

RESOLUTION NO. 10-688

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON AWARDING 232ND AVENUE SE OVERLAY PROJECT TO WESTERN ASPHALT INC. AND AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT

WHEREAS, the City of Black Diamond has budgeted through the Capital Improvement Plan the repair and overlay of 232nd Ave SE; and

WHEREAS, the City has properly solicited bids through the City adopted Small Works Roster; and

WHEREAS, the City has evaluated the bids and selected the lowest qualified bidder; and

WHEREAS, Western Asphalt, Inc was the lowest responsive bid;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. Award the bid for the 232nd Avenue SE Overlay Project in the amount of \$34,783 to Western Asphalt, Inc.

Section 2. The Mayor is hereby authorized to execute a contract Western Asphalt, Inc. to complete the 232nd Avenue SE Overlay Project, substantially in the form attached hereto as Exhibit A.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 3RD DAY OF JUNE, 2010.

CITY OF BLACK DIAMOND:



Rebecca Olness, Mayor

Attest:



Brenda L. Martinez, City Clerk

CITY OF BLACK DIAMOND

Department of Public Works
P.O. Box 599 – 24301 Roberts Drive
Black Diamond, Washington 98010

SMALL PUBLIC WORKS CONTRACT

1. **Parties.** This Contract is voluntarily and knowingly entered into by and between the CITY OF BLACK DIAMOND, King County, Washington ("City"), and _Western Asphalt, Inc. ("Contractor"), collectively, "the Parties."
2. **Project.** The Parties enter into this Contract for purposes of Contractor performing work ("the Project"), generally described as:

1000 feet Repair and Overlay of a portion of 232nd Ave SE; see City May 5th letter, Western Asphalt bid and map
3. **Effective date.** This Contract becomes effective and binding upon the Parties, including their heirs, successors, and assigns, immediately upon the most recent date of signature appearing on this Contract.
4. **Notices to Parties.** Contractor agrees to accept notices under this Contract via facsimile. It is the responsibility of Contractor to notify City in writing if any of the contact information appearing below should change. Any notices required shall be in writing and delivered to the following addresses:

CITY:

CITY OF BLACK DIAMOND
P.O. Box 599 – 24301 Roberts Drive
Black Diamond, Washington 98010
Contact: Seth Boettcher
Phone: (253) 886-2560
Fax: (360) 886-2592

CONTRACTOR:

Western Asphalt, Inc.
P.O. Box 980
Maple Valley, WA 98038
Tax I.D. # 91-0830959
Contact: Steve Eichelberger
Phone: (425) 432-8434
Fax: (425) 432-8854

5. **Obligations of Contractor.** In consideration of the mutual promises and obligations of the parties contained herein and incorporated by reference, Contractor expressly agrees to the following terms and conditions:

A. *In general.*

- (1) Responsible for all labor. Contractor agrees and understands that Contractor shall be solely responsible for furnishing all labor necessary to complete the Project as required.

- (2) Responsible for performing all work. Contractor agrees and understands that Contractor shall be solely responsible for performing all work necessary to complete the Project as required.
- (3) Responsible for furnishing all materials and equipment. Contractor agrees and understands that Contractor shall be solely responsible for furnishing all materials and equipment necessary to complete the Project as required, except for any materials expressly agreed in writing to be provided by City. Materials and equipment furnished under the Contract will be new and of good quality unless otherwise required and permitted by the City.
- (4) Documents incorporated by reference. Contractor agrees and understands that all terms and specifications contained in the May 5th bid solicitation letter issued by City as part of determining the awarding of this Contract is hereby incorporated by reference and must be complied with, unless one or more of such terms and specifications are expressly amended or waived in writing by City.
- (5) Laws and regulations to be followed. Contractor agrees and understands that Contractor, his employees, agents, and subcontractors, must at all times fully comply with all applicable laws, regulations, and administrative rulings in performing work for the Project.

