

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE CITY OF REDWOOD CITY AND COUNTY OF SAN MATEO FOR  
THE BAY ROAD COMPLETE STREETS REHABILITATION PROJECT**

This Memorandum of Understanding ("MOU") is made and entered into as of \_\_\_\_\_, 2025 ("Effective Date"), by and between the City of Redwood ("City") and the County of San Mateo ("County"), collectively referred to as "Parties".

**RECITALS**

**WHEREAS**, Bay Road between Fifth Avenue and Fifteenth Avenue is essentially split along the roadway centerline with half in City jurisdiction and half in County jurisdiction; and

**WHEREAS**, City and County jointly applied for One Bay Area Grant 3 ("OBAG 3") Local Streets and Roads Preservation Program Funding through the Metropolitan Transportation Commission ("MTC") for the Bay Road Complete Streets Rehabilitation Project ("Project") which includes complete streets improvements on Bay Road between Fifth Avenue and Fifteenth Avenue; and

**WHEREAS**, the grant request has been awarded for a total of \$3,807,000, which includes funding for engineering design and construction of proposed complete streets improvements for the Project; and

**WHEREAS**, on February 10, 2025, the MTC updated the Project Authorization Report and assigned the City as the official sponsor of the Project; and

**WHEREAS**, Parties agreed to be responsible for their staff time needed to manage the Project through design and construction phases; and

**WHEREAS**, Parties agreed to equally share the local match funds needed for the Project as outlined in Section 5 below.

**NOW THEREFORE**, in consideration of the mutual covenants and conditions contained herein, the Parties hereto agree as follows:

The terms and conditions of this MOU, all exhibits and attachments, and all documents expressly incorporated by reference, represent the entire MOU of the Parties with respect to the subject matter of this MOU. The terms and conditions of this MOU shall not be altered or modified except by a written amendment to this MOU signed by the Parties.

**1. Purpose.** The purpose of this MOU is to establish the terms and conditions for the sharing of costs and responsibilities for the design and construction phases of the Project.

The scope of work for design and construction phases of the Project includes:

Project planning, community outreach, preparation of Plans, Specifications, and Estimates ("PS&E"), design drawings, construction bidding, construction, construction administration, and construction inspection.

This MOU outlines responsibilities for each phase of the Project. Each Party agrees that upon

completion and final acceptance of the Project, each Party shall continue to have all ownership and maintenance responsibilities over their facilities within their respective jurisdiction limits.

Both Parties agree that (i) this Project is federally funded; (ii) conditions applicable to such funding may be modified at any time by the federal government which may affect or cause discontinuance of such funding; and (iii) the continuation of the Project thereafter is contingent on the continued availability of such funding.

**2. Term of MOU and Termination.** The term of this MOU will begin on the Effective Date and shall remain in full force until the completion and final acceptance of the Project. This MOU includes all consultant costs to complete this Project incurred from the Notice to Proceed issued to the design consultant ("Design Consultant") and all construction costs incurred from the Notice to Proceed issued to the construction contractor ("Construction Contractor").

This MOU may be terminated, with cause (which shall include but is not limited to some or all of the federal funding becoming discontinued), by any of the parties upon thirty (30) calendar days prior written notice to other party. If a party terminates the MOU, they will be responsible for their share of the cost of work performed up to the effective date of the termination. The remaining party will stop work temporarily to address this change and may continue the portion of the Project in its respective jurisdiction.

**3. Authorizations.** The City Manager of the City, or designee, is authorized to modify due dates, resolve conflicts, approve changes to the City's share of the local match funds up to 10% contingency, on behalf of the City, provided such approvals are not vested in the authority of the City Council, and provided that any approval requiring payment of funds in excess of appropriated funds shall require City Council approval of the appropriations of those funds.

The County Executive Officer of the County, or designee, serving as the County Board of Supervisors' designee, is authorized to modify due dates, resolve conflicts, approve changes to the County's share of the local match funds up to 10% contingency, or otherwise grant approvals on behalf of the County, provided that any approval requiring payment of funds in excess of appropriated funds requires the County Board of Supervisors' approval of the appropriation of those funds.

**4. Responsibilities of the Parties.** The City will serve as the Project lead and will coordinate and contract with the Design Consultant and Construction Contractor for the Project. A table that illustrates the tasks and responsibilities for each Party is outlined in Exhibit A.

The Design Consultant will be selected according to the OBAG 3 and federally funded projects' requirements per Caltrans Local Assistance Procedure Manual ("LAPM"). Both Parties will review the consultant proposals and select the successful consultant. The City will manage the day-to-day work of the Design Consultant, be responsible for official communications regarding the contract, and process payments to the Design Consultant under contract with the City for the work performed. The County will participate in coordination and project management meetings, review of design deliverables, community outreach, and development of construction bidding documents. The County shall have the opportunity to review and provide comments on the design deliverables and construction bid documents, and other relevant project related documents.

