CITY OF AUBURN WASHINGTON	**City Council Meeting** **March 7, 2022 - 7:00 PM** **City Hall Council Chambers and Virtual** **AGENDA** **Watch the meeting LIVE!** **Watch the meeting video** Meeting videos are not available until 72 hours after the meeting has concluded.

I. CALL TO ORDER

II. PUBLIC PARTICIPATION

1. Public Participation

   The Auburn City Council Meeting scheduled for Monday, March 7, 2022 at 7:00 p.m. will be held in person and virtually.

   Virtual Participation Link:

   To attend the meeting virtually please click one of the below links, enter the meeting ID into the Zoom app, or call into the meeting at the phone number listed below. The link to the Virtual Meeting is:

   Zoom: https://us06web.zoom.us/j/89794732571

   The public can also view the meeting on YouTube:

   https://www.youtube.com/user/watchauburn/live/?nomobile=1

   To join the meeting by phone, please use the below call-in information:

   253 215 8782
   877 853 5257 (Toll Free)

   Webinar ID: 897 9473 2571

A. **Pledge of Allegiance**

B. **Roll Call**

III. ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS

A. Proclamation - National Women's History Month

   Mayor Backus to proclaim March 2022 as "National Women's History Month" in the city of Auburn

B. Proclamation - Problem Gambling Awareness Month

Mayor Backus to proclaim March 2022 as "Problem Gambling Awareness Month" in the city of Auburn

C. Proclamation - Tamil Heritage Day

Mayor Backus to proclaim March 9, 2022 as "Tamil Heritage Day" in the city of Auburn

D. Proclamation - Solidarity for Ukraine

Mayor Backus to proclaim Solidarity with the Country of Ukraine

E. King County I and Q Facility Update

IV. APPOINTMENTS

A. Boards and Commissions Appointments

City Council to confirm the following appointments to the Business Improvement Area Committee of Ratepayers for a three-year term to expire December 31, 2024:

- Brittiany Karlson
- Katy Selden

(RECOMMENDED ACTION: Move to approve the appointments to the Business Improvement Area Committee of Ratepayers for a three year term to expire on December 31, 2024.)

V. AGENDA MODIFICATIONS

VI. CITIZEN INPUT, PUBLIC HEARINGS AND CORRESPONDENCE

A. **Audience Participation**

This is the place on the agenda where the public is invited to speak to the City Council on any issue.

1. The public can participate in-person or submit written comments in advance.

Participants can submit written comments via mail, fax or email. All written comments must be received prior to 5:00 p.m. on the day of the scheduled meeting and must be 350 words or less.

Please mail comments to:
City of Auburn
Attn: Shawn Campbell, City Clerk
25 W Main St
Auburn, WA 98001

Please fax comments to:
Attn: Shawn Campbell, City Clerk
Fax number: 253-804-3116

Email comments to:
publiccomment@auburnwa.gov

B. **Correspondence - (There is no correspondence for Council review.)**

VII. **COUNCIL AD HOC COMMITTEE REPORTS**

Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendation to the City Council, if any.

1. Finance Ad Hoc Committee (Chair Baggett)

2. Preservation Funding (Chair Jeyaraj)

VIII. **CONSENT AGENDA**

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

A. Minutes of the February 22, 2022 Council Meeting

B. Claims Vouchers (Thomas)

Claims voucher list dated March 7, 2022 which includes voucher numbers 466990 through 467161, in the amount of $1,843,939.70 and six wire transfers in the amount of $758,066.25.

C. Payroll Vouchers (Thomas)

Payroll check numbers 539332 through 539337 in the amount of $543,664.41, electronic deposit transmissions in the amount of $2,198,320.64 for a grand total of $2,741,985.05 for the period covering February 17, 2022 to March 02, 2022

D. Setting date for Public Hearing for New Cingular Wireless PCS, LLC Franchise Agreement

City Council to set date for Public Hearing for Franchise Agreement No. FRN21-0006 for New Cingular Wireless PCS, LLC Wireless Telecommunications Franchise

(RECOMMENDED ACTION: Move to approve the Consent Agenda.)

IX. **UNFINISHED BUSINESS**

X. **RESOLUTIONS**

A. Resolution No. 5651

A Resolution authorizing the Mayor to sign an interlocal agreement admitting the City as a member of the Washington Multi-City Business License and Tax Portal Agency

(RECOMMENDED ACTION: Move to adopt Resolution No. 5651.)

B. Resolution No. 5653

A Resolution authorizing the Mayor to sign an agreement with American Traffic Solutions, Inc., DBA Verra Mobility, for automated traffic safety camera equipment and services in school zones

(RECOMMENDED ACTION: Move to adopt Resolution No. 5653.)

C. Resolution No. 5652

A Resolution authorizing the Mayor to execute an agreement between the City of Auburn and the Association of Washington Cities for Grant Funding and to expend the funds for Youth Summer Experience and Enrichment Programs

(RECOMMENDED ACTION: Move to adopt Resolution No. 5652.)

XI. MAYOR AND COUNCILMEMBER REPORTS

At this time the Mayor and City Council may report on significant items associated with their appointed positions on federal, state, regional and local organizations.

A. **From the Council**

B. **From the Mayor**

XII. NEW BUSINESS

XIII. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (http://www.auburnwa.gov), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.

AGENDA BILL APPROVAL FORM

Agenda Subject:
Minutes of the February 22, 2022 Council Meeting

Date:
March 2, 2022

Department:
Administration

Attachments:
02-22-2022 Minutes

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Background for Motion:

Background Summary:

Reviewed by Council Committees:

Councilmember:

Staff:

Meeting Date: March 7, 2022

Item Number: CA.A

City Council Meeting
February 22, 2022 - 7:00 PM
City Hall Council Chambers and Virtual
MINUTES
Watch the meeting LIVE!

Watch the meeting video
Meeting videos are not available until 72 hours after the meeting has concluded.

I. CALL TO ORDER

II. PUBLIC PARTICIPATION

1. Public Participation

The City Council Meeting was held in person and virtually.

A. Pledge of Allegiance

Mayor Nancy Backus called the meeting to order at 7:00 p.m. in the Council Chambers of Auburn City Hall, 25 West Main Street and led those in attendance in the Pledge of Allegiance.

B. Roll Call

Councilmembers virtually present: Deputy Mayor James Jeyaraj, Larry Brown, Kate Baldwin, Bob Baggett, Robyn Mulenga, and Yolanda Trout-Manuel. Councilmember Stearns was excused.

Mayor Nancy Backus, City Attorney Kendra Comeau, Chief of Police Mark Caillier, Director of Innovation and Technology David Travis, Innovation and Technical Support Specialist Danika Olson and Deputy City Clerk Teresa Mattingly were in Chambers.

The following department directors and staff members attended the meeting virtually: Director of Public Works Ingrid Gaub, Director of Community Development Jeff Tate, Director of Parks, Arts, and Recreation Daryl Faber, Director of Finance Jamie Thomas, Director of Administration Dana Hinman, and Outreach Program Administrator Kent Hay.

III. ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS

A. Homelessness Update

Director Hinman and Director Tate provided Council with an update on the City of Auburn's response to homelessness from 2011-2021 and reviewed the 2020 Human Services Funding by Priority Area, 2020-2021 Awarded CDBG-CV Funding and the demographics for unsheltered Auburn residents served in 2021 by race/ethnicity.

Outreach Coordinator Hay reviewed the Auburn Homeless Person Demographics for 2021 and discussed challenges to get people into housing and or treatment.

Council discussed ways to hold homeless individuals accountable, numbers of people who are being helped, the amount of help available, how giving homeless individuals money is adding to the homeless problem, services that are provided once individuals are placed into housing, homelessness in the downtown area, job training programs, funding for the eviction protection program and the hotel purchased by King County.

IV. APPOINTMENTS

A. Boards and Commissions Appointments

City Council to approve the following appointments to Boards and Commissions for three year terms expiring December 31, 2024:

Arts Commission
Christopher Olds

Auburn Municipal Airport Advisory Board
Justin Heater
Jay Miner

Councilmember Brown moved and Councilmember Trout-Manuel seconded to approve the Board and Commission members to a three year term to expire on December 31, 2024.

MOTION CARRIED UNANIMOUSLY. 6-0

V. AGENDA MODIFICATIONS

There were no modifications to the agenda.

VI. CITIZEN INPUT, PUBLIC HEARINGS AND CORRESPONDENCE

A. **Public Hearings - (No public hearing is scheduled for this evening.)**

B. **Audience Participation**

This is the place on the agenda where the public is invited to speak to the City Council on any issue.

1. The public can participate in-person or submit written comments in advance.

Hiram Silva
Mr. Silva expressed his concern with homelessness and the impact it has on local businesses.

Barbara Schwend-Setzer
Ms. Schwend-Setzer expressed her concerns regarding noise and safety related to homelessness near the Ames Apartments.

Garrett Haynes
Mr. Haynes expressed his concerns regarding the level of homelessness in Auburn.

Mikky Taylor Tallman
Mr. Tallman discussed working to help those in the community before concerns become problems.

Michael Christenson
Mr. Christenson expressed his concerns that homelessness is having on him as a property owner and his Buds & Blooms tenants.

Brian Brewster
Mr. Brewster expressed his frustration and concerns over the litter problem in Auburn.

Cheryl Rakes
Ms. Rakes expressed her concerns for the safety of businesses in Auburn due to homelessness.

C. **Correspondence**

There was no correspondence for Council to review.

VII. **COUNCIL AD HOC COMMITTEE REPORTS**

Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendation to the City Council, if any.

1. Finance Ad Hoc Committee (Chair Baggett)

Councilmember Baggett, Chair of the Finance ad hoc committee, reported he and Councilmember Baldwin have reviewed the claims and payroll vouchers described on the agenda this evening and recommended their approval.

VIII. **CONSENT AGENDA**

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

A. Minutes of the February 7, 2022 Regular City Council Meeting

B. Minutes of the January 24, 2022 and February 14, 2022 Study Sessions

C. Claims Vouchers (Thomas)

Claims Voucher list dated February 22, 2022 which included voucher numbers 466830 through 466989, in the amount of $6,441,077.44, and three wire transfers in the amount of $462,867.02

D. Payroll Vouchers (Thomas)

Payroll check numbers 539324 through 539330 in the amount of $ 75,297.42, electronic deposit transmissions in the amount of $2,403,922.43 also a special payroll for Commissioned Police Retention Bonuses with electronic deposit transmissions in the amount of $527,476.48, for a grand total of $3,006,696.33 for the period covering February 03, 2022 to February 16, 2022

Deputy Mayor Jeyaraj moved and Councilmember Baggett seconded to approve the consent agenda.

MOTION CARRIED UNANIMOUSLY. 6-0

IX. UNFINISHED BUSINESS

There was no unfinished business.

X. ORDINANCES

A. Ordinance No. 6849 (Thomas)

An Ordinance establishing the Local Sales and Use Tax Rate for Local Revitalization Financing for 2022

Councilmember Baggett moved and Deputy Mayor Jeyaraj seconded to adopt Ordinance No. 6849.

MOTION CARRIED UNANIMOUSLY. 6-0

XI. MAYOR AND COUNCILMEMBER REPORTS

At this time the Mayor and City Council may report on significant items associated with their appointed positions on federal, state, regional and local organizations.

A. From the Council

Deputy Mayor Jeyaraj reported he attended the Sound Cities Association Public Relations Committee

Councilmember Baggett reported he attended the King County Regional Transit Committee Meeting

B. **From the Mayor**

Mayor Backus reported attending the Regional Policy Committee meeting and she participated on the hiring committee for a SHAPE manager.

XII. NEW BUSINESS

There was no new business.

A. Excutive Session

Mayor Backus called for Executive Session at 8:35 for 20 minutes per RCW 42.30.110(1)(I). City Attorney Comeau and Police Chief Caillier were required to attend. Mayor Backus extended the session for an additional 10 minutes. The meeting reconvened at 9:08 p.m.

XIII. ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 9:08 p.m.

APPROVED this 7th day of March, 2022.

______________________________	____________________________
JAMES JEYARAJ, DEPUTY MAYOR	Shawn Campbell, City Clerk

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CITY OF AUBURN WASHINGTON

AGENDA BILL APPROVAL FORM

Agenda Subject:
Claims Vouchers (Thomas)

Date:
March 2, 2022

Department:
Finance

Attachments:
No Attachments Available

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Approve Claims Vouchers

Background for Motion:

Background Summary:

Claims voucher list dated March 7, 2022 which includes voucher numbers 466990 through 467161, in the amount of $1,843,939.70 and six wire transfers in the amount of $758,066.25.