B. *Work Performance.*

- (1) Prevailing wages. Contractor agrees and understands that prevailing wages, as that term is defined under the laws of the State of Washington, shall be paid for all work performed on this Project by Contractor and by Contractor's subcontractors and agents.
- (2) Notice to City. Minimum 24-hours prior notice shall be given to City's Department of Public Works prior to commencement of work under this Contract.
- (3) Approved Plans & Specifications to be followed. Contractor agrees that all work is to be performed to the City's satisfaction in compliance with the City's May 5th bid solicitation letter, the Contractor's bid and City Engineering design and construction standards prior to awarding this Contract, unless such requirements or specifications are expressly amended in writing by the City.
- (4) Contractors conditions The city accepts the contractor's Notes to proposal, Price qualifications, general provisions and price escalation agreement clause except where in conflict with this contract.
- (5) City Construction Standards to control. Contractor agrees that all work is to be performed to the City's satisfaction and in compliance with the City's Construction Standards. Where the Construction Standards are in conflict with the approved Plans & Specifications, the City's Construction Standards shall control.
- (6) Schedule of Work to be followed. Contractor understands and agrees that time is of the essence in performing the work needed for this Project. Contractor shall

diligently proceed with the work and shall assure that it, and its subcontractors, have adequate staffing at all times in order for Contractor to comply with any Schedule of Work agreed to by the Parties, and shall make all reasonable efforts to complete the work in a timely manner.

- (7) Duty to Correct. Contractor shall promptly correct work rejected by the City as failing to conform to the requirements of the Contract. The Contractor shall bear the cost of correcting such rejected work. In addition to the Contractor's other obligations under the Contract, the Contractor shall, for a period of one year after final acceptance of the Project by the City, correct work not conforming to the requirements of the Contract. If the Contractor fails to correct nonconforming work within a reasonable time, the City may correct it and Contractor shall reimburse the City for the cost of the correction.

C. *Non-Discrimination*.

- (1) Contractor agrees that it, and its subcontractors and other agents, shall not discriminate against any employee or applicant for employment or any other person in the performance of this Contract because of race, creed, color, national origin, marital status, sex, age, disability, or other condition prohibited by federal, state, or local law or ordinance, except where the condition constitutes a bona fide occupational qualification under law.
- (2) Any violation of this Section shall be a material breach of this Contract and grounds for immediate cancellation, termination, or suspension of the Contract by City, in whole or in part, and may result in Contractor being ineligible to perform further work for the City.

6. Compensation

Compensation for these services shall be a Lump Sum of thirty four thousand seven hundred eighty three dollars and 00 cents (\$34,783). This lump sum bid price does not include sales tax as overlay projects are exempt from sales tax.

7. Payment

- A. The Contractor will bill the city within three weeks of completing the project.
- B. All invoices shall be paid by City warrant within sixty (60) days of receipt of a proper invoice.
- C. Failure to perform any of the obligations under the Contract by the Contractor may be decreed by the City to be adequate reason for withholding any payments until compliance is achieved. Progress payments for work performed shall not be evidence of acceptable performance or an admission by the City that any work has been satisfactorily completed.
- D. Payments received on account of work performed by a subcontractor are subject to the provisions of RCW 39.04.250.

8. **Retainage.** Pursuant to RCW 60.28, a sum of five percent (5%) of the monies earned by the Contractor will be retained from progress payments. Such retainage shall be used as a trust fund for the protection and payment (1) to the State with respect to taxes imposed pursuant to RCW Title 82, and (2) the claims of any person arising under the Contract. No final payment or release of any retainage will be made until the contractor and each subcontractor has submitted an "Affidavit of Wages Paid" (LI 700-7) that has been certified by the industrial statistician of the Department of Labor and Industries.
9. **Performance Bond.** The City will not require a performance bond for this project but rather will only approve payment upon satisfactory completion of the project.
10. **Changes.** After execution of the Contract, changes in the Project may be accomplished by change order. The City, without invalidating the Contract, may order changes in the Project within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract completion date being adjusted accordingly. Change orders shall be in writing signed by the parties.
11. **Termination of Contract.** This Contract may be terminated by the City at any time upon the default of the Contractor or upon public convenience, in which Contractor shall be entitled to just and equitable compensation for any satisfactory work completed prior to the date of termination. Contractor shall not be entitled to any reallocation of cost, profit or overhead. Contractor shall not in any event be entitled to anticipated profit on work not performed because of such termination. Contractor shall use its best efforts to minimize the compensation payable under this Contract in the event of such termination. If the contract is terminated for default, the Contractor shall not be entitled to receive any further payments under the Contract until all work called for has been fully performed. Any extra cost or damage to the City resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor shall bear any extra expenses incurred by the City in completing the work, including all increased costs for completing the work, and all damage sustained, or which may be sustained by the City by reason of such default.
12. **Responsibility Criteria and Verification by Contractor.** Pursuant to Chapter 39.04 RCW, the following requirements must be included in any public works contract:

A. *Responsibility Criteria.*

- (1) Eligibility to be awarded contract. To be awarded this public works contract, the Contractor hereby certifies that Contractor meets the following responsibility criteria:
 - a. Contractor has a certificate of registration in compliance with chapter 18.27 RCW;
 - b. Contractor has a current state unified business identifier number;
 - c. If applicable, Contractor has industrial insurance coverage for Contractor's employees working in Washington as required under Title 51 RCW; an

employment security department number as required in Title 50 RCW; and a state excise tax registration number as required in Title 82 RCW; and

- d. Contractor is not disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3).

B. *Requirement to verify subcontractors.* Contractor must verify the responsibility criteria contained above for each first tier subcontractor, and a subcontractor of any tier that hires other subcontractors must verify responsibility criteria for each of its subcontractors. Verification shall include that each subcontractor, at the time of subcontract execution, meets the responsibility criteria listed in RCW 39.04.350(1) and possesses an electrical contractor license, if required by chapter 19.28 RCW, or an elevator contractor license, if required by chapter 70.87 RCW. This verification requirement must be included in every public works contract and subcontract of every tier.

13. Insurance

A. All employees, subcontractors, agents to be covered. Contractor shall procure and maintain for the duration of the Contract, and shall provide proof satisfactory to the City, that insurance is maintained by Contractor and each of its subcontractors or agents who are not otherwise covered by Contractor's insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Contractor, its agents, representatives, or employees.

B. Lack of insurance grounds for termination of contract. Failure of Contractor to maintain insurance as required herein shall be grounds for immediate termination of this Contract by the City.

C. Title 51 Industrial Insurance Waived. The parties have specifically negotiated as a term of this Contract that Contractor has agreed to expressly waive immunity under Title 51 RCW Industrial Insurance Law.

D. Minimum Scope of Insurance. Contractor shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop gap liability, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide the Aggregate Per Project Endorsement ISO form CG 25 03 11 85. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. The City shall be named as an

insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for The City using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing equivalent coverage.

3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

E. Minimum Amounts of Insurance. Contractor shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and a \$2,000,000 products-completed operations aggregate limit.

3. Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Commercial General Liability and Builders Risk insurance:

1. The Contractor's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

2. The Contractor's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

E. Contractor's Insurance for Other Losses. The Contractor shall assume full responsibility for all loss or damage from any cause whatsoever to any tools, Contractor's employee owned tools, machinery, equipment, or motor vehicles owned or rented by the Contractor, or the Contractor's agents, suppliers or contractors as well as to any temporary structures, scaffolding and protective fences.

F. Verification of Coverage. Contractor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the Automobile Liability and Commercial General Liability insurance of the Contractor before commencement of the work. Before any exposure to loss may occur, the Contractor shall file with the City a copy of the Builders Risk insurance policy that includes all applicable conditions, exclusions, definitions, terms and endorsements related to this project.

G. Subcontractors. Contractor shall ensure that each subcontractor of every tier obtain at a minimum the same insurance coverage and limits as stated herein for

the Contractor (with the exception of Builders Risk insurance). Upon request by the City, the Contractor shall provide evidence of such insurance.

