

CONTRACT NO. 173-16 β

INTERLOCAL COOPERATIVE AGREEMENT
BETWEEN
THE PORT OF BENTON AND THE CITY OF RICHLAND
FOR THE JOINT MASTER PLAN OF
PORT OF BENTON AND CITY OF RICHLAND INDUSTRIAL RAILROAD TRACK

THIS INTERLOCAL COOPERATIVE AGREEMENT is entered into this 11 day of October, 2016, between the Port of Benton, a municipal corporation of the State of Washington, hereafter referred to as "Port," and the City of Richland, Washington, a municipal corporation of the State of Washington, hereafter referred to as "City" or referred to collectively as the "Jurisdictions."

I. RECITALS

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantages and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, pursuant to RCW 39.34.080, each Party is authorized to contract with any one or more public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform: provided that such contract shall be authorized by the governing body of each Party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties; and

WHEREAS, the Jurisdictions have requested proposals for a Joint Master Plan of the Port of Benton and City of Richland Industrial Railroad Track; and

WHEREAS, the Jurisdictions have determined that creating one (1) Master Plan jointly is in the best interest of the Jurisdictions and the public; and

WHEREAS, the Jurisdictions, by their respective governing bodies, have determined this effort may be best implemented on a shared basis in a manner deemed most efficient and effective for the Jurisdictions.

NOW, THEREFORE, in consideration of this mutual covenants contained herein, the Jurisdictions agree as follows:

II. AGREEMENT

Section 1. Purpose and Scope of Work: The purpose of this Agreement is to formalize a commitment to complete a Joint Master Plan of the Port of Benton and City of Richland Industrial Railroad Track, as shown on attachment Exhibit A.

Section 2. Administration: This Agreement shall be administered by the Port of Benton, Executive Director or his designee. Such person shall be responsible for:

- a) Establishing policies for implementing this Agreement;
- b) Providing periodic progress reports to the elected officials of each Jurisdiction;
- c) Monitoring progress of the Jurisdictions and other agencies in the fulfillment of their respective responsibilities.

Section 3. Funding: The City of Richland hereby commits to provide funding as set forth below:

- a) Contract work (including 10% contingency): \$20,000.00
- b) Contract administration/inspection: \$ 1,000.00

The Port of Benton hereby commits to provide funding as set forth below:

- a) Contract work (including a 10% contingency): \$20,000.00
- b) Contract administration

This funding shall be used for the Joint Master Plan of the Port of Benton and City of Richland Industrial Railroad Track per the proposal on attached Exhibit A.

Section 4. Development and Bid Award Requirements: Each Jurisdiction hereby commits to the provision as set forth below:

- a) The Port of Benton will issue a Request for Qualifications for candidates to prepare a Master Plan for the Property.
- b) The City will cooperate with the Port to review the qualifications of parties submitting a response to the Request for Qualifications.
- c) The Port will request a bid proposal from the selected contractor.
- d) The City will review the proposal and project cost estimate and notify the Port in writing if the bid is acceptable for award.
- e) The Port will award the contract for the Master Plan.

Section 5. Cooperation with Contractor: Each Jurisdiction hereby commits to:

- a) Consult with the Contractor and provide input and documentation to the Contractor to assist with the development of the Master Plan, to the extent the information or documents are not privileged.
- b) Review drafts of the Master Plan and provide input and responses as requested by the Contractor.
- c) Respond to inquiries in a prompt manner to avoid delays in the preparation of the Master Plan.

Section 6. Modification: This Agreement may be modified only by written consent of each Jurisdiction.

Section 7. Term of Agreement and Termination:

- a) The term of this Agreement shall become effective on full execution hereof.
- b) This Agreement shall expire on the date of completion of the Project.
- c) In the event the either party elects to terminate this agreement prior to the expiration of the contract term, the terminating party shall provide written notice of the intent to terminate and the termination date which shall be at least ten days after the date the notice is delivered to the other party. The terminating party shall be responsible for its share of the costs incurred with the Contractor up to the termination date.

Section 8. Inspection of Records: The records and documents with respect to all matters covered by this Agreement shall be subject to inspection by any Jurisdiction during the term of this Agreement and for three (3) years after its termination.

Section 9. No Separate Legal Entity: It is not the intention that a separate legal entity be established to conduct the cooperative undertaking, nor shall any acquiring, holding or disposing of real or personal property occur under this Agreement.

Section 10. Severability: In the event any term or condition of this Agreement or application thereof to any person, entity or circumstance is held invalid, such invalidity shall not affect any other terms, conditions or applications of this Agreement which can be given effect without the invalid term, condition, or application. To this end, the terms and conditions of this Agreement are declared severable.