Reviewed by Council Committees:

Councilmember:	Baggett	**Staff:**	Thomas
Meeting Date:	March 7, 2022	Item Number:	CA.B

CITY OF AUBURN WASHINGTON

AGENDA BILL APPROVAL FORM

Agenda Subject:
Payroll Vouchers (Thomas)

Date:
March 2, 2022

Department:
Finance

Attachments:
No Attachments Available

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Approve Payroll Vouchers

Background for Motion:

Payroll check numbers 539332 through 539337 in the amount of $543,664.41, electronic deposit transmissions in the amount of $2,198,320.64 for a grand total of $2,741,985.05 for the period covering February 17, 2022 to March 02, 2022

Background Summary:

Reviewed by Council Committees:

Councilmember: Baggett

Staff: Thomas

Meeting Date: March 7, 2022

Item Number: CA.C

AGENDA BILL APPROVAL FORM

Agenda Subject:
Setting date for Public Hearing for New Cingular Wireless PCS, LLC Franchise Agreement

Date:
February 28, 2022

Department:
Public Works

Attachments:
No Attachments Available

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

City Council to set the date of the Public Hearing for Franchise Agreement No. FRN21-0006 for New Cingular Wireless PCS, LLC Wireless Telecommunications Franchise for March 21, 2022, at 7:00 pm.

Background for Motion:

Background Summary:

Section 20.04.040 of the Auburn City Code requires the City to hold a public hearing before granting or denying a franchise agreement. Staff requests that the City Council set the date of the public hearing for Franchise Agreement No. FRN21-0006 for New Cingular Wireless PCS, LLC Wireless Telecommunications Franchise for March 21, 2022 at 7:00 pm.

Section 20.02.040 of the Auburn City Code requires a franchise for any telecommunications carrier or operator to use public ways of the City and to provide telecommunications services to any person or areas inside or outside of the City.

New Cingular Wireless PCS, LLC. has applied for a new franchise agreement to continue to operate their existing wireless telecommunications site located in the public way of Auburn Way North, north of 26th Street NE as their current franchise agreement is set to expire in the near future. New Cingular Wireless PCS, LLC currently provides wireless voice, data and communications services, including commercial radio and mobile data services from the existing facility. The proposed agreement is consistent with the City's standard franchise agreement language.

Reviewed by Council Committees:

Councilmember:	Stearns	**Staff:**	Gaub
Meeting Date:	March 7, 2022	Item Number:	CA.D

CITY OF AUBURN WASHINGTON

AGENDA BILL APPROVAL FORM

Agenda Subject: Resolution No. 5651		**Date:** February 28, 2022
Department: Finance	**Attachments:** Resolution No. 5651 Exhibit A Exhibit B Exhibit C	**Budget Impact:**

Administrative Recommendation:

City Council to adopt Resolution No. 5651

Background for Motion:

Resolution No. 5651 allows the City to join the Multi-City Business License and Tax Portal Agency as Principal Agency which grants the City and its businesses access to a customized online portal for online business and occupation tax filing and payments.

Background Summary:

Resolution No. 5651 authorizes the City's partnership with the Multi-City Business License and Tax Portal Agency. The Multi-City Business License and Tax Portal Agency is an interagency consortium that provides a consolidated, front-end customer portal (FileLocal) for filing and remitting business and occupation taxes, business licensing renewals, and other city-specific taxes. The agency provides an efficient and consolidated online tax reporting platform for businesses. It also provides a great benefit for cities through its comprehensive data collection and payment processing portal, which helps automate a large volume of data collected in a short period of time.

In May 2021 the City Council adopted a City Business and Occupation Tax Code. The City of Auburn will greatly benefit from being able to participate in the Multi-City Business License and Tax Portal Agency and utilize the custom platform, FileLocal, for business and occupation tax filing. The Multi-City Business License and Tax Portal Agency's executive board, consisting of 11 Puget Sound cities, passed the City of Auburn's admission on December 16, 2021. Being a Principal Agency will allow the city to have a vote and influence over prioritizing improvements, enhancements, and system fixes.

Reviewed by Council Committees:

Councilmember:	Baggett	**Staff:**	Thomas
Meeting Date:	March 7, 2022	Item Number:	RES.A

RESOLUTION NO. 5651

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO SIGN AN INTERLOCAL AGREEMENT ADMITTING THE CITY AS A MEMBER OF THE WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY

WHEREAS, the City established its business and occupation (B&O) tax and corresponding administrative provisions in Ordinance No. 6814;

WHEREAS, in a 2014 interlocal agreement, Seattle, Bellevue, Everett and Tacoma created the Washington Multi-City Business License and Tax Portal Agency (the Agency) to assist cities and B&O taxpayers by establishing a uniform municipal B&O tax reporting and payment system (known as "FileLocal"). The FileLocal system is an efficient and simplified way for taxpayers to report and pay municipal B&O taxes. Under the interlocal agreement, participating cities share the cost of operating the FileLocal system in accordance with their respective shares of total system tax filings. The 2014 interlocal agreement is attached as Exhibit A to this Resolution;

WHEREAS, section 8 of the interlocal agreement allows the Agency to admit additional city members through agreement addendums signed by appropriate city officials. Since 2014, Renton, Des Moines, Lake Forest Park and Kent have also joined the Agency;

WHEREAS, in December 2021, the Agency adopted Resolution FL2021-04 approving the City's Agency admission, conditioned upon the City executing an interlocal agreement addendum. The Agency's approval resolution of approval and the required agreement addendum are respectively attached to this Resolution as Exhibits B and C;

WHEREAS, the City desires to join the Agency so that its B&O taxpayers may use the Agency's FileLocal system to report and pay City B&O taxes required by Ordinance No. 6814.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, HEREBY RESOLVES as follows:

Section 1. The Mayor is authorized to sign the addendum to the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement attached as Exhibit C to this Resolution, so that the City can be added as a member of the Washington Multi-City Business License and Tax Portal Agency.

Section 2. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directions of this legislation, to include signing additional documents necessary to effectuate the City's admission as an Agency member.

Section 3. That this Resolution shall take effect and be in full force upon passage and signatures.

Dated and Signed this _____ day of _________, 2022.

CITY OF AUBURN

____
NANCY BACKUS
MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Kendra Comeau, City Attorney

WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY INTERLOCAL AGREEMENT

BY AND BETWEEN THE CITIES OF

BELLEVUE

EVERETT

SEATTLE

and

TACOMA

DATED AS OF MARCH 1, 2014

TABLE OF CONTENTS

WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY INTERLOCAL AGREEMENT

THIS AGREEMENT, incorporating all exhibits hereto, is entered into by and between the Cities of Bellevue, Everett, Seattle and Tacoma (collectively, the "Principals") pursuant to the Interlocal Cooperation Act Ch. 39.34 RCW and has been authorized by the legislative body of each Principal.

RECITALS

WHEREAS, each of the Principals is a city, a general purpose municipal corporation authorized by state law to issue local business licenses and collect a variety of local taxes; and

WHEREAS, the Principals seek to make it easier and more efficient for businesses to apply for local business licenses and file local taxes, while retaining local control over local licensing and tax collection functions and policies; and

WHEREAS, the Principals seek to accomplish these goals by jointly facilitating the creation of an internet web application gateway (the "Portal") where tax collection and business licensing functions can be collectively administered, and where businesses operating in multiple cities can use a "one-stop" system for tax payment or business license application filing; and

WHEREAS, the Principals have engaged in extensive outreach with other cities, state legislators, taxpayers and the business community to understand the interests of these stakeholders in relation to development of the Portal; and

WHEREAS, the creation of an intergovernmental entity, in the form of a governmental nonprofit corporation whose members are Principals to oversee the operation of the Portal will enable each Principal to participate in management of the Portal, provide economies of scale to participating cities, and ensure continued control by each Principal of its tax and licensing policy and local tax collections; and

WHEREAS, the collection of local taxes is an exclusively governmental activity of each of the cities party to this Agreement; and

WHEREAS, the creation of an intergovernmental entity as described in this Agreement will enable the Principals to carry out this exclusively governmental activity as a joint instrumentality; and

WHEREAS, it is anticipated that additional cities will elect to use the Portal over time, and that some may wish to do so as subscribers of the Portal's services rather than as principals; and

WHEREAS, The City of Seattle has provided start-up funding for the development of the Portal and has conducted a competitive procurement process in which staff from each of the Principals participated with Seattle staff in selecting a preferred vendor to provide portal development, hosting and maintenance services; and

WHEREAS, The City of Seattle has entered into a contract with the preferred vendor, and the vendor has begun work to develop the Portal with continued input from staff from each of the Principals;

NOW THEREFORE, in consideration of the promises and agreements contained in this Agreement and subject to the terms and conditions set forth, it is mutually understood and agreed by the Parties as follows:

SECTION 1. CREATION OF WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY.

The Washington Multi-City Business License and Tax Portal Agency, ("PORTAL AGENCY") is hereby created as authorized by the Interlocal Cooperation Act (Ch. 39.34 RCW), and shall be a municipal instrumentality of the Principals, jointly organized by the Principals as a nonprofit corporation under Chapter 24.06 RCW as expressly authorized by RCW 39.34.030(3)(b). The Principals each assign to PORTAL AGENCY the responsibility for overseeing the development, operation and maintenance of an internet web application gateway to administer city business licensing and tax collection functions as exclusively governmental activities, all as described herein.

SECTION 2. TERM OF AGREEMENT.

This Agreement shall have an initial term of approximately five years, ending on December 31, 2019, (the "Initial Term"), and shall thereafter be perpetual, subject to the termination provisions in Section 19 of this Agreement. During the Initial Term no Principal may withdraw from the Agreement, provided that a Principal may convert or be converted to Subscriber status as provided in Sections 8.a, 13.d and 13.k, and may upon action of the Executive Board be terminated from participation in the Agreement as provided in Section 13.k.

SECTION 3. DEFINITIONS.

a. Agreement. The "Agreement" is this interlocal agreement, as it may hereafter be amended or modified, together with all exhibits and appendices hereto, as they may hereafter be amended or modified.

b. Articles of Incorporation. The "Articles of Incorporation" or "Articles" are terms defining aspects of the PORTAL AGENCY corporate formation under 39.34.030(3)(b) and consistent with RCW 24.06.025, as they may hereafter be amended by the Executive Board.

c. Board Member. A "Board Member" or "Executive Board Member" is the individual representing a Principal on the Executive Board, whether the Chief Financial Officer of such Principal or his/her designated alternate.

d. Business and Occupation Taxes. "Business and Occupation Taxes" are Gross Receipt Taxes imposed by a Participating City as an exclusively governmental activity authorized by state law and as defined in RCW 35.102.030.

e. Business Licenses. "Business Licenses" are licenses required to be obtained by businesses in order to operate within a Participating City, consistent with state law.

f. Bylaws. "Bylaws" as adopted and amended from time to time by the Executive Board shall govern the operations of the PORTAL AGENCY Executive Board, Operations Committee, and the officers thereof.

g. Capital Cost Recovery Charge. The "Capital Cost Recovery Charge" is an annual fee charged to all Participating Cities other than the City of Seattle, for the purposes of reimbursing Seattle for a portion of the funding it provided to pay for start-up of the PORTAL AGENCY, as further described in Section 13.j.

h. Capped Costs. "Capped Costs" means all items in the PORTAL AGENCY budget *excluding*:

i. Labor Costs unrelated to increases in full or partial staff positions;
ii. Costs payable pursuant to the Portal Services Contract with the Vendor;
iii. State Auditor's Office Audit costs;
iv. Accounting services;
v. Insurance;
vi. Bank fees;
vii. Any unanticipated expenses outside the normal course of business, for example, costs of litigation or damages, uninsured losses, tax or other liabilities resulting from a change in law, and events of force majeure (e.g. fire, explosion, accident, volcanic eruption, flood, epidemic, civil disturbance).

i. CPI-U Limit. "CPI-U Limit" means the percentage increase (or decrease) equal to the percentage increase (or decrease) year to year in the Consumer Price Index – Urban for the Seattle/ Tacoma/Bremerton metropolitan area, April –April, calculated by the Federal Bureau of Labor Statistics, or its successor index.

j. Executive Board. The "Executive Board" is the body described in Section 7 and shall be the governing body of the PORTAL AGENCY.

