CITY OF LENOIR

COUNCIL ACTION FORM

I. Agenda Item: Consideration for the approval to identify the participation in project costs, project delivery and/or maintenance for NC Department of Transportation (NC DOT) TIP # U-4700CA, the betterment portion of adjusting water facilities in conflict with upgrading the US 321 intersection at SR 1160 (Mount Herman Road).

II. Background Information:
NC DOT is set to let project number TIP #: U-4700CA in the fall of 2026. This project consists of intersection upgrades at US 321 and Mount Herman Road to a superstreet design, combined with project TIP# U---4700CB. The betterment adjustment includes the upgrading of the existing 6-inch water and 8-inch water lines to a 12-inch water line with related appurtenances. Once completed the City of Lenoir will assume the responsibility for the normal maintenance and operation of the utility lines. The estimated cost of the City's share of the betterment agreement is $145,564.62. The project is identified on the 2026-27 Public Utilities CIP.

III. Staff Recommendation: To approve the Agreement with NC DOT for water facilities upgrades at the intersection of US 321 and Mount Herman Road, as presented.

IV. Reviewed by:

City Attorney: _____

Finance Director: _____

Public Works/Public Utilities Director: *Jeff Church*

ACCOUNTS RECEIVABLE
UTILITY CONSTRUCTION AGREEMENT
1000029316

AGREEMENT OVERVIEW

NORTH CAROLINA
CALDWELL COUNTY

DATE: 5/26/2026

PARTIES TO THE AGREEMENT:

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

AND

CITY OF LENOIR

PROJECT NUMBERS:

TIP #: U-4700CA

WBS ELEMENTS: 35993.3.5

The purpose of this Agreement is to identify the participation in project costs, project delivery and/or maintenance, by the other party to this Agreement, as further defined in this Agreement.

SCOPE OF PROJECT ("Project"): This Project consists of adjusting water facilities in conflict with upgrading the US 321 from SR 1160 (Mount Herman Road) from an intersection to a superstreet design, combined with U-4700CB. The adjustments include upgrades of the existing 8-inch and 10-inch water lines to a 12-inch water line with related appurtenances.

ESTIMATED COST TO OTHER PARTY: $145,564.62

PAYMENT TERMS: The Department will invoice the City of Lenoir in accordance with the terms defined herein. Reimbursement payments shall be made in full by the City of Lenoir within sixty (60) days of the invoice date.

MAINTENANCE: The City of Lenoir is responsible for all utility maintenance.

EFFECTIVE DATES OF AGREEMENT:
START: Upon Full Execution of this Agreement
END: When work is complete and all terms are met.

This **Agreement** is made and entered into on the last date executed below, by and between the North Carolina Department of Transportation, an agency of the State of North Carolina, hereinafter referred to as the **Department,** and the City of Lenoir, hereinafter referred to as the **Municipality**; and collectively referred to as the **Parties**.

The **Parties** to this Agreement, listed above, intend that this Agreement, together with all attachments, schedules, exhibits, and other documents that both are referenced in this Agreement and refer to this Agreement, represents the entire understanding between the **Parties** with respect to its subject matter and supersedes any previous communication or agreements that may exist.

I. WHEREAS STATEMENTS

WHEREAS, this Agreement is made under the authority granted to the **Department** by the North Carolina General Assembly under General Statutes of North Carolina (NCGS), particularly Chapter 136-27.1 and 136-27.3; and,

WHEREAS, the **Department** has plans to make certain street and highway constructions and/or traffic control improvements; and,

WHEREAS, the **Municipality** has requested that the **Department** perform work or provide services; and,

WHEREAS, the **Parties** hereto wish to enter into an agreement for scoped work to be performed or provided by the **Department** (including construction, reviews, goods, or services) with reimbursement for the costs thereof by the **Municipality** as hereinafter set out; and,

WHEREAS, the **Department** and the **Municipality** have agreed that the jurisdictional limits of the **Parties** , as of the date of entering the agreement for the above-mentioned project, are to be used in determining the duties, responsibilities, rights, and legal obligations of the **Parties** hereto for the purposes of this Agreement; and,

NOW, THEREFORE, this Agreement states the promises and undertakings of each party as herein provided, and the **Parties** do hereby covenant and agree, each with the other, as follows:

II. RESPONSIBILITIES

A. DEPARTMENT

The **Department** shall be responsible for all phases of project delivery to include utility relocation, and construction, and/or maintenance as shown in the **PROJECT DELIVERY REQUIREMENTS** Provision.