Section 11. Venue, Applicable Law and Personal Jurisdiction: All questions related to this Agreement shall be resolved under the laws of the State of Washington. In the event that either party deems it necessary to institute legal action arising from this Agreement, such action shall be instituted in Benton Superior Court. The parties each consent to the personal jurisdiction of such court.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the day and year written below.

PORT OF BENTON



SCOTT D. KELLER, PPM
Executive Director

Date: September 14, 2016

CITY OF RICHLAND, WASHINGTON



CYNTHIA D. REENTS
City Manager

Date: 10-11-16

ATTEST:



KELLY THOMPSON
Administrative Assistant

ATTEST:



Name: MARCIA HOPKINS
Title: City Clerk

APPROVED AS TO FORM:



THOMAS A. COWAN
Attorney for the Port of Benton

APPROVED AS TO FORM:



HEATHER KINTZLEY
City Attorney

**Port of Benton-City of Richland
Joint Master Plan
POB/COR Industrial Railroad Track**

Request for Qualifications

1. Introduction

The Port of Benton (Port) and the City of Richland (City) are jointly seeking qualified firms or individuals to assist the Port and City in developing a master plan (Plan) for the industrial rail spur that currently exists in Richland, WA.

The Port owns approximately 15 track miles of industrial spur through the City of Richland extending into the Horn Rapids Industrial Park. The City of Richland owns approximately 2.5 track miles of industrial spur track within the Horn Rapids Industrial Park. There are several existing customers served by rail on this industrial spur. Currently they are either served directly by BNSF or by UPRR's agent, Tri-City Railroad.

Both the Port and the City anticipate more rail traffic in the future. Additionally, both the Port and the City want to maximize the benefit of the rail system in Richland while protecting the citizens as much as possible from the impacts of additional train traffic.

The Port of Benton is taking the lead on the Plan and will be the contracting agency.

2. Request for Qualifications

The Port and City are requesting Statements of Qualifications from companies or individuals with the capability and qualifications to prepare a master plan for the existing industrial track, including needed improvements, and including the benefits from said improvements. The Plan shall include:

- a. Overview of existing industrial track and rail customers – the Port recently completed an appraisal of the infrastructure and is currently completing an economic benefit analysis of the infrastructure.
- b. Identify 2-3 potential expansion opportunities that the existing system could support, along with needed expansion and improvements, as well as a discussion of benefits and budgetary costs for those improvements. This is expected to be a very high level analysis of what type of improvements the industrial track

June 24, 2016

needs and what type of improvements would be the best benefit to the Port and City. The focus would be on the next 5-10 years. Additionally, the Port and City would like recommendations on the type of business to pursue that would be best suited to our track and other infrastructure.

- c. Analysis of the financial impacts of expansion of the existing infrastructure as well as impacts to the community due to increased rail traffic. This would be relative to traffic and horn noise impacts only. This is not meant to be an environmental study.
- d. Analysis of potential needed safety improvements as well as review of quiet zones (whistle-less crossing) and upgraded crossings.

3. RFQ Submission Requirements

In order to be considered responsive to this RFQ, respondents shall submit an electronic copy of their Statement of Qualifications. Submittals should be 7- 10 pages in length. Submittals should include:

- a. Identity of the entity/individual that would contract with the Port, including name(s), address, telephone and email and fax numbers for whom correspondence should be directed.
- b. Name of principal in charge, point of contact.
- c. Brief resume of key individuals proposed to be involved with the project.
- d. Identify experience and qualifications of the firm or individuals in preparation of similar plans over the past five (5) years.
- e. Experience and qualifications of the key project staff related to the proposed functions they would perform.

4. Project Schedule

Submittals are requested to be received by the Port of Benton no later than close of business July 13, 2016. The Port intends to select a firm by Monday July 18th and immediately contract for, and begin, the work. The Port would like a final draft of the Plan by October 14, 2016. Both the Port and the City have already confirmed funding for this master plan.

June 24, 2016

5. Selection Process

The Port/City will evaluate and rank the Qualifications Statements based on the experience of the firm and staff, and experience completing a master plan for a railroad or industrial track. Experience with public entities is preferred. Experience with UPRR, BNSF, and preferably short line railroads, is a must.

The Port reserves the right, where it may serve the Port's best interest, to request clarification or additional information from individual respondents and to investigate the capability, reputation, integrity, skill, business experience, and quality of performance under similar operations of each respondent.

There is no expressed or implied obligation for the Port or City to reimburse respondents for any expenses incurred in preparing a proposal in response to this request.

The Port reserves the right to reject any or all responses for any reason and then seek new proposals or take other action.