k. Gross Receipts Taxes. "Gross Receipts Taxes" are taxes imposed by Participating Cities which are based on the gross receipts of certain businesses, specifically to include Business and Occupation Taxes as defined by RCW 35.102.030 as well as other taxes imposed by Participating Cities on utilities or businesses that are collected on basis of such gross receipts in accordance with applicable law. For purposes of this Agreement, Gross Receipts Taxes also includes square footage taxes imposed by a Participating City for the act or privilege of doing business in that city and calculated based on the amount of space occupied and used for those business activities within that city.

l. Initial Term. The "Initial Term" is the period from the effective date of this Agreement through December 31, 2019.

m. Labor Costs. "Labor Costs" include salary, benefits and other compensation provided to Portal Agency employees (if any) and/or loaned staff.

n. Licensees. "Licensees" are businesses or individuals that apply for a Business License from a Participating City or Cities using the Portal.

o. Manager. The "Manager" is the chief operating officer for PORTAL AGENCY appointed by and serving at the pleasure of the Executive Board.

p. New Participant Capped Cost Increment. The "New Participant Capped Cost Increment" is an amount calculated each budget period to identify the maximum amount by which Capped Costs may increase in the Executive Board approved draft or final budget for such period without unanimous approval of the Executive Board Members representing all Original Principals, as further described in Section 13.b.iv.1 and Exhibit D.

q. New Participant Labor Cost Increment. The "New Participant Labor Cost Increment" is an amount calculated each budget period to identify the maximum amount by which Labor Costs may increase to provide for additional full or partial staff positions in the Executive Board approved draft or final budget for such period without requiring unanimous approval of the Executive Board Members representing all Original Principals, as further described in Section 13.b.iv.2 and Exhibit D.

r. Operations Committee. The "Operations Committee" or "Tax and Finance Operations Committee" is the committee described in Section 9.

s. Original Principals. The Original Principals are those four cities initially signing this Agreement: the cities of Bellevue, Everett, Seattle and Tacoma.

t. Participating Cities. All Principals, and all Subscribers, as they may be so constituted from time to time, are collectively referred to as the "Participating Cities" or "Participants," and individually referred to as a "Participating City" or "Participant."

u. Population. "Population" is the residential population of a City, according to the most recent annual report issued by the State Office of Financial Management each year determining the population of each city for purposes of taxation and allocation of certain state shared revenues in the following calendar year.

v. Portal. The "Portal" is an internet web application gateway owned, operated and maintained by the Vendor under contract with the PORTAL AGENCY that affords Taxpayers and businesses a single access point through which they may apply for business licenses from, and pay taxes and fees to, Participating Cities, and receive information related to these functions.

w. PORTAL AGENCY. "PORTAL AGENCY" means the Washington Multi-City Business License and Tax Portal Agency.

x. Portal Operations Policy. The "Portal Operations Policy" is a separate document adopted by Supermajority Vote of the Executive Board, as it may be amended from time to time, which describes how data will be shared between the Participating Cities and the PORTAL AGENCY, and sets forth operating procedures and rules for the Portal.

y. Portal Services Contract. The 'Portal Services Contract" is that certain contract dated as of September 6, 2013 between The City of Seattle and eGov Systems, a Louisiana corporation, to develop software for, and host the Portal operations. The Portal Services Contract is to be assigned to the PORTAL AGENCY by The City of Seattle pursuant to Section 12 of this Agreement.

z. Principal. A "Principal" is a general purpose municipal corporation formed as a city under the laws of the state of Washington which imposes a Business and Occupations Tax and which has accepted the terms of and is a party to this Agreement and has paid its share of initial costs as may be required by the Executive Board as a condition to becoming a Principal. Principals shall receive services offered by the PORTAL AGENCY according to such terms and conditions as may be established by the Executive Board.

aa. Representative. The term "Representative" refers to the individual representing a Principal or a Subscriber on the Operations Committee, or his/her designated alternate.

bb. Simple Majority Vote. A "Simple Majority Vote" of the Executive Board means a majority (more than 50%) of the votes of the Board Members present constituting a quorum, with each Board Member that is present and voting having one vote.

cc. Subscriber. A "Subscriber" is a general purpose municipal corporation, formed as a city under the laws of Washington which has agreed to pay the PORTAL AGENCY for services according to such terms and conditions as may be established by the Executive Board and evidenced by separate contract between the PORTAL AGENCY and such entity. A Principal may convert or be converted to Subscriber status as provided in Sections 8, 13.d and 13.k and a Subscriber may convert to a Principal as described in Section 8.

dd. Supermajority Vote. A "Supermajority Vote" means Executive Board approval of an item accomplished by securing affirmative votes of not less than sixty-six percent (66%) of all voting Board Members of the Executive Board in number, and not less than sixty-six percent (66%) in number of the Original Principals.

ee. Taxpayers. "Taxpayers" are businesses subject to local city taxes imposed by a Principal or Subscriber, payment of which is or can be administered by the Portal.

ff. Transaction. A "Transaction" is a payment or filing for a Business License, or a payment or filing of an online tax form (where multiple taxes filed on the same online tax form are counted as a single Transaction), made on the Portal by a business to a Participating City; *provided, however,* that where historical actual Transactions counts are to be used (rather than payments and transactions made *on the Portal*), then Transactions includes the total actual Business License filings and Gross Receipts Tax filings (where multiple taxes filed on the same tax form are counted as a single Transaction) for the Participating City over the applicable period. The Executive Board may refine this definition from time to time by amending the Portal Operations Policy in order to accommodate expansion of services offered by the Portal or to address other issues.

gg. User Fees. "User Fees" are fees and charges imposed on businesses, Licensees or Taxpayers per Executive Board approval as part of PORTAL AGENCY's budget approval process.

hh. Vendor. The Vendor is eGov Systems, a Louisiana corporation, which through the Portal Services Contract is providing services to develop, establish, host, own and maintain the Portal, associated online data storage and services. The Vendor has ownership of the Portal. The term Vendor shall also include any successor in interest to eGov Systems or any successor firm(s) or agency(s) with which the PORTAL AGENCY may contract to provide Portal development, hosting, maintenance, and associated online data storage and services.

SECTION 4. GUIDING PRINCIPLES AND GOALS.

a. Guiding Principles of PORTAL AGENCY. The Principals intend that the PORTAL AGENCY actions be guided by the following guiding principles:

i. Local Control – The PORTAL AGENCY will seek to respect and preserve each Participating Cities' authority to set local tax policies.

ii. Integrity – The PORTAL AGENCY will be honest, truthful and straightforward.

iii. Accountability – The PORTAL AGENCY will be responsible for its actions and decisions, a good steward of public funds and transparent in its operations.

iv. Flexibility / Adaptability – The PORTAL AGENCY will strive to nimbly respond to a changing business, technology and policy environment.

v. Security – The PORTAL AGENCY will at all times seek to safeguard Taxpayer, Licensee and Participating City data.

vi. Accessibility – The PORTAL AGENCY will seek to be accessible and responsive to Taxpayers, Licensees and Participating Cities.

vii. Affordability – The PORTAL AGENCY will seek to be affordable to both Participating Cities and businesses and taxpayers using the Portal. Also, fees and charges will be structured so that the addition of new Cities using the Portal does not impose additional costs on prior Participating Cities.

b. Goals of the PORTAL AGENCY. The Principals acknowledge and support the following goals which they seek to accomplish by this Agreement and creation of the PORTAL AGENCY:

i. Taxpayers and Licensees utilizing the Portal will have a seamless, transparent, user-friendly and efficient experience.

ii. It will be easy and timely for Taxpayers and Licensees to access knowledgeable staff at each Participating City to respond to tax or licensing questions.

iii. The Portal will have error-free data collection, transmittal and tax payment allocation as between Participating Cities.

iv. There will be local control and oversight of tax collections and tax policy.

v. Participating Cities will be accountable for the accuracy and timeliness of information they provide to the PORTAL AGENCY and for their customer service response.

vi. Decision-making will be jointly exercised by the Principals through the Executive Board.

vii. The PORTAL AGENCY will seek to balance the interests of information technology, treasury, finance and tax staff within Participating Cities in the development of the Portal's capabilities and operating rules.

viii. The PORTAL AGENCY will comply with all legal requirements, including but not limited to public record-keeping, public meetings, public records, security, and audit requirements.

ix. The PORTAL AGENCY will be able to accommodate additional city partners as Principals or Subscribers over time, and be able to process additional types of local taxes and licenses over time.

x. The PORTAL AGENCY will support the ability to maximize use of the Portal by Taxpayers and Licensees so that Participating Cities do not need to replicate the Portal's services.

xi. The PORTAL AGENCY will maximize compatibility with Participating City's systems of record for data storage and processing.

xii. The PORTAL AGENCY will coordinate with the state Department of Revenue.

xiii. The PORTAL AGENCY will be a cost effective solution for Participating Cities.

SECTION 5. PORTAL AGENCY SERVICES.

a. Generally. The PORTAL AGENCY has the responsibility and authority for overseeing the Vendor's contractual responsibilities to develop, own, operate, maintain and manage the Portal and for managing the operations of the PORTAL AGENCY. It is expressly contemplated that this scope of services includes:

i. The implementation, operation and maintenance of replacement or upgrades of the Portal as necessary or appropriate.
ii. The development and adoption of rules for access, use and maintenance of the Portal by City Participants, Taxpayers and Licensees.
iii. Expansion of the scope of services offered through the Portal if approved per Subsection 5.c below.
iv. Other responsibilities reasonably necessary for the development, operation and maintenance of the Portal.
v. Other related or ancillary services.

b. Limitation on Authority. The PORTAL AGENCY shall have no authority to set tax rates or tax classifications for Participating Cities, to set local tax policy, tax rules, deductions or exemptions; or take enforcement action on behalf of any Participating City. The PORTAL AGENCY is created by the Principals to manage the Participating Cities' joint participation in the facilitation of an exclusively governmental activity, specifically, the collection of certain local taxes.

c. Expansion of Scope of Services. The Portal will be initially established with the capability to handle payment of Gross Receipts Taxes and filing of applications for Business Licenses. PORTAL AGENCY may provide additional capability to pay additional types of city taxes or application for additional types of city licenses through the Portal only upon approval of a Supermajority Vote of the Executive Board; *provided, however,* that the cost of service expansions will be allocated only to those Participating Cities electing to participate in such services.

d. Requirement of Participating Cities to Utilize Services of Portal.

i. Gross Receipts Tax Collection Services: Participating Cities shall be required to offer their Taxpayers the option of paying Gross Receipts Taxes through the Portal, if and to the extent such taxes are imposed by a Participating City.
ii. Other Services: Except as required by Subsection 5.d.i above, no Participating City shall be required to utilize any other service of the Portal without the prior written approval of such City.
iii. Provision of Alternate Collection Options by Participating Cities. Nothing in this Agreement shall be interpreted to preclude a Participating City from

offering its Taxpayers or businesses additional means (other than through the Portal) for acquiring Business Licenses or paying any local taxes, including but not limited to payment of Gross Receipts Taxes.

iv. Operating Policies and Rules for Use of Portal. In order to protect sensitive Taxpayer data, and ensure the relationship between the Portal and Participating Cities remains fully functional and secure, the Executive Board shall adopt a Portal Operations Policy. It is understood and agreed that the access and use of the Portal by any Principal or Subscriber is conditioned on that party consenting in writing to comply with the Portal Operations Policy. Such consent shall be signified by signature of the chief executive officer of each Participating City, or his/her designee, and shall not require further legislative action of the Participating City. The Portal Operations Policy will be regularly reviewed and updated by the Executive Board as necessary or appropriate.

e. Additional Activities of the PORTAL AGENCY. At the discretion of the Executive Board, the PORTAL AGENCY may, in addition to the services described in Section 5.a above:

i. Participate in forums for Participating Cities to discuss tax policy issues (including but not limited to the Association of Washington Cities Tax Policy Advisory Group or its successor in interest);

ii. Provide education to Taxpayers and Businesses regarding the Portal and the PORTAL AGENCY, and work to increase transparency about Participating City tax policies and activities;

iii. Provide a forum for businesses and others to provide feedback and suggestions on the use and functionality of the Portal and the taxes and licenses administered through the Portal; and

iv. Provide a forum for discussion, coordination and execution of coordinated enforcement activities, provided that the PORTAL AGENCY itself is not authorized to take any tax collection or license fee enforcement actions on behalf of a Participating City. The PORTAL AGENCY shall not use or authorize the use of the Portal or such forum for the purpose of assisting a campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition.

v. The PORTAL AGENCY shall coordinate with the Washington State Department of Revenue with regard to the Portal's operations and functionality to minimize the need for Taxpayers and Licensees to enter data on the Portal and any separate state tax payment and licensing systems.