14. Claims for damages.

- A. Excluded situations. City shall not be responsible for delays caused by soil conditions; underground obstructions; labor disputes; fire; delays by third parties, including public and private utilities; or reasonably foreseeable delays.
- B. Liability limited to direct costs. Contractor agrees that City's liability to Contractor for payment of claims or damages of any kind whatsoever related to this Contract shall be limited to direct costs as provided under the force account provisions of the Standard Specifications. Contractor expressly waives all claims for payment of damages that include or are computed on total costs of job performance, extended overhead, or other similar methods that are not specific as to the actual, direct costs of contract work as defined in the force account provisions of the Standard Specifications.
- C. "Damages" defined. For purposes of applying RCW 4.24.115 to this Contract, Contractor and City agree that the term "damages" applies only to a finding in a judicial proceeding and is exclusive of third party claims for damage primarily thereto.
- D. Indemnification. Contractor agrees to defend, indemnify, and hold harmless the City from all claims for damages by third parties, including costs and reasonable attorneys' fees in the defense of claims for damages arising from the performance of Contractor's express or implied obligations under this Contract. It is further agreed that all third party claims for damages against the City for which Contractor's insurance carrier does not accept defense of the City may be tendered by the City to Contractor, who shall then accept and settle with the claimant or defend the claim. City retains the right to approve claims investigation and counsel assigned to said claims, and all investigation of legal work product regarding said claims shall be performed under a fiduciary relationship to the City. In the event that the City agrees or a court finds that a claim arises from the sole negligence of City, City shall be responsible for all damages to third party claimant. In the event that City and Contractor agree or a court finds that a claim arises from the combined negligence of Contractor and City, Contractor shall be responsible for all damages payable by Contractor to third party claimant under the court findings and, in addition, Contractor shall indemnify the City for all damages paid or payable by City under the court findings in an amount not to exceed the percentage of total fault attributable to Contractor.

15. Indemnification/Hold Harmless. The Contractor shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, and volunteers, the Contractor's liability hereunder

shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

16. Assigning or Subcontracting. Contractor shall not assign, transfer, subcontract or encumber any rights, duties, or interests accruing from this Agreement without the express prior written consent of the City.

17. Independent Contractor. Contractor is and shall be at all times during the term of this Agreement an independent contractor.

18. Disputes. Any action for claims arising out of or relating to this Agreement shall be governed by the laws of the State of Washington. Venue shall be in King County Superior Court.

19. Attorneys Fees. In any suit or action instituted to enforce any right granted in this Agreement, the substantially prevailing party shall be entitled to recover its costs, disbursements, and reasonable attorneys fees from the other party.

20. Extent of Agreement/Modification. This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

BY ITS SIGNATURE BELOW, EACH PARTY ACKNOWLEDGES HAVING READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS AGREEMENT AND AGREES TO BE BOUND BY THEM.

CITY OF BLACK DIAMOND

By: Rebecca Olness
Print name: Rebecca Olness
Title: Mayor
Date: 6-30-10

CONSULTANT

By: Rob Meidinger
Print name: Rob Meidinger
Title: Vice President
Date: 6/25/2010

Attachments

**DECLARATION OF OPTION FOR MANAGEMENT
OF STATUTORY RETAINED PERCENTAGE**

Note: This form must be submitted at the time the Contractor executes the contract. Contractor shall designate the option desired by checking the appropriate space.

Monies reserved under provisions of RCW 60.28, at the option of the Contractor, shall be:

 X (1) Retained in a fund by the City.

 (2) Deposited by the City in an interest-bearing account in a bank, mutual savings bank or savings and loan association.

 (3) Placed in escrow with a bank or trust company by the City. When the monies reserved are to be placed in escrow, the City will issue a check representing the sum of the monies reserved payable to the bank or trust company and the Contractor jointly. Such check shall be converted into bonds and securities chosen by the Contractor and approved by the City and the bonds and securities held in escrow. The Contractor in choosing option (2) or (3) agrees to assume full responsibility to pay all costs which may accrue from escrow services, brokerage charges or both, and further agrees to assume all risks in connection with the investment of the retained percentages in securities.