Construction bidding documents will be prepared according to OBAG 3 and federally funded projects' requirements per LAPM. For the construction phase, the City will manage the construction bidding process. The County shall be present at the bid opening and shall have the

opportunity to review and provide comments on the bids received. The City will manage the day-to-day work of the Construction Contractor, be responsible for official communications, and process payments to the Construction Contractor for the work performed.

The City will serve as the Project Manager and as such will coordinate with the Design Consultant/Construction Contractor teams and manage their contracts. The City will invoice the County Department of Public Works for the design costs and construction costs, which includes costs for the City assigned construction inspector on a quarterly basis, and the County will remit a check payable to the City within 30 days of the invoice date. The invoice will include only 50% of the total local match funds, including up to 10% contingency, spent for each quarter. All payments to the City assigned construction inspector shall be split evenly 50% City and 50% County and be made using the local match funds.

The City shall furnish primary construction inspection services for all phases of the construction work for the Project. The City shall be solely responsible for all phases of construction and inspection functions and liaison with the Construction Contractor. In this regard, all communications and directions of County to the Construction Contractor shall be directed through the City representative. County representatives shall have access to the work on County's facilities at all times, and without restriction, for the purposes of inspection of such facilities. The County and City representatives shall cooperate and confer to facilitate the performance of inspection duties incident to expeditious completion and final acceptance of work performed by the Construction Contractor on County's facilities.

The City and County shall inspect work performed by the Construction Contractor and, upon agreement that work has been satisfactorily completed by Construction Contractor, as specified under this MOU, the City and County shall accept the work within their respective jurisdiction. The project acceptance shall be completed within 60 days after the Project completion.

The City shall only accept the work accomplished on County's facilities after receiving written approval from County's Director of Public Works or their designee via an email.

A designated staff member from each party will participate in check-in and coordination meetings with the Design Consultant and Construction Contractor to ensure that the Project direction and guidance needed from each Party is communicated appropriately, as needed. The City will notify County a minimum of 72 hours prior to when County's direction and guidance are needed.

Any Contract Change Orders on the County's portion of the construction work will be subject to the written approval by the County's Director of Public Works or their designee. The approval shall be provided within three (3) working days of City's request.

Each Party shall use all reasonable efforts and work wholeheartedly and in good faith for the expedited completion of the objectives of this MOU and the satisfactory performance of its terms. City shall require Construction Contractor to obtain and maintain insurance coverages in accordance with federal standard specifications, modified to require such contractor's general liability insurance policy to name County and City and their directors, officers, agents, and employees as additional insureds under the terms of the policy.

**5. Payment.** The OBAG 3 funding program requires that the City and County provide a total of \$549,146 as the local match funds to cover a portion of the costs for the Project. City and County have agreed to pay up to \$274,573 each plus a 10% contingency, if needed, (50%-50% split between Parties) to cover the local match funds required for the OBAG 3 funding for this

Project as outlined in Exhibit A. The City and County will split 50-50 all design and construction costs to be paid by using the local match funds, including 10% contingency, for the Project. The City Manager and County Executive Officer can approve up to 10% contingency of the local match funds for any cost changes for the design or construction work.

Any modifications to the scope of work for design or construction phases of the Project that impact the local match funds above the 10% contingency will require both City Council and County Board of Supervisors approval and a written Amendment to this MOU.

If federal funding is discontinued, both Parties will be responsible to pay for work completed by the Design Consultant and the Construction Contractor and that is not reimbursed by the federal government on a 50%-50% basis, as described above.

## **6. General Provisions**

**A. Indemnification.** Pursuant to Government Code Section 895.4, each party agrees to fully indemnify, defend, and hold the other party (including its appointed and elected officials, officers, employees, and agents) harmless from any damage or liability imposed for injury (as defined by Government Code section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying party, its appointed or elected officials, officers, employees, or agents, under or in connection with any work, authority, or jurisdiction delegated to such party under this MOU. No party, nor any appointed or elected official, officer or employee, or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of the other party hereto, its appointed or elected officials, officers, employees, or agents, under or in connection, with any work, authority, or jurisdiction delegated to such other party under this MOU.

**B. Relationship of Parties.** Both Parties agree and understand that the work/services performed or facilitated under this MOU are performed or facilitated by an independent contractor and that neither the Design Consultant or the Construction Contractor acquire any of the rights, privileges, powers, or advantages of the employees of the City and County. Further, both Parties agree that Parties have no intention to create joint powers authority through this work.

**C. Amendments.** Each party may request changes to this MOU. Any changes, modifications, revisions or amendments to this MOU including contribution limits by parties, which are mutually agreed upon by and between the Parties, shall be incorporated by written instrument, and effective when executed and signed by both Parties.