SECTION 6. PORTAL AGENCY POWERS.

Through its Executive Board, the PORTAL AGENCY shall have all powers allowed by law for interlocal agencies created under RCW 39.34.030 and Chapter 24.06 RCW, as authorized, amended, or removed by the Executive Board, as provided for in this Agreement and including but not limited to the following:

a. Recommend action to the legislative bodies of the Participating Cities;

b. Review and approve budget expenditures for the PORTAL AGENCY;

c. Establish policies for expenditures of budget items for the PORTAL AGENCY;

d. Review and adopt a personnel policy for the PORTAL AGENCY (if applicable);

e. Review and approve operating, Portal use, and financial policies for the PORTAL AGENCY;

f. Establish a fund or special fund or funds as authorized by RCW 39.34.030 for the operation of the PORTAL AGENCY;

g. Conduct regular and special meetings as may be designated by the Executive Board consistent with the state Open Public Meetings Act (Ch. 42.30 RCW) as now or hereafter amended;

h. Maintain and manage records in accordance with the state Public Records Act (Ch. 42.56 RCW) as now or hereafter amended, and other applicable state and federal laws and regulations;

i. Determine what services shall be offered and under what terms they shall be offered, consistent with Section 5.

j. Retain and terminate a Manager;

k. Create committees to review and make recommendations and carry out such functions and responsibilities as the Board may expressly provide;

l. Approve strategic plans;

m. Approve the addition of new Principals and new Subscribers and the terms of their participating in PORTAL AGENCY and receipt of PORTAL AGENCY services;

n. Enter into agreements with third parties for goods and services necessary to fully implement the purposes of this Agreement;

o. Establish fees and charges for services provided to Participating Cities or other parties, including but not limited to Taxpayers and Licensees using the services of the Portal;

p. Direct and supervise the activities of any committee established and/or any advisory boards, and the Manager;

q. Accept grants of funds from any federal, state, local or private agencies and receive and distribute such funds;

r. Receive all funds allocated to PORTAL AGENCY by Participating Cities;

s. Purchase, take, receive, lease, take by gift, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, in the name of PORTAL AGENCY;

t. Sell, convey, lease, exchange, transfer, and otherwise dispose of all of its property and assets;

u. Sue and be sued, complain and defend, in all courts of competent jurisdiction in PORTAL AGENCY's name;

v. Make and alter bylaws for the administration and regulation of its affairs; and

w. Any and all other lawful acts necessary to further PORTAL AGENCY's goals and purposes.

x. Notwithstanding the foregoing, the PORTAL AGENCY shall not have the authority to issue debt in its own name.

The Portal Agency, as a joint instrumentality of its municipal corporation members under Chapter 39.34 RCW, shall have no powers or authority that are not held by Washington cities.

SECTION 7. EXECUTIVE BOARD: COMPOSITION AND OPERATION.

a. <u>Composition</u>. The Executive Board shall be composed of one (1) Board Member from each Principal, plus at least one (1) non-voting Board Member representing PORTAL AGENCY Subscribers. Such representatives are referred to as a Board Member or Board Members of the Executive Board.

b. <u>Powers</u>. The Executive Board shall have final decision making authority upon all policy issues and shall exercise the powers described in Section 6. The Executive Board may delegate responsibility for execution of Executive Board policies and directives and for day-to-day operational decision-making to the Manager, including the hiring and supervision of additional staff positions authorized by the Executive Board, subject to the terms of Section 11.

c. <u>Limitation on Total Number of Voting Board Members on Executive Board; Allocation of Executive Board Positions Among Multiple Principals</u>. Notwithstanding the terms of Subsection 7.a, at no time shall the number of Executive Board Members exceed fifteen (15) voting members, and for so long as it remains a Principal, no Original Principal shall be required to share representation of its Board seat with another Principal. If the addition of a new Principal would cause the number of Executive Board voting Board Members to exceed fifteen (15), then the Principals with the smallest Population shall share a single Board Member position in order to reduce the number of Executive Board voting Board Members to fifteen (15); *provided that*, if over five (5) Principals would be represented by a single Board Member, then an additional

Board seat shall be converted for shared representation, to be shared by the Principals with the smallest Population. In the event that the number of Principals sharing representation is not evenly divisible by the number of shared seats, then the Principals with the larger Population shall be given the benefit of the allocation (e.g., if 7 Principals are to share 2 seats, then the 3 Principals with the largest Population (within the group sharing representation) shall share one (1) seat, and the four (4) Principals with the smallest populations shall share the second seat). If the number of Principals exceeds 59, then the same process as described above shall be repeated, that is, moving to a maximum of six (6) Principals sharing a seat, and so on (seven (7) Principals sharing a seat, etc.) as necessary to accommodate additional Principals.

d. Method of Determining Selection of Subscriber Representative(s) or Shared Voting Board Member(s). Subscribers shall initially share one (1) non-voting seat on the Executive Board. The Executive Board may by Supermajority Vote increase the number of non-voting seats for Subscribers, and may define how such additional seats are allocated among Subscribers. Unless otherwise described in the Bylaws, Subscribers sharing representation of the non-voting Board Member shall determine the means by which to select their Executive Board representative and shall inform the Board of their choice at the time of the biennial Executive Board Officer elections (or at such other times as may be required in the event of a vacancy). Similarly, those Principals sharing representation on a single Executive Board seat shall determine the means by which to select the position, and shall make the determination at the same time as the biennial Executive Board Officer elections (or at such other times as may be required in the event of a vacancy).

i. Unless otherwise described in the Bylaws, in the event that Subscribers or Principals are unable to agree on a shared representative or Board Member on a timely basis, the remaining Executive Board Members may make the selection for them by a vote of the Executive Board.
ii. Individuals representing multiple Subscribers or Principals are expected to confer with the Cities they represent.

e. Qualifications to Serve on Executive Board. To serve on the Executive Board, as either a voting or non-voting Board Member, a person must be the appointing city's Chief Financial Officer (e.g., finance director or city treasurer, or equivalent), or their deputy or equivalent. An individual representing multiple cities on a single Executive Board seat, or serving as the non-voting Subscriber representative shall similarly hold such a position within one of the Subscriber cities sharing such representation.

f. No Compensation for Serving on Executive Board. All Executive Board Members and their alternates shall serve without compensation from the PORTAL AGENCY. However, the PORTAL AGENCY may pay for or reimburse Executive Board Members and alternates for out-of-pocket costs related to service on the Executive Board.

g. Term of Office; Vacancies. Executive Board Members shall serve on the Executive Board for so long as they hold a position that qualifies them for the seat, unless the city they represent elects to appoint another individual. Executive Board Members representing multiple Cities (either as a Principal or Subscriber) shall serve until the next Board Officer elections. Any vacancies shall be promptly filled by the appointing Principal, group of Principals, Subscribers, or the Executive Board (per Section 7.d.i), as appropriate.

h. Alternates. Each Executive Board Member shall have a single alternate designated in writing. Alternates must meet the same qualification as the designated Board Member or have similar financial expertise and be in a management position within their city.

i. Quorum. A simple majority of the Board Members (or their alternates) in number (excluding any Board Member which per Section 17 has given notice of withdrawal or which has been terminated by vote of the Executive Board) shall constitute a quorum of the Executive Board for purposes of taking action.

j. Voting. The Executive Board shall strive to operate by consensus. All Executive Board decision on items not listed in Section 7.k shall require a Simple Majority Vote for approval. A Board Member may not split his or her vote on an issue. No voting by proxies or mail-in ballots will be allowed. Voting by a designated Alternate is not considered a vote by proxy. A Board Member representing a Principal that has given notice of withdrawal or which has been terminated by vote of the Executive Board shall be authorized to cast votes at the Executive Board only on budget items to be implemented prior to the withdrawal or termination date.

k. Items Requiring a Supermajority Vote for Approval:

i. Approval or amendment of the budget or draft budget. (Per Section 13.b.iv, approval of the draft and final budget or amendments thereto also requires unanimous approval of the Original Principals in certain instances).
ii. Approval or amendment of user fees and charges.
iii. Approval of the Portal Operations Policy or amendments thereto.
iv. Adoption or amendment of the Bylaws or amendment of the Articles of Incorporation.
v. A decision to acquire assets, equipment, real or personal property, or bind the PORTAL AGENCY to pay total or cumulative any contract amounts over $50,000, *provided that,* this threshold amount will be indexed on the fifth anniversary of the formation of the PORTAL AGENCY and every five (5) years thereafter by the CPI-U Seattle-Tacoma-Bremerton.
vi. Admission of a new Principal.

vii. Admission of a new Subscriber.

viii. The decision to create an additional non-voting seat for Subscribers on the Executive Board.

ix. Addition of any staff positions, or partial staff positions, to support PORTAL AGENCY operations. (Per Section 13.b.iv, approval of funding for increases in the number of staff positions also requires unanimous approval of the Original Principals in certain instances).

x. Appointing or removing the Manager.

xi. Merger, consolidation, sale of all or substantially all assets of the PORTAL AGENCY (See Section 16).

xii. Amendment of the Agreement (except for those amendments requiring approval of all legislative bodies of the Principals per Section 18).

xiii. Termination or dissolution of the PORTAL AGENCY (See Section 19).

xiv. Any other action actions requiring a sixty six-percent (66%) Supermajority vote under Chapter 24.06 RCW.

l. Officers. The Executive Board shall have four officers, a Chair, Vice-Chair, Secretary and Treasurer. It will be the function of the Chair to preside at the meetings of the Executive Board. The Vice-Chair shall assume this role in absence of the Chair. At the first meeting of the Executive Board following the effective date of this Agreement, the officers shall be elected, and shall serve in this capacity through April 1, 2016, whereupon a new Chair and Vice-Chair shall be elected by the Executive Board. Biennially thereafter, the Executive Board shall elect a new Chair and Vice-Chair for two (2) year terms commencing each April 1. In the event of a vacancy in the Chair position, the Vice-Chair shall assume the Chair for the balance of the term of the departed Chair. In the event of a vacancy in the Vice-Chair position, the Executive Board shall elect a new Vice-Chair to serve the balance of the term of the departed Vice-Chair. An officer elected to fill the unexpired term of his or her predecessor shall not be precluded from serving one or more full annual terms of office following the end of such unexpired term. Any officer appointed by the Executive Board may be removed by vote of the Executive Board, with or without cause, in which event the Executive Board shall promptly elect a new officer who shall serve until the next regular officers' board term begins. The Executive Board may appoint persons other than Board Members of the Executive Board to serve as Secretary and Treasurer of the PORTAL AGENCY. The duties of all officers shall be further described in the PORTAL AGENCY Bylaws.

m. Staffing. The Manager shall assign agency staff to support the Executive Board as he or she deems appropriate.

n. Meetings. The Executive Board shall meet as often as it deems necessary and not less than once a year, at a time and place designated by the Chair of the Executive Board or by a majority of its Board Members. Not less than fourteen (14) days advance notice of regular meetings shall be given. Special meetings may be called by the Chair or any two (2) Board Members upon giving all other Board Members not less than ten (10) days prior notice. In an emergency, the Executive Board may dispense with written notice requirements for special meetings, but must, in good faith, implement best efforts to provide fair and reasonable notice to all Executive Board Members. Board Members (or alternates) may participate in meetings by telephone conference or equivalent means of voice communication. At all times the Executive Board shall comply with Ch. 42.30 RCW (Open Public Meetings Act).

o. Articles of Incorporation and Bylaws. Unless otherwise provided in the Articles and Bylaws or by vote of the Executive Board, upon the request of any Board Member of the Executive Board, Robert's Revised Rules of Order shall govern any proceeding of the Executive Board.

p. Consultation with Operations Committee. It is the intent of this Agreement to seek the active participation and advice of Participating Cities in the determination of PORTAL AGENCY policies and management. To the extent practicable, all items to come before the Executive Board shall have been previously subject to the review, comment and recommendation of the Operations Committee and the Executive Board shall consider input from the Operations Committee in its deliberations.

q. Consultation with Businesses, Taxpayers and Participating Cities. Not less than once each year the Executive Board shall seek input from Taxpayers and Participating Cities for the purpose of securing feedback and information on the efficiency and effectiveness of the Portal and PORTAL AGENCY programs.