Contractor Signature

6/25/2010

Date

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, Yvonne O'Leary (*Corporate Officer (Not Contract Signer)*) certify that I am the Secretary/Treasurer (*Corporate Title*) of the corporation named as Contractor in the Agreement attached hereto; that Rob Meidinger, (*Contract Signer*) who signed said Agreement on behalf of the Contractor, was then Vice President (*Corporate Title*) of said corporation; that said Agreement was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Yvonne O'Leary
Corp. officer signature (not contract signer)
YVONNE O'LEARY
Printed
SECRETARY
Title

State of Washington

County of King

Yvonne O'Leary, (*corporate officer (not contract signer)*) being duly sworn, deposes and says that he/she is Secretary/Treasurer (*Corporate Title*) of Western Asphalt, Inc. (*Name of Corporation*)

Subscribed and sworn to before me this 25th day of June, 2010

Crystal L. Riser
Notary Public (Signature)
Crystal L. Riser
Notary Public (Print)
Commission expires 1/20/2014





CITY OF BLACK DIAMOND

Physical Address: 24301 Roberts Drive
Mailing Address: PO Box 599
Black Diamond, WA 98010

Phone: (360) 886-2560
Fax: (360) 886-2592
www.ci.blackdiamond.wa.us

May 5, 2010

RE: 232 Ave SE and SE 292 overlay

The City of Black Diamond is soliciting bids for an 1 ½" overlay of approximately 1000 lineal feet of asphalt with pre-leveling work before paving, below is a list of items to be included in the bid, prevailing wages will be required.

1. 1 ½" overlay of approximately an area of 1000'x22'.
2. Grind butt joints on both ends of project to provide smooth transition from new to old asphalt and grind butt joints to eight existing asphalt driveways for smooth transition.
3. Grind and patch two areas of approximately 6'x 40' and one area of 12'x 60'.
4. Pre-level of approximately 850'x 22'.
5. Petromat approximately 800'x20'.
6. Thickened edge of approximately 100' on one side.

Additive alternate: Please include a separate cost for traffic control. (The City may provide).

See attached City contract form.

Please provide the City with a lump sum bid by May 21, 2010.

If you have any questions or want to schedule an on site visit, please call me at 253-261-i860.

The City will provide dump truck for grindings, clean shoulders before paving and gravel shoulders.

Sincerely,

Dan Dal Santo
Utilities Superintendent
City of Black Diamond
360-886-2560 Phone
360-886-2592 Fax
ddalsanto@ci.blackdiamond.wa.us

WESTERN ASPHALT, INC.

ASPHALT PAVING
 P.O. BOX 980
 MAPLE VALLEY, WA 98038

Phone: 425-432-8434 or 206-624-4433
 Fax: 425-432-8854

DATE: 05/06/10

CONTRACTING PARTY

CITY OF BLACK DIAMOND
 ATTN: DAN
 PHONE#360-886-2560
 FAX#360-886-2592

PROJECT NAME:

BLACK DIAMOND OVERLAY
 BLACK DIAMOND, WA.

PAGE 1

OUR PROPOSAL IS TO FURNISH THE FOLLOWING ITEMS ONLY AND ARE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH BELOW. QUOTATION VALID FOR 15 DAYS.

Approximate Quantity	Unit	Description of Item	Unit Price	Total Price
		RE; PAVING		
2,444	SY	<p>ITEM 1) GRIND AND OVERLAY GRIND BUTT JOINTS AND DRIVEWAYS TO PROVIDE SMOOTH TRANSITION BETWEEN OLD AND NEW ASPHALT. GRIND AREA SOUTH OF OVERLAY TO ACCEPT SKIN PATCH (12X60). PRE-LEVEL AND INSTALL PETROMAT PRIOR TO OVERLAY. <i>include 2 6x40' patches</i></p> <p><u>OVERALL APPROXIMATE DIMENSIONS</u> 1. OVERLAY- 1000' X 22' 2. PRE-LEVEL- 850' X 22' 3. PETROMAT- 800' X 20'</p> <p>THICKENED EDGE IS INCLUDED IN THE PRICE.</p>	\$34,183.00	LUMP SUM
		<p>ITEM 2) ALTERNATE FOR FLAGGING PROVIDE TRAFFIC CONTROL DURING PAVING AND GRINDING OPERATIONS.</p>	\$600.00	LUMP SUM
		<p><u>PLEASE NOTE:</u> 1. PRICE IS FOR ABOVE STATED ITEMS ONLY. 2. PRICE DOES NOT INCLUDE SALES TAX. 3. PRICE EXCLUDES TRAFFIC CONTROL. 4. CITY TO PROVIDE TRUCKS AND DUMP SITE FOR GRIND. 5. OIL ESCALATION MUST BE PART OF THE CONTRACT. 6. PLEASE SEE PAGE TWO FOR STANDARD EXCLUSIONS.</p>		