6. General Information

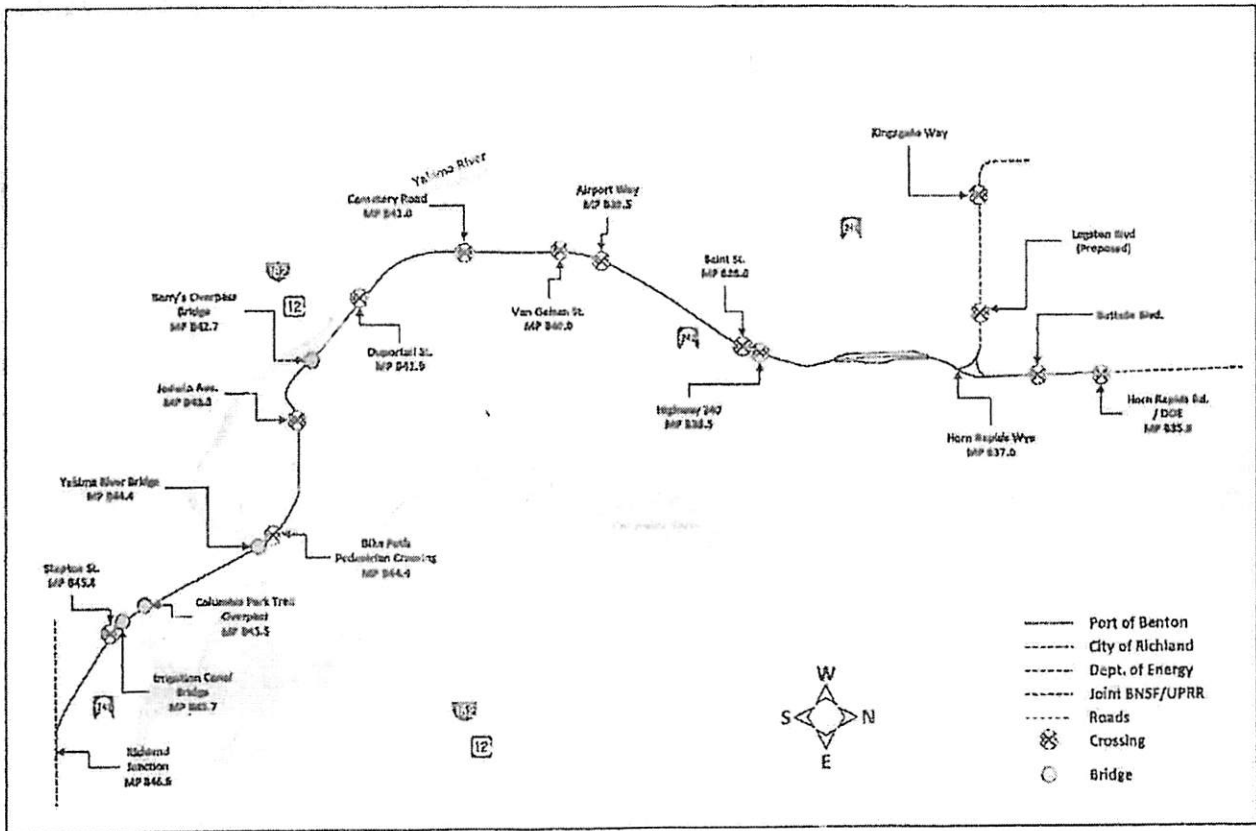
The respondent chosen will be expected to complete a Professional Services Contract with the Port of Benton (who is the lead agency on this project).

The Port contract lead on this project is Stuart Dezember, Finance Director for the Port of Benton, 509-375-3060. The Port's technical lead on this project is Roger Wright, P.E., contract engineer for the Port of Benton as well as the City of Richland's Economic Development Department, roger@rqwenterprises.com, 509-375-3565.

END

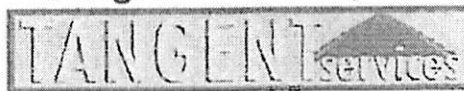
EXHIBIT A

Scope of Work Port of Benton - City of Richland Joint Master Plan POB/COR Industrial Railroad Track



Submitted by

Tangent Services, Inc.



BACKGROUND

The City of Richland (City) and Port of Benton (Port) are both owners of major industrial properties in the Richland area. Notably, these properties include the 2,500-acre Horn Rapids Industrial Park (City) and the 760-acre Manufacturing Mall (Port). These properties are served by a Port-owned rail line with connections to Class I railroads and a City-owned rail spur that connects to the Port's rail line.

In February 2016, the Department of Energy transferred the ownership of an additional 1,341 acres of property to the City and the Port. This transfer has prompted an effort to develop a joint rail master plan the entire property for future rail infrastructure based on potential development scenarios. Tangent Services, Inc. (TSI) has been awarded the work to provide a conceptual rail master plan for the City and Port. TBY, Inc. (TBY) will also work on the project as a rail engineering sub-consultant to TSI.

The following is the scope of work for the effort.