SECTION 8. CONVERSION OF STATUS OF PARTICIPATING CITIES; ADDITION OF NEW PRINCIPALS OR SUBSCRIBERS.

a. Loss of Principal Status. As described in Sections 13.d and 13.k hereof, a Principal shall be converted to Subscriber for failure to approve its share of the budget or for nonpayment or delinquency in payment of charges and fees. On the date of such conversion, said former Principal shall:

i. lose its representation on the Executive Board;
ii. lose its right to receive a share of the PORTAL AGENCY assets upon dissolution of the PORTAL AGENCY;
iii. become subject to payment of charges and fees in accordance with the then applicable payment formula for Subscribers; and
iv. be bound by the terms of the then current Subscriber service contract.

The conversion of a Principal to Subscriber shall not discharge or relieve any Principal of its obligations to the PORTAL AGENCY or any other Participating City.

b. Election to Convert to Subscriber. A Principal may elect to convert to Subscriber status effective the first day of the next budget period by giving notice of its intent to the Governing Board not less than eight (8) months in advance of such effective date; *provided that*, a Principal may not exercise such election to take effect within the Initial Term. Such conversion shall be effective as proposed without further action of the Executive Board, barring any basis for terminating the Principal and action thereon by the Executive Board.

c. New Principals. A city or town otherwise meeting the qualifications of a Principal in Section 3.z hereof may be admitted to the PORTAL AGENCY as a Principal upon Supermajority Vote of the Executive Board as required under Section 7.k and its approval and execution of a document confirm. Similarly, a Subscriber may apply to the Executive Board to be converted to Principal status. As a condition of becoming a Principal, whether by conversion or new admission, the Executive Board may require payment or other contributions or actions by the new Principal as the Executive Board may deem appropriate consistent with the Bylaws and Portal Operations Policy, and may set such start date for service as it deems appropriate, it being the intention that the addition of new Principals shall not cause then-existing Principals to incur additional costs.

d. New Subscribers. The determination of whether to accept Subscribers shall be made by the Executive Board in a manner similar, and subject to such terms and conditions, as that for accepting new Principals, it being the intention that the addition of new Subscribers shall not cause then-existing Principals or Subscribers to incur additional costs.

SECTION 9. TAX AND FINANCE OPERATIONS COMMITTEE.

a. Role and Responsibilities. A Tax and Finance Operations Committee ("Operations Committee") shall be established to provide advice and recommendations to the Executive Board. The Executive Board may determine to direct the Operations Committee to perform specific responsibilities within Board-defined parameters. The Operations Committee shall endeavor to promote interagency collaboration, cooperation and information sharing between PORTAL AGENCY Principals and Subscribers. The Operations Committee shall:

i. Assist in the review and development of Portal Operations Policy and amendments thereto, Portal development options, proposed new service options, and such other matters as the Executive Board may direct;
ii. Make reports and recommendations to the Executive Board from time to time on matters the Operations Committee deems appropriate;
iii. Assist in the review and development of proposed PORTAL AGENCY budgets;

iv. Provide written recommendations with respect to the proposed budget to the Executive Board at the time the proposed budget is submitted to the Executive Board;

v. Provide advice, information and recommendations to the PORTAL AGENCY Manager and staff;

vi. Assist in communications to City Councils, legislators, business community on PORTAL AGENCY issues;

vii. Reach out to technology staff within their respective Cities for input and ideas, and to keep them apprised of PORTAL AGENCY issues;

viii. Brief their respective Executive Board Members in advance of Executive Board meetings.

b. Membership. Membership of the Operations Committee shall include one (1) Representative from each Principal, appointed by that Principal, plus at least one (1) representative, appointed by the Executive Board, to represent Subscribers. Each Principal shall also appoint in writing a designated alternate to serve on the Operations Committee in case of absence of the primary Representative.

c. Qualification to serve on Operations Committee. Representatives and their alternates shall be staff from the Principal they represent, with expertise in city tax policy and administration and/or city financial policy and administration. Persons serving on the Operations Committee are referred to as Representatives (or alternates) and shall serve without compensation from the PORTAL AGENCY.

d. Officers, Voting, Meeting Rules. The Operations Committee shall select a Chair and Vice-Chair from among the membership of the Operations Committee. Each Representative on the Committee shall have one vote. The meeting rules for the Operations Committee shall be further defined in the PORTAL AGENCY Bylaws.

e. Staffing. The Operations Committee shall be staffed by the Manager and such additional agency staffing as the Manager may deem appropriate.

SECTION 10. PORTAL AGENCY STAFFING.

a. The PORTAL AGENCY shall be staffed in such manner as the Executive Board determines, including but not limited to the use of loaned employees from Principals, consultants or other service providers, purchase of services from Principals or others, or hiring staff, or any combination of the foregoing.

b. As described in Section 13.b.iv.2 and Exhibit D, any increase in Labor Costs in excess of the New Participant Labor Cost Increment requires approval of a Supermajority Vote of the Executive Board as well as the approval of all Board Members representing all Original Principals.

SECTION 11. PORTAL AGENCY MANAGER.

a. Portal Agency Manager Appointment, Responsibilities and Authority. The Executive Board shall be responsible for the appointment and termination of a Manager of the PORTAL AGENCY, and shall request input from the Operations Committee, or any other standing committees created by the Executive Board, regarding any proposed appointment. The Manager shall:

i. Be responsible to the Executive Board and shall advise it from time to time on a proposed budget and other appropriate matters in order to fully implement the purposes of this Agreement;
ii. Administer the PORTAL AGENCY in its day-to-day operations consistent with the policies adopted by the Executive Board;
iii. Appoint persons to fill other staff positions, subject to confirmation by the Executive Board as the Board may require;
iv. Submit quarterly budget and operation performance reports to the Executive Board in a form acceptable to the Executive Board;
v. Undertake outreach to Taxpayers, Licensees and businesses, as well as to Participating Cities on the effectiveness of the PORTAL AGENCY operations and programs.
vi. Manage and oversee performance of the Vendor and other vendors or contractors providing services to the PORTAL AGENCY.
vii. Consult in advance with the Operations Committee on issues to come before the Executive Board, including but not limited to working with the Operations Committee in the development of the PORTAL AGENCY's budget and policies.

b. Qualifications, Retention and Termination. The Manager shall have experience in technical, financial and administrative fields and his or her appointment shall be on the basis of merit only. The Manager is an "at will" position and may be terminated from his or her position as Manager upon the Supermajority Vote of the Executive Board, without cause.

c. Legal Counsel, Accountants and Auditors. Only the Executive Board shall be authorized to hire or retain legal counsel and independent accountants and auditors. Other consultants may be designated in such manner as the Executive Board may determine subject to Sections 6 and 7.

d. Contracts and Support Services. Subject to the terms of the Bylaws, the Executive Board or the Manager with advice of the Operations Committee shall as necessary contract with appropriate local governments or other third parties for the use of space for its operations, and for staff and auxiliary services including, but not limited to, records, payroll, accounting, purchasing and data processing. Notwithstanding the foregoing, only the Executive Board may approve changes to the Portal Vendor(s) or Portal Vendor Services Contract.

SECTION 12. ASSIGNMENT OF PORTAL SERVICES CONTRACT FROM SEATTLE TO PORTAL AGENCY.

Promptly following the execution of this Agreement and the filing of such forms with the Washington Secretary of State as are necessary to incorporate the PORTAL AGENCY as a nonprofit corporation, The City of Seattle agrees to assign the Portal Services Contract to the PORTAL AGENCY, together with all rights and responsibilities appurtenant thereto and the PORTAL AGENCY shall agree to accept such assignment, rights and responsibilities, it being the intent of the parties to this Agreement that the PORTAL AGENCY shall assume all responsibility for overseeing and funding the work of the Vendor pursuant to such Portal Services Contract as soon as practicable following formation of the PORTAL AGENCY.

SECTION 13. BUDGET; COST ALLOCATION; CAPITAL COST RECOVERY CHARGES; PAYMENT OF CHARGES; DELINQUENCIES; RESERVE FUNDS.

a. Budget Fiscal Year. The budget fiscal year shall be either the calendar year, or two calendar years as the Executive Board may determine. The "budget period" corresponds to the fiscal year or years so determined by the Board.

b. Budget Approval. The Manager shall develop the proposed operating budget in consultation with the Operations Committee. The Manager and Executive Board shall use their best efforts to meet the budget schedule set forth below, but failure to meet a specified budget deadline shall not constitute a breach of this Agreement.

i. The Manager shall present a proposed budget to the Executive Board by no later than **May 1** prior to the commencement of the budget period, together with the Operation Committee's recommendations with respect to the proposed budget.

ii. By no later than **June 15**, the Executive Board shall (1) review and revise the draft budget as it deems appropriate; (2) approve the draft budget (including proposed charges to Participating Cities and any user fees to

Taxpayers and Licensees) by Supermajority Vote; and (3) forward same to Principals. The approved draft budget, and all proposed fees and charges shall be forwarded to Subscribers no later than **July 1**.

iii. The final budget shall be adopted by vote of the Executive Board effective no later than **December 31** prior to commencement of the budget period, after receiving information as to:

1. which Subscribers will be continuing to contract with the PORTAL AGENCY; and

2. which Principals have or will approve their shares of the PORTAL AGENCY budget, based on action or information from such Principals received by the PORTAL AGENCY no later than **December 1**.

iv. Vote Required to Approve Budget. Per Section 7.k.i, a Supermajority Vote of the Executive Board is required to approve the draft and final budget, *provided* that unanimous approval of the Executive Board Members representing all Original Principals shall also be required to approve any budget or budget amendment that includes:

1. An increase in Capped Costs greater than the maximum amount allowed per calculation of the New Participant Capped Cost Increment, as further described in Exhibit D.

2. An increase in Labor Costs to increase the number of full or partial staff positions greater than the maximum amount allowed per calculation of the New Participant Labor Cost Increment, as further described in Exhibit D.

v. 2014 Budget. Notwithstanding the foregoing, the PORTAL AGENCY budget for the year 2014 will be formally adopted by action of the Executive Board promptly following incorporation of the PORTAL AGENCY and need not be submitted for approval by the Original Principals. The proposed 2014 budget is set forth at Exhibit A. By approving this Agreement each Original Principal also approves their contribution to the 2014 budget in an amount not to exceed that shown in Exhibit A, promptly following the date the PORTAL AGENCY is incorporated.

c. Payment of Charges. The Board shall determine the timing of payments by Participating Cities, which shall be set forth in the Portal Operations Policy.

d. Failure of a Principal to Approve Budget Share. Failure of a Principal to approve its share of the budget before the commencement of the budget period shall result in the Principal being converted to Subscriber status effective as of the first day of the budget period for which the budget was not approved.

e. Notification of Final Adopted Budget. Promptly following final adoption of the budget by the Executive Board, the Manager shall provide notice to all Principals and Subscribers as to the terms of the final adopted budget, including their share of PORTAL AGENCY costs, charges and fees, and the payment schedule.

f. Budget Modifications. Modifications to the budget shall be approved by a Supermajority Vote of the Executive Board (and also unanimous consent of the Original Principals if required by Section 13.b.iv above) as necessary from time to time to account for changes in expenditures and revenues.

g. Cost Allocation and Cost Recovery Principles. The PORTAL AGENCY budget shall be generally allocated between all Participating Cities based on the number of Transactions processed for each City on the Portal. In years 2014 through 2018, the number of Transactions for the Original Principals shall be based on 2012 historical actual pre-Portal use Transaction Counts (set forth in Exhibit A) and the City Transaction Count for any other Participating City shall be based on the most recent historical data for that City prior to it joining the Portal. From and after 2019, the number of Transactions allocated to Original Principals shall be based on the most recent actual annual number of Transactions processed on the Portal for each such City (thus for 2019, the 2017 actual Transaction count will be used); for other Participating Cities, the allocation will be determined considering the actual number of Transactions (if the City had joined before 2019), historical tax and license information, and the experience of Original Principals as to how quickly businesses have adopted use of the Portal since its launch. The details of the cost allocation calculation shall be set forth in the Portal Operations Policy. Nothing in this Agreement shall be construed to prohibit the Executive Board from including factors in addition to the number of City Transactions in the cost allocation formulas as between Participating Cities, so long as the primary basis for allocation remains the City Transaction count.

h. User Fees. The PORTAL AGENCY shall impose such reasonable user fees as the Executive Board may determine on Taxpayers and Licensees utilizing the Portal to file tax returns or file business license applications in order to recoup costs of PORTAL AGENCY operations, the Portal operation and maintenance, reserves and any other PORTAL AGENCY costs.