SEE ATTACHED PAGE FOR ALL CONDITIONS OF QUOTATION:

YOUR SIGNATURE ON ALL SHEETS, & RETURNED TO US WILL MAKE THIS A LEGAL CONTRACT FOR THE PERFORMANCE OF THE ABOVE WORK. RESERVING RIGHT OF WESTERN ASPHALT, INC. TO CANCEL IF UNIT PRICES INCREASE BEFORE WESTERN ASPHALT COMMENCES ACTUAL WORK ON ANY PHASE OF THE PROJECT.

Approved by Owner

Western Asphalt, Inc.

By STEVE EICHELBERGER
 PROJECT MANAGER

Accepted:

WESTERN ASPHALT, INC.

DATE: 05/06/10

ASPHALT PAVING

P.O. BOX 980

MAPLE VALLEY, WA 98038

Phone: 425-432-8434 or 206-624-4433

Fax: 425-432-8854

CONTRACTING PARTY

CITY OF BLACK DIAMOND

PAGE 2

NOTES & EXCLUSIONS:
(SIGNATURE REQUIRED)

PROJECT NAME:

BLACK DIAMOND OVERLAY

NOTES TO PROPOSAL:

1. ALL ASPHALT PAVING ESTIMATES ARE PRICED FOR PLACEMENT UPON A SUBGRADE THAT IS FIRM, UNYIELDING AND BALANCED WITHIN +/- .10' OF SUBGRADE ELEVATION. SUBGRADES THAT ARE FROZEN, SATURATED OR YIELDING ARE NOT ACCEPTABLE FOR ASPHALT PAVING AND WILL REQUIRE A GRADE RELEASE.
2. ONLY WORK SPECIFICALLY INCLUDED IN QUOTE WILL BE PERFORMED. ADDITIONAL WORK CAN BE PERFORMED AT AN ADDITIONAL PRICE TO OWNER.
3. PRICES ARE BASED ON AN UNRESTRICTED WORK AREA TO WESTERN ASPHALT PAVING CREWS & TRUCKS.
4. ADDITIONAL MOBILIZATIONS WILL BE INVOICED AT A MINIMUM OF \$2500.00 EACH.
5. CONTRACTOR MUST PROVIDE FOR WATER REQUIRED.

PRICES ARE FOR STATED ITEMS ONLY, AND EXCLUDE ANY ITEMS NOT SPECIFICALLY INCLUDED, SUCH AS BUT NOT LIMITED TO THE FOLLOWING:

TRAFFIC CONTROL, FLAGGING, GRINDING, TESTING, SWEEPING, ENGINEERING, JOB LAYOUT, UTILITY ADJUSTMENTS AND PATCHING, SAWCUTTING, STRIPING, CURSING, EXCAVATION, PRIME COAT, SURVEYING, PROOF ROLLING, BOND, WASH STATE SALES TAX, PRELEVELING, GRAVEL BASE, SUBGRADE WORK, BUILDERS RISK INSURANCE, JOB SPECIFIC DRUG TESTING OR BADGING, PARTICIPATION IN ANY APPRENTICESHIP PROGRAM, PERMITS, NIGHT AND WEEKEND WORK, ETC.

GENERAL PROVISIONS:

Total price to be based on actual quantity or measurement unless indicated as lump sum above.

State sales tax to be added where applicable.

