

LETTER OF INTENT

September 23, 2014

Bob Perrault, City Manager
City of Grover Beach
154 S. 8th Street
Grover Beach, CA 93433

Dear Mr. Perrault:

It is the County of San Luis Obispo's intent to participate in the fiber optic cabling project under which the City is constructing a fiber optic cable infrastructure within the City of Grover Beach. Once the project is completed, a portion of the conduit will be made available to the County under a lease arrangement at no additional cost to the County.

The County understands that the cost for participation is the lesser of \$268,000 or 34.23% of the \$783,000 estimated total project cost, which includes engineering, environmental consultant, contractor, inspector of record, construction manager, all project permitting, approval and testing fees or other costs assessed by any federal, state or local agencies in connection with the project, and change order contingencies. If the lowest responsible bid for the construction phase of the project, excluding engineering and construction management costs exceeds \$650,000, then the County is only responsible for its proportional share of the engineering costs, said proportionate share not to exceed \$29,331, and, at its option, may proceed in the project.

It is understood that the County Board of Supervisor's approval is required before the County's Information Technology's participation in this project is confirmed. It is further understood that Paul Porter will be the ongoing County contact for this project. The parties agree that if they proceed with this project, they will work in good faith to enter into a more comprehensive Cost Sharing Agreement, which is subject to the County Board of Supervisor's approval, to set forth the parties rights, duties and obligations with respect to this project.

Sincerely,

Daniel Milei
Interim Director of Information Technology
San Luis Obispo County

Date