i. Estimated Six Year Operating Costs. Exhibit B sets forth a general estimate of the annual costs to establish and operate the PORTAL AGENCY between 2014 and 2020, assuming the Original Principals are the only Participating Cities, and includes estimated payment of Vendor's charges pursuant to the Portal Services Contract and other estimated operating costs. This Exhibit is an estimate and is not binding on any of the parties to this Agreement, nor is it binding on the PORTAL AGENCY.

j. Capital Cost Recovery Charge. In order to reimburse the City of Seattle for approximately one third of the costs Seattle paid to fund start-up of the Portal Agency, each Participating City other than the City of Seattle will be charged an annual Capital Cost Recovery Charge, in an amount described in Exhibit C. Such Charges shall be imposed each year from and after 2015 until such time as the total Capital Cost Recovery Charges paid reaches $1,400,000. The Capital Cost Recovery Charges will be paid by Participating Cities to the Portal Agency and the Portal Agency shall thereafter remit the total annual amount to Seattle. The Capital Cost Recovery Charge is not considered part of the Portal Agency budget for purposes of calculating Capped Costs or CPI-U limitations on the growth of such costs.

k. Payment and Delinquencies. Principals shall promptly pay fees and charges allocable to them. Interest on fees and charges allocable to any Principal not paid when due shall begin accruing interest immediately at the Federal Reserve Prime Rate as of the date the payment was originally due, plus 3% per year. The PORTAL AGENCY shall, within seven (7) days of the due date, send notice to any delinquent Principal and provide a 60-day cure period from the original due date of the payment. If such fees and interest penalties are not paid in full within 60 days of the original due date, then the Principal delinquent in payment of fees shall upon such 60th day be deemed immediately converted to the status of a Subscriber and subject to penalty as described in Section 8. In the event a Principal converted to Subscriber status by non-payment of fees shall not have paid in full all fees and interest owing by six (6) months after the original due date, then the Executive Board may terminate provision of the PORTAL AGENCY'S services to that former Principal. After one (1) year, the nonpaying former Principal shall be deemed to have withdrawn from this Agreement, but the termination of services shall not absolve the former Principal of its obligation to pay all fees and charges past due, together with interest.

l. Terms of Subscriber Contracts. Subscriber contracts shall include terms consistent with these delinquency provisions, that is, interest shall accrue on delinquent payments at the same rate as provided herein, and service may be terminated if fees and interest are not paid in full within six months.

m. Reserve Funds. The Executive Board may establish and fund reserve funds to support operations or capital investments for the PORTAL AGENCY, at levels the Executive Board determines to be appropriate; *provided* that general reserve funds may only be used to support general PORTAL AGENCY operations, maintenance and capital costs and may not be used in support of developing projects or services that will not be utilized by all Principals; and *provided further*, that no Principal shall be required to contribute to special reserves established exclusively in support of projects or services that the Principal has certified it does not intend to utilize or make available to its Taxpayers and Licensees.

n. Use of Funds. Consistent with any use imposed on particular funds by statute, ordinance, contract, this Interlocal Agreement or any bylaws adopted by PORTAL AGENCY, the PORTAL AGENCY may use any available funds for any purpose authorized by this Agreement in connection with an authorized project.

SECTION 14. RETAINED AUTHORITY AND RESPONSIBILITY OF PARTICIPATING AGENCIES.

Each Participating City shall retain the responsibility and authority for its operational departments and for such equipment and services as are required at its place of operation to connect to PORTAL AGENCY operations, including but not limited to each Participating City's computer and data systems managing processes that provide services the Portal delivers (the City's system of record). Each Participating City shall also retain the responsibility and authority for managing and maintaining the security and privacy of all data that the Participating City links to the Portal. Inter-connecting equipment and services will not be included in PORTAL AGENCY'S budget and operational program, except as the Executive Board may determine.

SECTION 15. OWNERSHIP OF PROPERTY.

a. Ownership of Property. Excepting the Portal which is owned by the Vendor, all property both real and personal, as well as intellectual property rights or licenses purchased or otherwise acquired pursuant to or in connection with this Agreement shall be owned or held in the name of the PORTAL AGENCY; provided, however, that the Executive Board may convey ownership of specific property, property or use rights.

b. Loaned Property. If any Participating City provides equipment or furnishings for PORTAL AGENCY'S use, title to the same shall rest with the respective local entity unless that equipment or furnishing is acquired by the PORTAL AGENCY.

c. Data. Each Participating City shall retain ownership of its own data and property that may be used in connection with Portal or PORTAL AGENCY operations.

SECTION 16. MERGER OR CONSOLIDATION, OR SALE OF ALL OR SUBSTANTIALLY ALL ASSETS.

Approval of the merger or consolidation of PORTAL AGENCY with another entity, or the sale of all or substantially all assets of PORTAL AGENCY, shall require a Supermajority Vote.

SECTION 17. WITHDRAWAL BY, OR TERMINATION OF, A PRINCIPAL.

a. Notice and Timing. Any Principal may withdraw its membership and terminate its participation in this Agreement by providing written notice to the Executive Board on or before December 31 in any year, and the Executive Board shall promptly inform all other Principals of such notice. That withdrawal shall become effective on the last day of the next calendar year. Notwithstanding the foregoing, no Principal may terminate its participation in this Agreement effective prior to the end of the Initial Term.

b. Obligations of departing Principal. A Principal who withdraws, is terminated, changes or is changed to Subscriber status ("departing Principal") shall hold the remaining Principals and Subscribers harmless against any resultant increased capital and/or operating costs allocated to them for the following two (2) budget years (plus the remainder of the current budget year, if applicable), with respect to any Executive Board approved project (excluding the initial launch of the Portal) in which the departing Principal is participating or has agreed to participate prior to notice of withdrawal or notice of change to Subscriber status, but such obligation shall exclude the cost of any Capital Cost Recovery Charges. Such obligation shall be reduced to the extent new Principals or Subscribers are allocated these costs that would otherwise have been chargeable to the departing Principal. After recouping such costs, the Executive Board may authorize reimbursement to the remaining Principals and Subscribers based on a depreciated value of the withdrawing or converting Principal's contribution.

c. Rights of departing Principal. Departing Principals shall have rights to copies of all data held by the PORTAL AGENCY relating to that Principal's Taxpayers and Licensee and other data relating specifically to the Principal.

d. The termination and/or withdrawal of a Principal shall not discharge or relieve any Principal of its obligations to the PORTAL AGENCY or other Participating Cities.

SECTION 18. AMENDMENT OF AGREEMENT.

This Agreement may be amended upon approval of a Supermajority Vote of the Executive Board except that any amendment affecting the following shall require consent of the legislative authorities of all Principals:

a. Expansion of the scope of services provided by the PORTAL AGENCY beyond the scope of expansion authorized in Section 5.c.
b. The terms and conditions of membership on the Executive Board.
c. Voting rights of Executive Board Members.
d. Powers of the Executive Board.
e. Principal contribution responsibilities.
f. Hold harmless and indemnification requirements.
g. Provisions regarding duration, termination or withdrawal.
h. The conditions of this Section.

This section shall not be construed to require legislative authority consent for the addition of a new Principal or agreement to serve an additional Subscriber, or to expand or contract the services purchased by any Principal or Subscriber or offered by the PORTAL AGENCY.

SECTION 19. TERMINATION OF AGREEMENT; DISSOLUTION OF AGENCY.

a. Generally. This Agreement may be terminated upon the approval of a Supermajority Vote of the Executive Board. The termination shall be by direction of the Executive Board to wind up business by a date specified by the Executive Board, which date shall be at least one (1) year following the date of the vote to terminate. Upon the final termination date, this Agreement shall be fully terminated.

b. Distribution of Property on Termination of Agreement. Upon termination of this Agreement, all property acquired during the life of the Agreement remaining in ownership of PORTAL AGENCY shall be disposed of in the following manner:

i. Real or Personal Property. All real or personal property purchased pursuant to this Agreement and all unexpended funds or reserve funds, net of all outstanding PORTAL AGENCY liabilities, shall be distributed to those Principals still participating in the PORTAL AGENCY on the day prior to the termination date and shall be apportioned between Principals based on the ratio that the average of each Principals' contributions to the operating budget over the preceding five (5) years bears to the total of all then remaining Principals' user fees paid during such five-year period. The Executive Board shall have the discretion to allocate the real or personal property and funds as it deems appropriate, and the apportionment, determined consistent with the preceding sentence, need not be exact.

ii. Intellectual Property Rights. The Vendor will own, or have rights to, all its intellectual property per the terms of the Portal Services Contract, including the right to license the Portal operating system exclusively to the PORTAL AGENCY, its Principals and Subscribers. The Portal license rights, and all rights granted relating thereto, terminate with the termination of the Portal Services Contract. Notwithstanding this termination, the Principals and Subscribers shall retain the right after termination of the Portal license rights to acquire any and all information and data, including but not limited to Taxpayer, Licensee and their respective City data, then currently held by the Vendor or the PORTAL AGENCY. Upon termination of the Portal Development and Services Contract or the dissolution of the PORTAL AGENCY, any and all intellectual property owned by the PORTAL AGENCY (which excludes the Portal and any other intellectual property owned by the Vendor) will be transferred in its entirety to Principal with the largest Population. If said Principal does not agree to accept the intellectual property owned by the PORTAL AGENCY, it shall then be transferred in its entirety to the Principal with the next largest population, and so on should that Principal not agree to accept the intellectual property. If no Principal agrees to accept the intellectual property, then the Executive Board will attempt to sell the intellectual property at fair market value and distribute the proceeds in proper proportion to the current Principals in accordance with Subsection 19.b.i.

iii. Loaned Property. In the event of dissolution or termination of the PORTAL AGENCY, assigned or loaned assets shall be returned to the lending entity.

iv. Allocation of Liabilities. In the event outstanding liabilities of the PORTAL AGENCY exceed the value of personal and real property and funds on hand, all Principals shall contribute to retirement of those liabilities in the same manner as which they would share in the distribution of properties and funds.

c. Notwithstanding the foregoing, the Agreement may not be terminated if to do so would abrogate or otherwise impair any outstanding obligations of the PORTAL AGENCY, unless provision is made for those obligations.

SECTION 20. DISPUTE RESOLUTION.

a. Whenever any dispute arises between a Principal or the Principals or between the Principals and the PORTAL AGENCY (referred to collectively in this section as the "parties") under this Agreement which is not resolved by routine meetings or communications, the parties agree to seek resolution of such dispute by the process described in this section, which shall also be binding on Subscribers.

b. The parties shall seek in good faith to resolve any such dispute or concern by meeting, as soon as feasible. The meeting shall include the Chair of the Executive Board, the Manager, and a representative(s) of the Principal(s), if a Principal(s) is involved in the dispute, and/or a person designated by the Subscriber(s), if a Subscriber(s) is involved in the dispute.

c. If the parties do not come to an agreement on the dispute or concern, any party may request mediation through a process to be mutually agreed to in good faith between the parties within 30 days, which may include binding or nonbinding decisions or recommendations (whichever is mutually agreed to). The mediator(s) shall be mutually agreed upon and shall be skilled in the legal and business aspects of the subject matter of this Agreement. The parties shall share equally the costs of mediation and assume their own costs.

SECTION 21. INSURANCE.

The Executive Board, Manager, and Operations Board shall take such steps as are reasonably practicable to minimize the liability of the Participating Cities, including but not limited to the utilization of sound business practice. The Executive Board shall determine which, if any, insurance policies may be reasonably practicably acquired to cover the operations of the Portal Agency and the activities of the Parties pursuant to this Agreement (which may include Directors and Officers, Commercial General Liability, Auto, Workers' Compensation, Stop Gap/Employer's Liability, errors and omissions, crime/ fidelity insurance, CyberRisk), and shall direct the acquisition of same.

SECTION 22. INDEMNIFICATION AND HOLD HARMLESS.