B. MUNICIPALITY

The **Municipality** shall be responsible for maintenance as shown in the **PROJECT DELIVERY REQUIREMENTS** Provision and payment as shown in the **COSTS AND FUNDING** Provision.

III. PROJECT DELIVERY REQUIREMENTS

A. CONSTRUCTION

i. At the request of the **Municipality**, the **Department** shall place provisions in the construction contract for Project U-4700CA, for the contractor to adjust and relocate utility lines and/or provide betterment. The work is described as follows: Relocation of conflicting

water facilities owned by the City of Lenoir, which includes upgrades of the existing 8-inch and 10-inch water lines to a 12-inch water line with related appurtenances.

ii. Said work shall be accomplished in accordance with plan sheets, attached hereto as Exhibit "A", cost estimate attached hereto as Exhibit "B", and project specific provisions, if applicable, attached hereto as Exhibit "C".

iii. The Department's Standard Special Provisions binds the contractor to guarantee materials and workmanship against latent and patent defects arising from faulty materials, faulty workmanship or negligence for a period of twelve months following the date of final acceptance of the work for maintenance and shall replace such defective materials and workmanship without cost to the **Department**. The highway contractor will not be responsible for damage due to faulty design, normal wear and tear, for negligence on the part of the **Department**, and/or for use in excess of the design. Where items of material carry a manufacturer's guarantee for any period in excess of twelve months, then the manufacturer's guarantee shall apply to that particular piece of material. Appropriate provisions of the payment and/or performance bonds shall cover this guarantee for the project. Should any failure result from the conditions found in this section the **Department** would then enter into a contract with the **Municipality** for reimbursement to be made to the **Municipality** for necessary repairs performed by the **Municipality** and/or its contractor. The Utility Relocation Agreement would be issued by the NCDOT Utilities Unit and the repairs would be coordinated between the **Municipality** and the **Department's** assigned Resident Engineer.

B. MAINTENANCE AND OPERATIONS

i. Upon satisfactory completion of the utility relocations and successful placement of the utility lines into service, the **Municipality** shall assume responsibility for the normal maintenance and operation of the utility lines. Upon completion of the construction of the highway project, the **Municipality** shall release the **Department** from any and all claims for damages in connection with adjustments made to its utility lines; and, further, the **Municipality** shall release the **Department** of any future responsibility for the cost of maintenance to said utility lines. The **Department** will invite the **Municipality** to the Final Inspection meeting with its contractor and will include the **Municipality** in the project acceptance notification. Said releases shall be deemed to be given by the **Municipality** upon completion of construction of the project and its acceptance by the **Department** from its contractor unless the **Municipality** notifies the **Department**, in writing, to the contrary prior to the **Department's** acceptance of the project.

ii. The **Municipality** obligates itself to service and to maintain its facilities to be retained and installed over and along the highway within the **Department's** right-of-way limits in accordance with Paragraph B. i., the mandate of the North Carolina General Statutes and such other laws, rules, and regulations as have been or may be validly enacted or adopted, now or hereafter.

iii. If at any time the **Department** shall require the removal of or changes in the location of the encroaching facilities, which are being relocated at the **Municipality's** expense, the **Municipality** binds itself, its successors and assigns, to promptly remove or alter said facilities, in order to conform to the said requirement (if applicable per G.S. 136-27.1), without any cost to the **Department**.

IV. COSTS AND FUNDING

A. PROJECT COSTS

i. The **Municipality** shall be responsible for relocation, and/or betterment, costs for utility work as shown on the attached Exhibit "A". The estimated cost to the **Municipality** is $145,564.62 as shown on the attached Exhibit "B". The estimated cost includes a 16% charge for Engineering and Incidentals ("E&I"). The E&I percentage charge may be negotiated at the **Department's** discretion if a valid extenuating circumstance is presented by the **Municipality** and agreed to by the **Department**.

ii. E&I charges include but are not limited to: contract administration; project management; construction engineering and inspection (CE&I); in-field plan revisions; mobilization; stationary and portable work zone signs; traffic control flaggers; law enforcement; lane closure equipment; erosion control; grading, seeding, mulching and topdressing. E&I will be invoiced based upon the actual cost of utility work, not the cost of highway work.

iii. Upon request by the **Municipality**, the **Department** will provide the **Municipality** with an updated estimate of the utility work based on the bid amounts in the awarded highway contract.

iv. It is understood by both **Parties** that this is an estimated cost for the utility work described in this Agreement and is subject to change.