Total price to be based on actual quantity or measurement unless indicated as lump sum above.

TERMS: Net cash upon completion of job.

A FINANCE CHARGE OF 1% PER MONTH (WHICH IS AN ANNUAL PERCENTAGE RATE OF 12%) WILL BE IMPOSED ON ANY PORTION OF YOUR ACCOUNT NOT PAID WITHIN 30 DAYS AFTER THE BILLING DATE.

1. Contracting party will make progress payments on jobs of 30 days duration.
2. This contract is subject to approval of the Western Asphalt, Inc. credit department.
3. If payments for amounts due on this contract or any portion thereof are not paid in accordance with the terms of the contract the contracting party agrees to pay all costs of collection which shall include reasonable fees if the matter is placed in the hands of an attorney for collection, or if suit shall be brought.
4. Western Asphalt, Inc. shall not be liable for damage to or breakage of underground pipes and/or conduits not visible from the surface of the ground nor for any damage to approaches (including sidewalks) from the street to the property line.
5. Western Asphalt, Inc. shall not be responsible for damage to the completed pavement surface due to the action of petroleum products spillage.
6. Soil sterilization (weed killer), if not included in the contract, will be applied at rates specified by manufacturer. Western Asphalt, Inc. will not be responsible for any subsequent growth of Horsetail Weed, Morning-Glory, deep rooted Ferns, or Perennials which have not reached maturity prior to application.
7. Quotations subject to change or cancellation after 30 days.
8. All agreements are contingent on strikes, accidents, delays of carriers and other delays unavoidable or beyond our control.
9. We cannot be responsible for subgrade failures.

Your signature on one copy returned to us will make this a legal contract for the performance of the above work. Reserving right of Western Asphalt, Inc. to cancel if unit prices increase before Western Asphalt commences actual work on the project.

Approved by Owner

Western Asphalt, Inc.

Accepted:

STEVE EICHELBERGER
PROJECT MANAGER



WESTERN ASPHALT, INC.
ASPHALT PAVING

WESTERN ASPHALT, INC

ESCALATION AGREEMENT CLAUSE

May 6th, 2010
 Attn: Dan Dal Santo
 Re; City of Black Diamond Overlay

Recently, the costs for our paving grade liquid asphalts have been rising at an astonishing rate. Unfortunately, with the volatility of this market, our supplier is unable to give price protection on these materials or provide any firm information as to when it will stabilize.

Because of this situation, Western Asphalt feels compelled to make this escalation agreement clause an understanding part of the unit pricing as quoted for your project.