Each Principal shall indemnify and hold other Principals, their officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of that Principal's negligent acts or omissions in connection with the performance of its obligations under this Agreement, except to the extent the injuries or damages are caused by another Principal.

a. Each Principal shall indemnify and hold the PORTAL AGENCY and its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of that Principal's negligent acts or omissions in connection with the performance of its obligations under this Agreement, except to the extent the injuries and damages are caused by the PORTAL AGENCY.

b. As provided in its Articles of Incorporation, the PORTAL AGENCY shall indemnify and hold each Principal its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of the PORTAL AGENCY'S acts or omissions in connection with the performance of its obligations under this Agreement, except to the extent the injuries and damages are caused by any Principal.

c. Subscribers shall be required to agree to indemnify and hold harmless each Principal and the Portal Agency, their officers, officials, employees and volunteers from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of Subscribers negligent acts or omissions in connection with its use of the Portal. To such degree as the Executive Board determines to be reasonable, appropriate, and consistent with applicable law and to be in the best interests of the Portal Agency, the Portal Agency may also indemnify and hold harmless Subscribers.

d. 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 a party hereto and the PORTAL AGENCY, its officers, officials, employees, and volunteers, the party's liability hereunder shall be only to the extent of the party's negligence. It is further specifically and expressly understood that the indemnification provided in this Section constitutes the party's waiver of immunity under Industrial Insurance Title 51 RCW, solely for the purpose 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.

e. Each party shall give the other parties proper notice as provided in Section 24, of any claim or suit coming within the purview of these indemnities. Termination of this Agreement, a Principal's withdrawal from the PORTAL AGENCY, or a Principal's conversion to Subscriber status (collectively for purposes of this subparagraph "Termination"), shall not affect the continuing obligations of each of the parties as indemnitors hereunder with respect to those indemnities and which shall have occurred prior to such Termination.

SECTION 23. INTERGOVERNMENTAL COOPERATION.

The PORTAL AGENCY shall cooperate with local, state and federal governmental agencies in order to maximize the utilization of any grant funds for equipment and operations and to enhance the effectiveness of the PORTAL AGENCY's operations and minimize costs of service delivery.

SECTION 24. NOTICE.

Notices required to be given to the PORTAL AGENCY under the terms of this Agreement shall be directed to the following unless all Principals are otherwise notified in writing:

> Chair, PORTAL AGENCY Executive Board
> c/o his/her Principal agency's address

Notices to Principals or Subscribers, Board Members or Representatives required hereunder may be given by mail, overnight delivery, facsimile or email (with confirmation of transmission), telegram, or personal delivery. Each Principal shall provide the Chair of the PORTAL AGENCY Executive Board written notice of the address for providing notice to said Principal. Any Principal wishing to change its mail or email address shall promptly notify the Chair of the Executive Board. Notice or other written communication shall be deemed to be delivered at the time when the same is postmarked in the mail or overnight delivery services, sent by facsimile or email (with confirmation of transmission), sent by telegram, or received by personal delivery.

SECTION 25. VENUE.

The venue for any action related to this Agreement shall be in the Superior Court in and for King County, Washington at Seattle, or if applicable, in Federal District Court, Western District of Washington.

SECTION 26. FILING.

As provided by RCW 39.34.040, this Agreement shall be filed prior to its entry in force with the King County Department of Executive Services Division of Records and Licensing Services, or its successor, Records and Elections, or, alternatively, listed by subject on a Principal's web site or other electronically retrievable public source.

SECTION 27. NO THIRD PARTY BENEFICIARIES.

There are no third-party beneficiaries to this Agreement. No person or entity other than a party to this Agreement shall have any rights hereunder or any authority to enforce its provisions, and any such rights or enforcement must be consistent with and subject to the terms of this Agreement.

SECTION 28. SEVERABILITY.

The invalidity or any clause, sentence, paragraph, subdivision, section or portion of this agreement shall not affect the validity of the remainder of the Agreement.

SECTION 29. RATIFICATION.

All prior acts taken by the Principals and the PORTAL AGENCY consistent with this Agreement are hereby ratified and confirmed.

SECTION 30. EXECUTION, COUNTERPARTS AND EFFECTIVE DATE.

This Agreement and any amendments thereto, shall be executed on behalf of each Principal by its duly authorized representative and pursuant to an appropriate motion, resolution or ordinance. This Agreement may be executed in any number of counterparts, each of which shall be an original, but those counterparts will constitute one and the same instrument. This Agreement shall be deemed adopted and effective as of March 1, 2014, subject to prior approval by the legislative bodies of all four Original Principals, execution by each Original Principal, and prior filing of same as required by Section 26.

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IN WITNESS WHEREOF, this Agreement has been executed by each party on the dates set forth below.

City of Bellevue

City Manager

Date

Approved as to Form:

City Attorney

Date

City of Everett

Mayor

Date

Approved as to Form:

City Attorney

Date

The City of Seattle

Mayor

Date

Approved as to Form:

City Attorney

Date

City of Tacoma

City Manager

Date

Approved as to Form:

City Attorney

Date

List of Exhibits

A. Proposed 2014 PORTAL AGENCY BUDGET SUMMARY (including number of Transactions used for cost allocation as between Original Principals)

B. 2015-2020 Estimated PORTAL AGENCY Operating Budget Summary

C. Capital Cost Recovery Charges

D. Calculation of New Participant Capped Cost Increment and New Participant Labor Cost Increment

Exhibit A

Proposed 2014 PORTAL AGENCY OPERATING BUDGET SUMMARY
(including number of Transactions used for cost allocation as between Original Principals)
(June to December 2014)

Labor Total[1]	152,649
Contracts Total[2]	27,000
Overhead Total[3]	12,500
Vendor Costs[4]	180,208
Operating Reserves	55,854
Total Budgeted Costs	**428,210**
Total Budgeted Revenues	**428,210**
Estimated User fee Revenues[5]	72,566
Estimated Revenue from City Cost Allocations[6]	355,644
City of Seattle Cost Allocation[7]	*245,394*
City of Bellevue Cost Allocation	*35,654*
City of Tacoma Cost Allocation	*56,903*
City of Everett Cost Allocation	*17,782*

This budget estimates a six month budget beginning after the Multi-City Business License and Tax Portal is up and running in mid-2014, the first six months are covered by the Portal

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[1] This budget includes 2.5 FTE: the Portal Manager, a half-time administrative assistant and a full-time IT Project Manager/Business Analyst. The personnel for these positions will be provided by the City of Seattle and the costs in this budget include the fully-funded (salary, benefits, etc.) labor costs for all 2.5 positions. A separate loaned staffing agreement will be entered into between the Portal Agency and the City of Seattle in 2014 for these staff.

[2] Includes contracts for outside services such as Accounting, Insurance, Bank and the State Auditor.

[3] Funding for miscellaneous overhead items such as legal fees, office and operating supplies, printing and licenses/memberships.

[4] Includes costs estimated payable to-Gov Systems under the Portal Services Contract in 2014, from and after the Portal goes "live." For the first five years of Portal operation,.e-Gov Systems will charge the Portal Agency $1.25 every time a business or taxpayer makes an online Portal filing, whether or not tax is owing.

[5] Assumes the Executive Board approves a proposed user fee of $4 per online session per City (the proposed fee would be payable only when tax is owed; multiple tax and/or license filings on the same session would incur only one fee). This user fee is based on an estimated Portal use adoption rate by business and taxpayers of 15%. This adoption rate is expected to grow considerably each year.

[6] Cost Allocations are based on the 2012 Transaction count for each Original Principal, shown in the table at the End of this Exhibit A.

[7] Excludes Seattle's contributions to start-up costs in 2014. Also excludes labor and operating costs for which Seattle will be reimbursed from the Total Budget shown above, per the loaned staffing agreement.

Implementation Project costs funded by Seattle. This budget estimates also assumes only four cities participate in 2014.

Transaction Counts Calculations used for Cost Allocation as between Original Principals

Transaction Counts	Based on 2012 actual business license filings, business and occupations and gross receipts tax filings for each Original Principal				
	Seattle	**Bellevue**	**Tacoma**	**Everett**	**Total**
Transactions	212,457	30,927	50,000	14,392	307,776
% Allocation	69%	10%	16%	5%	100%

Exhibit B:

Multi-City Business License and Tax Portal Agency
2015-2020 Estimated Operating Budget Summary

This budget is an estimated six year budget and assumes only four cities participating.

	2015	2016	2017	2018	2019	2020
Labor Total[8]	314,740	324,182	333,908	343,925	354,243	364,870
Contracts Total[9]	55,188	56,402	57,643	58,911	60,207	61,532
Overhead Total[10]	15,330	15,667	16,012	16,364	16,724	17,092
Vendor Total[11]	344,888	383,360	421,832	460,304	479,540	498,776
Operating Reserve - 15%	53,668	7,420	7,467	7,516	4,681	4,733
Total Estimated Budget	783,814	787,031	836,862	887,021	915,396	947,003
Estimated User Fee Revenue[12]	193,510	241,888	290,266	338,643	362,832	387,021
Estimated City Cost Allocation Revenues[13]	602,057	555,622	557,306	559,322	563,749	571,414
City of Seattle[14]	415,419	383,379	384,541	385,932	388,987	394,276
City of Bellevue	60,206	55,562	55,731	55,932	56,375	57,141
City of Tacoma	96,329	88,900	89,169	89,492	90,200	91,426
City of Everett	30,103	27,781	27,865	27,966	28,187	28,571

8 This budget includes 2.5 FTE: the Portal Manager, a half-time administrative assistant and a full-time IT Project Manager/Business Analyst. The personnel for these positions will be provided by the City of Seattle and the costs in this budget include the fully-funded (salary, benefits, etc.) labor costs for all 2.5 positions. A separate loaned staffing agreement will be entered into between the Portal Agency and the City of Seattle in 2014 for these staff.

9 Includes contracts for outside services such as Accounting, Insurance, Bank and the State Auditor.

10 Funding for miscellaneous overhead items such as legal fees, office and operating supplies, printing and licenses/memberships.

11 Includes costs estimated payable to-Gov Systems under the Portal Services Contract in 2014, from and after the Portal goes "live." e-Gov Systems will charge the Portal Agency $1.25 every time a business or taxpayer makes an online Portal filing, whether or not tax is owing. This per-filing cost is fixed for the first five years of Portal operation.

12 Assumes the Executive Board approves a proposed user fee of $4 per online session per City (the proposed fee would be payable only when tax is owed; multiple tax and/or license filings on the same session would incur only one fee). This user fee is based on an estimated Portal use adoption rate by business and taxpayers of 15%. This adoption rate is expected to grow considerably each year.

13 Cost Allocations are based on the 2012 Transaction count for each Original Principal, shown in Table 2.

14 Excludes Seattle's contributions to start-up costs in 2014. Also excludes labor and operating costs for which Seattle will be reimbursed from the Total Budget shown above, per the loaned staffing agreement.

Transaction Counts Calculations used for Cost Allocation as between Original Principals

Transaction Counts	Based on 2012 actual business license filings, business and occupations and gross receipts tax filings for each Original Principal				
	Seattle	**Bellevue**	**Tacoma**	**Everett**	**Total**
Transactions	212,457	30,927	50,000	14,392	307,776
% Allocation	69%	10%	16%	5%	100%

Estimated Adoption Rates

e-Gov Systems Recommended Adoption Rate	This is the recommended rate of adoption from e-Gov systems based on previous implementations.					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Adoption Rate	40%	50%	60%	70%	75%	80%

CPI-U Rates Forecast

	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
CPI-U Forecast (Bellevue)	2.20%	2.20%	2.20%	2.30%	2.30%	2.30%	2.30%

Exhibit C

Capital Cost Recovery Charges

Beginning in 2015, every Participating City other than the City of Seattle will pay a yearly Capital Cost Recovery Charge to the Portal Agency which in turn will remit the annual total of such Charges paid to the City of Seattle. The Charges will remain in place until the total amount of $1,400,000 has been remitted to Seattle.

The Executive Board shall determine the timing for payment of the Capital Cost Recovery Charges.

Each Participating City's Capital Cost Recovery Charge will be determined based on the number of Transactions allocated to such City in the budget year in which the Charge will be collected, and in accordance with the following table:

Category:	**Smallest City**	**Smaller City**	**Small City**	**Medium City**	**Large City**
Transaction Count allocated to the City in the budget year	< 1000	1001 - 4000	4,001 to 14,400	14,401 to 31,000	>31,001
Capital Cost Recovery Charge payable annually	**$500**	**$1000**	**$2000**	**$4000**	**$6000**

Exhibit D

Calculation of New Participant Capped Cost Increment and New Participant Labor Cost Increment

New Participant Capped Cost Increment.