**D. Severability.** If any provision of this MOU shall be held to be invalid, void, or unenforceable, the validity, legality, or enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

**E. Applicable Law.** The construction, interpretation and enforcement of this MOU shall be governed by the laws of the State of California. The courts of the State of California shall have jurisdiction over any action arising out of this MOU.

**F. Notices.** Any and all notices required to be given hereunder shall be deemed to have been delivered upon deposit in the United States mail, postage prepaid, addressed to both Parties at the following address or such other address as is provided by such party in writing:

**To City:** City of Redwood City  
Melissa Stevenson Diaz  
1017 Middlefield Road  
Redwood City, CA 94063  
Attn: City Manager

**To County:** County of San Mateo  
Michael P. Callagy  
500 County Center, 5th Floor  
Redwood City, CA 94063  
Attn: County Executive Officer

**G. Entirety of Agreement.** This MOU, signature pages, and Exhibit A represent the entire and complete MOU between Parties and supersedes any prior negotiations, representations and agreements, whether written or oral.

**H. Debt Limitation.** The Parties are subject to laws or policies which limit their ability to incur debt in future years. Nothing in this MOU shall constitute an obligation of future legislative bodies of the City or County to appropriate funds for the purpose of this MOU.

**I. Conflict of Interest.** The Parties shall avoid all conflicts of interest in the performance of this MOU and shall immediately notify the other Party should a conflict of interest arise that would prohibit or impair the Party's ability to perform under this MOU.

**J. Disputes.** The Parties agree that all disputes, conflicts, or disagreements arising under this MOU shall be first resolved informally after a good faith attempt by the Parties. In the event the disagreement or conflict remains, the Parties agree to participate in a non-binding mediation before initiating a lawsuit against the other Party. The costs of the mediation shall be divided equally between the parties, unless otherwise agreed.

**K. Non-Discrimination.** Neither the City nor County will discriminate, in any way, against any person based on sex, pregnancy, childbirth or related medical conditions, race, veteran status, religion, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, gender (including gender identity and gender perception), sexual orientation, use of family medical leave, genetic testing, or any other basis protected by federal or state law. This policy shall apply to all employment practices.

**7. Signatures.** In witness whereof, the Parties to this MOU through their duly authorized representatives have executed this MOU on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this MOU as set forth herein. If all Parties agree, electronic signatures may be used in place of original signatures on

this MOU. Each Party intends to be bound by the signatures on the electronic document, is aware that the other Parties will rely on the electronic signatures, and hereby waives any defenses to the enforcement of the terms of this MOU based on the use of an electronic signature. After all Parties agree to the use of electronic signatures, all Parties must sign the document electronically.

(Signature page follows)

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**IN WITNESS WHEREOF**, the Parties hereto, by their duly authorized representatives, have executed this Memorandum of Understanding.

Each Party has executed a separate signature page.

APPROVED AS TO FORM:

**By:** \_\_\_\_\_

Melissa Stevenson Diaz

City Manager, City of Redwood City

**Date:** \_\_\_\_\_

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APPROVED AS TO FORM:

**By:** \_\_\_\_\_

Michael P. Callagy

County Executive Officer, County of San Mateo

**Date:** \_\_\_\_\_



## **Exhibit A**

### **Tasks, Local Match Funds and Responsibilities**

The purpose of MOU is to align the roles and responsibilities of the City and the County to complete the design and construction phases of the Bay Road Complete Streets Rehabilitation Project.

This table describes the Parties' rights and responsible relative to the tasks associated with this project

Tasks	Responsible Agency	
Item	City	County
Design RFP and contract approval	X	
Managing the design phase <ul style="list-style-type: none"> <li><i>Completion of environmental phases including both NEPA and CEQA</i></li> <li><i>Completion of 15%, 65%, 95%, and 100% Plans, Specifications, and Estimates</i></li> </ul>	X (primary)	X (provide comments)
Approval of 100% Plans, Specifications, and Estimates	X	X
Project coordination meetings with the design consultant	X	X
Community outreach and communications	X	X
Construction bidding and contract approval under MOU amount	X	
Contract approval if over MOU amount	X	X
Construction management	X	
Construction Change orders (CCO) under MOU amount	X (both agencies to agree on merit for the CCO for within City or County limits)	X (both agencies to agree on merit for the CCO for within City or County limits)
Construction Change orders (CCO) over MOU amount	X (both agencies to agree on merit for the CCO for within City or County limits)	X (both agencies to agree on merit for the CCO for within City or County limits)

Tasks	Responsible Agency	
Item	City	County
Construction inspection	X (primary)	X
Project final acceptance	X	X
Local Match Funds (including 10% contingency) under MOU amount		
<i>Costs for design contract</i>	50%	50%
<i>Costs for construction contract</i>	50%	50%
<i>Costs for construction inspection services</i>	50%	50%

\*\*\*\*\*END\*\*\*\*\*