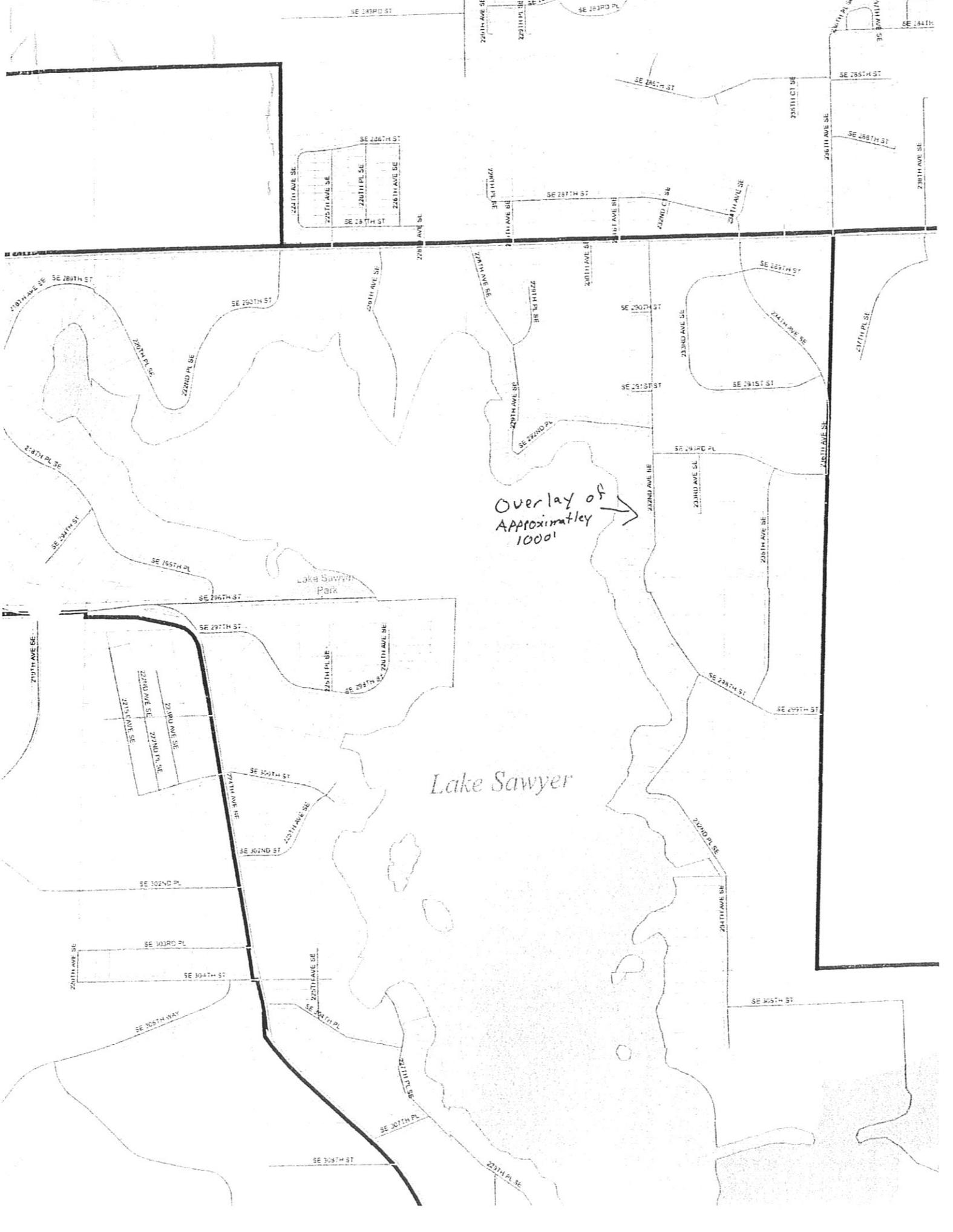
In fairness to all parties, rather than guess as to where the market will be at the time your project paves, your proposal is based upon our most current market price of \$500.00 per ton for liquid asphalt. If any increase or decrease in liquid asphalt occurs from our supplier before the actual work commences on any phase of your project, Western Asphalt will adjust your unit pricing accordingly to reflect that increase or decrease.

AS AN EXAMPLE - For every \$10 increase or decrease in liquid asphalt, the TON or SY paving price would be adjusted as follows:

	Class B	ATB
PER TON	\$0.54/TON	\$0.40/TON
SY DEPTH OF ASPHALT		
1"	\$0.03/SY	\$0.02/SY
2"	\$0.06/SY	\$0.04/SY
3"	\$0.09/SY	\$0.07/SY
4"	\$0.12/SY	\$0.09/SY
6"	\$0.18/SY	\$0.13/SY

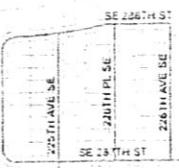
By: _____
 APPROVED AND ACCEPTED

By: _____
 WESTERN ASPHALT INC.



Overlay of
Approximately
10001

Lake Sawyer



**232ND OVERLAY PROJECT
BID TABULATION**

<u>COMPANY</u>	<u>REC'D</u>	<u>BID AMOUNT</u>	<u>NOTES</u>
Western Asphalt, Inc	5/6/2010	\$34,783.00	
Lakeside Industries, Inc	5/12/2010	\$35,507.90	
Tony Lind Paving	5/20/2010	\$37,340.00	No traffic control in bid
Watson Asphalt Paving Co	5/21/2010	\$36,770.00	
Lakeridge Paving Co LLC	5/21/2010	\$36,607.75	