B. PAYMENT BY THE MUNICIPALITY

i. Upon the satisfactory completion and the **Municipality's** acceptance of the relocations and adjustments of the utility lines covered under this Agreement, the **Department** may at its discretion submit an itemized invoice to the **Municipality** for partial costs incurred for the utility work. The partial cost invoice will not exceed 90% of the total utility work cost estimate. Upon completion of the highway work, the **Department** shall submit an itemized invoice to the **Municipality** for the balance of unpaid costs incurred for the utility work. Billings will be based upon the actual bid prices, the actual quantities used, and shall include the E&I charge described above.

ii. Reimbursement payments shall be made in full by the **Municipality** within sixty (60) days of said invoices.

iii. If the **Municipality** does not pay said invoices within sixty (60) days of the date of the invoice, the **Department** shall charge interest on any unpaid balance at a variable rate of the prime plus one percent (1%) in accordance with G.S. 136-27.3.

iv. Any cost incurred due to additional utility work requested by the **Municipality** after award of the construction contract, shall be solely the responsibility of the **Municipality**. The **Municipality** shall reimburse the **Department** 100% of the additional utility cost.

v. In the event the **Municipality** fails for any reason to pay the **Department** in accordance with the provisions for payment hereinabove provided, North Carolina General Statute 136-41.3 authorizes the **Department** to withhold so much of the **Municipality's** share of funds allocated to said **Municipality** by North Carolina General Statute, Section 136-41.1, until such time as the **Department** has received payment in full.

C. DOWN PAYMENT OR PRE-PAYMENT

At any time prior to final billing by the **Department**, the **Municipality** may prepay any portion of the estimated cost by sending payment in accordance with the attached "Remittance Guidance". The **Department** will provide a final billing based on the actual cost, less any previous payments that have been made.

V. STANDARD PROVISIONS

A. AGREEMENT MODIFICATIONS

Any modification to scope, funding, responsibilities, or time frame will be agreed upon by all **Parties** by means of a written supplemental agreement.

B. ASSIGNMENT OF RESPONSIBILITIES

The **Department** must approve any assignment or transfer of the responsibilities of the **Municipality** set forth in this Agreement to other parties or entities.

C. AGREEMENT FOR IDENTIFIED PARTIES ONLY

This Agreement is solely for the benefit of the identified **Parties** to the Agreement and is not intended to give any rights, claims, or benefits to third parties or to the public at large.

D. OTHER AGREEMENTS

The **Municipality** is solely responsible for all agreements, contracts, and work orders entered into or issued by the **Municipality** to meet the terms of this Agreement. The **Department** is not responsible for any expenses or obligations incurred for the terms of this Agreement except those specifically eligible for the funds and obligations as approved by the **Department** under the terms of this Agreement.

E. TITLE VI

The other party to this Agreement shall comply with Title VI of the Civil Rights Act of 1964 (Title 49 CFR, Subtitle A, Part 21) and related nondiscrimination authorities. Title VI and related authorities prohibit discrimination on the basis of race, color, national origin, disability, gender, and age in all programs or activities of any recipient of Federal assistance.

F. AUTHORIZATION TO EXECUTE

The **Parties** hereby acknowledge that the individual executing this Agreement has read this Agreement, conferred with legal counsel, fully understands its contents, and is authorized to execute this Agreement and to bind the respective **Parties** to the terms contained herein.

G. DEBARMENT POLICY

It is the policy of the **Department** not to enter into any agreement with **Parties** that have been debarred by any government agency (Federal or State). By execution of this agreement, the **Municipality** certifies that neither it nor its agents or contractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal or State Agency or Department and that it will not enter into agreements with any entity that is debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction.

