-stock material for completion of the job.
 - c. The City's equipment rental costs. Rental costs shall be based on the City's actual equipment costs and total hours of usage and apply to both City-owned and non-City owned equipment.

- d. The City's material costs, including procurement, handling, and storage in accordance with the city's purchasing policy.
 - e. Any amounts the city pays to a subcontractor.
 - f. All direct labor, equipment, material, and subcontractor costs are also normally assessed a percentage of engineering and supervision overhead. The engineering and supervision overhead percentage will not apply to those services for which engineering and supervision are charged on a direct basis.
- 5) **PAYMENT:** Upon completion of work authorization by this agreement, the city will submit an invoice for payment to Costco. This invoice will include those costs referenced in Paragraph 4 and shall be accompanied by a report generated by the City indicating the specific traffic signal or signals involved and detailing the work completed. Costco shall pay the invoice in its entirety within thirty (30) days of receipt.
- 6) **LIABILITY:** Except as provided elsewhere in this agreement, to the extent allowed by law, the City and Costco each will defend, indemnify and hold the other harmless (including its board, officials, officers and employees) from and against any and all claims, demands, suits, judgments, liabilities, losses and expenses, arising from its acts or omissions under this agreement.
- 7) **INSURANCE:** The City will at all times maintain all appropriate levels and types of insurance commercially prudent for the types of activities and responsibilities the City is assuming under this agreement, including some or all coverage through self-insurance. The City will promptly provide evidence of such insurance upon written request from Costco.
- 8) **WORKER'S COMPENSATION COVERAGE:** The City agrees to comply with the Michigan Worker's Disability Compensation Law as to all employees performing work under this agreement.
- 9) **COMPLIANCE WITH LAWS:** The City agrees that in the performance of work herein enumerated, by itself, or by a subcontractor, or by anyone acting on its behalf, that they will comply with any and all state, federal, and applicable local statutes, ordinances, and regulations, including those governing the furnishing and use of all safeguards, safety devices, and protective equipment. The work will be performed in accordance with good engineering practices with the least possible inconvenience to the public.
- 10) **EXCAVATION:** the City or its subcontractors will trench the site, install conduit wiring, signals, signal cabinet, Mast Arms, Pedestrian Signals, and bore under the road. The City, Costco and anyone acting on behalf of either of them must contact MISS DIG (1-800-482-717) before excavating in an area near to the locations listed in Exhibit A.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed the day and year first written above.

Costco Wholesale Corporation,
A Washington corporation

By: _____
Gordon Thomas
Its: Corporate Counsel

The City of Ann Arbor,
A Michigan municipal corporation

By: _____
John Hieftje
Its: Mayor

By: _____
Jacqueline Beaudry
Its: City Clerk

APPROVED as to substance:

Steven D. Powers
City Administrator

Craig Hupy
Interim Public Services Administrator

APPROVED as to form:

Stephen K. Postema
City Attorney