WORK TASKS

Task 1 – Review of Existing Conditions

TSI will review existing planning and study documents for Port's and City's industrial properties. This task will also include an overview of existing industries and rail related cargo movements. We will work with Port and City staff to determine the natural extensions from existing infrastructure on to the new property including; rail, road and utilities.

TSI and TBY will interpret, summarize, and provide context to these studies.

Task 2 – Identify Expansion Opportunities and Development Requirements

This task will assess and recommend future rail-related uses for the Port's and City's properties.

This work will include:

- Determine the requirements and volumes associated with each expansion opportunity, including rail/truck volumes, facility acreage and configuration, length of trains, length of working and support tracks, etc.
- Identify possible locations for new rail-related developments; show these locations on a map.
- Identify track improvements needed to accommodate new opportunities; show these improvements on map.

- Provide cost estimates for related track improvements, including support tracks if needed.
- Provide information and drawings for two or three alternatives.

Task 3 – Financial Analysis of Expansion Opportunities

The expansion of the rail activity in the Richland area will require increased addition, maintenance, and, eventually, replacement of key components of the existing rail infrastructure. Funding improvements, maintenance, and capital replacement is often a challenge for the owners and operators of short line railroads.

As part of the plan, TSI will:

- Examine and recommend revenue mechanisms the City or Port might employ to generate funds for the improvement and maintenance of the City/Port's rail assets.
- Provide development and ownership alternatives for potential new rail improvements that may be recommended by the plan.
- Describe examples of rail infrastructure public/private funding mechanisms employed by other ports and municipalities.

Task 4 – Analysis of Community Impact

TSI is also prepared and qualified to estimate the possible impacts to the community that are related to the growth of rail activity envisioned by the new plan. These impacts are likely to include increased numbers of rail cars and train starts, with accompanying train movements through at-grade crossings. Also, certain types of rail-related developments will generate increased truck movements through the community. Under this task, TSI will provide estimates of increased traffic under specific development scenarios.

Task 5 – Analysis of Crossing Improvements Including Quiet Zones

This task will examine the potential establishment of a quiet zone (or zones) along the Richland rail corridor. Under this task, TSI will:

- Describe the process used to establish a quiet zone.
- Identify crossings within the desired quiet zone (about seven crossings, from N. Steptoe Street to SR 240).
- Identify possible Supplementary Safety Measures (SSMs) that might be installed at each identified crossing to establish the quiet zone. Possible SSMs include:

medians or channelization devices, one-way streets with gates, four quadrant gate systems, and temporary or permanent crossing closures.

- Estimate the cost to install the respective SSM options at each crossing, and estimate the overall cost to establish the quiet zone.

This will be a high-level reconnaissance study of what is needed to establish a quiet zone.

DELIVERABLES

Three printed copies and electronic copy of Master Plan document. One presentation to City staff and one presentation to Port staff at the conclusion of the project. Three trips to Richland; one for kick-off meeting, one for status meeting at project mid-point and one trip for presentations at conclusion of project.

SCHEDULE

Project will be complete by December 1st 2016. This is assuming client, stakeholder, and client responsiveness as required in a timely manner.

FEES

Time and materials not to exceed \$40,000.00. TSI and TBY hourly rates are \$150.00 per hour.

PROJECT TEAM

<p><u>Primary Consultant</u></p> <p>Tangent Services, Inc. (TSI) is a corporation that was founded in Oregon in 2006. TSI provides rail and port related services to clients across Oregon and Washington.</p>	<p><u>Office Location</u></p> <p>Tangent Services, Inc. 4160 SE International Way, Suite 206 Portland, OR 97222</p>
<p><u>Point of Contact</u></p> <p>Ann-Marie Lundberg Phone: (503) 594-2101 Email: lundberg@tangentservicesinc.com Ms. Lundberg is the TSI principal in charge.</p>	<p><u>Sub-consultant</u></p> <p>TSI will be joined by TBY, Inc. (TBY), who will provide rail engineering services. Karl Huffaker, PE will provide these services on behalf of TBY. Karl is licensed in the state of Washington.</p>

The four-person project team will consist of Ann-Marie Lundberg (TSI), Craig Levie (TSI), Jim Daly (TSI), and Karl Huffaker, PE (TBY).

Ann-Marie Lundberg



Ann-Marie Lundberg will serve as Project Manager and primary point of contact for the project. Ann-Marie will develop presentation materials and coordinate stakeholder outreach.

Craig Levie



Craig Levie will provide technical rail input regarding operations, negotiations and conceptual infrastructure planning. He will also advise on rail based business case development.

Jim Daly



Jim Daly will be responsible for project documentation, business case and financial analysis and research.

Karl Huffaker, PE



Karl Huffaker will be responsible for infrastructure development feasibility and cost estimating.