H. INDEMNIFICATION

To the extent authorized by state and federal statutes, the **Municipality** will indemnify and hold harmless the FHWA (if applicable), the **Department** and the State of North Carolina, their respective officers, directors, principals, employees, agents, successors, and assigns from and against any and all claims for damage and/or liability, including those that may be initiated by third parties, in connection with the Project activities performed pursuant to this Agreement including construction of the Project, except for those claims arising out of the errors, omissions, or negligence of the **Department**, its respective officers, directors, principals, employees, agents, successors, and assigns.

I. AVAILABILITY OF FUNDS

All terms and conditions of this Agreement are dependent upon, and, subject to the allocation of funds for the purpose set forth in the Agreement and the Agreement shall automatically terminate if funds cease to be available.

J. COUNTERPARTS AND ELECTRONIC SIGNATURES

i. This Agreement, and other documents to be delivered pursuant to this Agreement, may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document and will be effective when counterparts have been signed by each

of the **Parties**. An image of a manual signature on this Agreement, or other documents to be delivered pursuant to this Agreement, will constitute an original signature for all purposes. The delivery of copies of this Agreement or other documents to be delivered pursuant to this Agreement, including executed signature pages where required, by electronic transmission will constitute effective delivery of this Agreement or such other document for all purposes.

ii. The **Parties** hereto further acknowledge and agree that this Agreement may be signed and/or transmitted by email or a PDF document or using electronic signature technology (e.g. DocuSign, Adobe Sign, or other electronic signature technology), and that such signed record shall be valid and as effective to bind the **Party(ies)** so signing as a paper copy bearing a handwritten signature. By selecting "I Agree", "I Accept", or other similar item, button, or icon via use of a keypad, mouse, or other device, as part of the electronic signature technology, the **Parties** consent to be legally bound by the terms and conditions of Agreement and that such act constitutes a signature as if actually signed in writing. The **Parties** also agree that no certification authority or other third-party verification is necessary to validate its electronic signature and that the lack of such certification or third-party verification will not in any way affect the enforceability of its electronic signature; however, each **Party** agrees to maintain certification records and will produce said records upon request. The **Parties** acknowledge and agree that delivery of a copy of this Agreement or any other document contemplated hereby through the electronic signature technology, will have the same effect as physical delivery of the paper document bearing an original written signature.

K. GIFT BAN

By Executive Order 24, issued by Governor Perdue, and NCGS 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e. Administration, Adult Corrections, Commerce, Environmental Quality, Health and Human Services, Information Technology, Military and Veterans Affairs, Natural and Cultural Resources, Public Safety, Revenue, Transportation, and the Office of the Governor).

SIGNATURE PAGE

IN WITNESS WHEREOF, this Agreement has been executed the day and year heretofore set out, on the part of the **Department** and the **Municipality** by authority duly given.

(DOCUSIGN ONLY)

CITY OF LENOIR

Authorized Signer: _____ Print Name: _____

Date Signed: _____ Title: _____

If applicable, this Agreement has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act:

Finance Signer: _____ Print Name: _____

Date Signed: _____ Title: _____

Fed Tax ID No: _____

Remittance Address: _____

Purchase Order, Ref. No., etc.:

_____

Accounts Payable Contact:

Name: _____

Email: _____

Phone Number: _____

DEPARTMENT OF TRANSPORTATION

By: _____ Print Name: _____

Date: _____ Title: _____

APPROVED BY BOARD OF TRANSPORTATION ITEM O: _____ (DATE)

SIGNATURE PAGE

IN WITNESS WHEREOF, this Agreement has been executed the day and year heretofore set out, on the part of the **Department** and the **Municipality** by authority duly given.

CITY OF LENOIR (INK SIGNATURES)

Attest:

By: _____

Title: _____

Authorized Signer: _____

Print Name: _____

Title: _____

Date Signed: _____

If applicable, this Agreement has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act:

Fed Tax ID No: _____

Remittance Address:

_____

_____

Finance Signer: _____

Print Name: _____

Title: _____

Date Signed: _____

Purchase Order, Ref. No., etc.:

_____

Accounts Payable Contact:

Name: _____

Email: _____

Phone Number: _____

DEPARTMENT OF TRANSPORTATION (DOCUSIGN)

By: _____

Date: _____

Print Name: _____

Title: _____

APPROVED BY BOARD OF TRANSPORTATION ITEM O: _____ (DATE)