The New Participant Capped Cost Increment is an amount calculated in the development of each budget (or budget amendment) to identify the maximum amount by which Capped Costs may increase in the budget period *without requiring unanimous consent of the Executive Board Members representing all four Original Principals*. The Increment is determined by identifying the "CPI-U Limit for Capped Costs per Transaction" for the applicable budget period, assuming the Portal Agency has the same number of Participating Cities as the prior budget period and the Capped Costs from the previous period are inflated by the CPI-U Limit. The Capped Cost per Transaction is then multiplied by the number of Transactions attributable to new Participating Cities joining the Portal Agency in the budget period, and the resulting total is the maximum amount by which the Capped Costs in the new budget period may be increased over and above the Status Quo Capped Cost *without requiring unanimous consent.*

<table>
<tr><th colspan="2">Illustration:
Calculation of New Member Capped Cost Increment for Year X
Assuming: 1 year budget period; addition of 2 member cities proposed in Year X</th></tr>
<tr><td>Part 1: Calculating CPI-U Limit for Capped Costs Per Transaction</td><td></td></tr>
<tr><td>CPI-U Limit for Capped Cost for Year X,
• Inflate Capped Costs for the previous year by the CPI-U Limit.</td><td>$16,000</td></tr>
<tr><td>Estimated Transaction Count for Year X from currently Participating Cities
• Includes all Cities participating as Principals or Subscribers in the previous year.
• Transaction count is that used for purposes of estimating the cost allocations of these Participating Cities in Year X.</td><td>125,000</td></tr>
<tr><td>Capped Cost Per Transaction ($16,000 ÷ 125,000)</td><td>$0.128</td></tr>
<tr><td>Part 2: Calculating New Member Capped Cost Increment</td><td></td></tr>
<tr><td>New Member Transaction Count
• Total Transactions assigned to the 2 new Participating Cities for purposes of budget allocation in Year X</td><td>10,000</td></tr>
<tr><td>New Member Capped Cost Increment for Year X ($0.128 x 10,000)</td><td>$1,280</td></tr>
<tr><td colspan="2">Capped Costs in Year X may be increased by Supermajority Vote to a level of $17,280. Capped Costs in excess of that amount would require Supermajority Vote and unanimous approval by Board Members representing the Original Principals.</td></tr>
</table>

New Member Participant Labor Cost Increment.

The New Participant Labor Cost Increment is an amount calculated in the development of each budget (or budget amendment) to identify the maximum amount by which Labor Costs may increase in the budget period *without requiring unanimous consent of the Executive Board Members representing all four Original Principals*. The Increment is determined by identifying the "Status Quo Labor Cost per Transaction" for the applicable budget period, assuming the Portal Agency has the same number of Participating Cities and staff as the prior budget period. The Labor Cost per Transaction is then multiplied by the number of Transactions attributable to new Participating Cities joining the Portal Agency in the budget period, and the resulting total is the maximum amount by which the Labor Costs in the new budget period may be increased over and above the Status Quo Labor Cost *without requiring unanimous consent*.

Illustration: **Calculation of New Participant Labor Cost Increment for Year X** *Assuming: 1 year budget period; addition of 2 member cities proposed in Year X*	
Part 1: Labor Cost Per Transaction	
Status Quo Labor Costs for Year X • Assuming same number of staff (including employees, if any, and loaned staff) as were engaged by the Portal Agency in the previous year, and adding any estimated increases in costs of salary, benefits, etc. for those same personnel over and above the previous year's costs.	$350,000
Estimated Transaction Count for Year X from Currently Participating Cities • Includes all Cities participating as Principals or Subscribers in the previous year. • Transaction count is that used for purposes of estimating the cost allocations of these Participating Cities in Year X.	125,000
Labor Cost Per Transaction ($350,000 ÷ 125,000)	**$2.80**
Part 2: New Participant Labor Cost Increment	
New Participant Transaction Count • Total Transactions assigned to the 2 new Participating Cities for purposes of budget allocation in Year X	10,000
New Participant Labor Cost Increment for Year X ($2.80 x 10,000)	**$28,000**
Labor Costs in Year X may be increased by Supermajority Vote to a level of $378,000. Labor Costs in excess of that amount would require Supermajority Vote ***and*** *unanimous approval by Board Members representing the Original Principals.*	

Draft *Draft dated 9.20.13* *Draft*

ARTICLES OF INCORPORATION

OF

WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY

The undersigned, in order to form a not for profit corporation under Chapter 24.06 of the Revised Code of Washington ("RCW"), and pursuant to Chapter 39.34 RCW, hereby sign and deliver the following Articles of Incorporation:

ARTICLE I — NAME

The name of this corporation is:

WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY

ARTICLE II — DURATION

The period of duration of Washington Multi-City Business License and Tax Portal Agency (the "PORTAL AGENCY") is perpetual.

ARTICLE III — PURPOSES

PORTAL AGENCY is organized on behalf of and as an instrumentality of its governmental members to carry out certain exclusively governmental activities and the purposes of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement (the "Interlocal Agreement") pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW. These purposes include developing, owning, operating and managing and maintaining an internet web application gateway to administer City business licensing and tax collection functions (the "Portal"), as further described in the Interlocal Agreement.

ARTICLE IV — PROHIBITED ACTIVITY

Notwithstanding any of the provisions of these Articles of Incorporation, the PORTAL AGENCY shall not conduct or carry on activities not permitted to be conducted or carried on by an organization exempt from federal income tax under Sections 115 of the Internal Revenue Code or by an organization, contributions to which are deductible under Section 170(c)(2). No part of the net earnings of the PORTAL AGENCY shall inure to the benefit of any director, officer or private individual. No substantial part of the activities of the PORTAL AGENCY shall be devoted to the carrying on of propaganda, or otherwise attempting to influence legislation except as may be permitted by the Internal Revenue Code, and the PORTAL AGENCY shall not participate in, or intervene in (including the publication or distribution of statements regarding) any political campaign on behalf of or in opposition to any candidate for public office. The PORTAL AGENCY shall not have or issue shares of stock, shall not make any disbursement of income to its directors or officers, and shall not make loans to its officers or directors.

ARTICLE V — POWERS

In general, and subject to such limitations and conditions as are or may be prescribed by law, or in these Articles of Incorporation or in the PORTAL AGENCY'S Bylaws or in the Interlocal Agreement, the PORTAL AGENCY shall have all powers which now or hereafter are conferred under Chapters 24.06 and 39.34 RCW and other applicable law upon a corporation organized for the purposes set forth above, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of the PORTAL AGENCY's purposes.

ARTICLE VI — MEMBERS

Each Member of PORTAL AGENCY must be a general purpose municipal corporation formed and existing as a city or town under the laws of the state of Washington and meeting the other requirements described in the Interlocal Agreement. As used in these Articles, the term "Members" means "Principals" as defined in the Interlocal Agreement. The rights and responsibilities of the Members/Principals and the manner of their election, appointment, or admission to membership and termination of membership shall be as provided for in the Interlocal Agreement. The PORTAL AGENCY shall have one class of Members/Principals, except that each Member/Principal may be treated as a separate class for calculating votes as provided for in the Interlocal Agreement.

ARTICLE VII — DISTRIBUTIONS UPON DISSOLUTION

No director, trustee or officer of the PORTAL AGENCY, nor any private individual, shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the PORTAL AGENCY or the winding up of its affairs. Upon dissolution of the PORTAL AGENCY, after paying, satisfying, and discharging, or making adequate provision therefor, of all liabilities and obligations of the PORTAL AGENCY, and after returning, transferring, or conveying assets held by the PORTAL AGENCY requiring return, transfer, or conveyance on condition of the dissolution, all remaining assets of the PORTAL AGENCY shall be distributed by the Executive Board as provided for in the Interlocal Agreement.

ARTICLE VIII — DISSENTING MEMBERS

"Dissenting members," as that term is used in RCW 24.06.245 through 255, will be entitled to the rights and allocation of assets set forth in the Interlocal Agreement, but may be limited to "a return of less than the fair value" of their membership as that term is used in RCW 24.06.255.

ARTICLE IX — BYLAWS

Provisions for the regulation of the internal affairs of the PORTAL AGENCY shall be set forth in the Bylaws of the PORTAL AGENCY.

ARTICLE X — REGISTERED AGENT

The address of the initial registered office of the PORTAL AGENCY is __________. The name and address of its initial registered agent is Glen Lee, Finance Director, City of Seattle, 700 Fifth Avenue, Suite 4350, Seattle, WA 98104.

ARTICLE XI — DIRECTORS

The initial board of directors (referred to in the Interlocal Agreement as the "Executive Board") shall consist of four (4) directors. The names and addresses of the persons who are to serve as initial directors are:

Ms. Jan Hawn, Finance Director
City of Bellevue
450 110th Avenue N.E.
Bellevue, WA 98004

Ms. Debra Bryant, Chief Finance Director
City of Everett
2930 Wetmore Avenue
Everett, WA 98201

Mr. Glen Lee, Finance Director
The City of Seattle
700 Fifth Avenue, Suite 4350
Seattle, WA 98104

Mr. Andy Cherullo, Finance Director
City of Tacoma
747 Market Street
Tacoma, WA 98402

Directors may be removed as provided for in the Bylaws.

ARTICLE XII -- OFFICERS

The PORTAL AGENCY shall have four officers, a President, Vice-President, Secretary and Treasurer. The President and Vice-President are referred to as the "Chair" and Vice-Chair" respectively, in the Interlocal Agreement. The responsibilities of the officers shall be described in the PORTAL AGENCY Bylaws.

ARTICLE XIII — INCORPORATORS

The names and addresses of the incorporators are:

1. City of Bellevue
   450 110th Avenue N.E.
   Bellevue, WA 98004

2. City of Everett
2930 Wetmore Avenue
Everett, WA 98201

3. The City of Seattle
600 4th Avenue
Seattle, WA 98104

4. City of Tacoma
747 Market Street
Tacoma, WA 98402

ARTICLE XIV — LIMITATION OF DIRECTOR LIABILITY

Except to the extent otherwise required by applicable law (as it exists on the date of the adoption of this Article or may be amended from time to time), a director of the PORTAL AGENCY (a director is referred to as a "Member of the Executive Board" in the Interlocal Agreement) shall not be personally liable to the PORTAL AGENCY for monetary damages for conduct as a director, except for liability of the director (i) for acts or omissions which involve intentional misconduct by the director or a knowing violation of law by the director, (ii) for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled, or (iii) for any act or omission occurring before the date when this provision becomes effective.

If the Washington Nonprofit Miscellaneous and Mutual Corporation Act (the "Act") is hereafter amended to expand or increase the power of the PORTAL AGENCY to eliminate or limit the personal liability of directors, then, without any further requirement of action by the directors of the PORTAL AGENCY, the liability of a director shall be eliminated or limited to the full extent permitted by the Act. No amendment to or repeal of this Article shall adversely affect any right of protection of any director of the PORTAL AGENCY occurring after the date of the adoption of this Article and prior to such amendment or repeal.

ARTICLE XV — INDEMNIFICATION

Except as provided in Article XIV, the PORTAL AGENCY shall indemnify any director and officer of the PORTAL AGENCY who is involved in any capacity in a proceeding (as defined in RCW 23B.08.500, as presently in effect and as hereafter amended) by reason of the position held by such person or entity in the PORTAL AGENCY to the full extent allowed by law, as presently in effect and as hereafter amended. By means of a resolution or of a contract specifically approved by the Board of Directors (referred to as the "Executive Board" in the Interlocal Agreement), the PORTAL AGENCY may also indemnify an employee, or agent to such degree as the Board of Directors determines to be reasonable, appropriate, and consistent with applicable law and to be in the best interests of the PORTAL AGENCY. Reasonable expenses incurred by a director or officer who is involved in any capacity in a proceeding by reason of the position held in the PORTAL AGENCY, shall be advanced by the PORTAL

AGENCY to the full extent allowed by and on the conditions required by applicable law, as presently in effect and as hereafter amended.

The Board of Directors of the PORTAL AGENCY shall have the right to designate the counsel who shall defend any person or entity who may be entitled to indemnification, to approve any settlement, and to approve in advance any expense. The rights conferred by or pursuant to this Article shall not be exclusive of any other rights that any person may have or acquire under any applicable law (as presently in effect and as hereafter amended), these Articles of Incorporation, the bylaws of the PORTAL AGENCY, a vote of the Board of Directors of the PORTAL AGENCY, or otherwise. No amendment to or repeal of this Article shall adversely affect any right of any director, officer, employee, or agent for events occurring after the date of the adoption of this Article and prior to such amendment or repeal.

The PORTAL AGENCY shall also indemnify and hold harmless every Member/Principal, including, but not limited to that Member's/Principal's officers, directors, employees and agents from all claims, injuries, damages, losses or suits, including reasonable attorney fees which arise out of acts and/or omissions of the PORTAL AGENCY. To such degree as the board of directors/Executive Board determines to be reasonable, appropriate, and consistent with applicable law and to be in the best interests of the PORTAL AGENCY, the PORTAL AGENCY may also indemnify and hold harmless Subscribers, including, but not limited to that Subscriber's officers, directors, employees and agents from all claims, injuries damages, losses or suits, including reasonable attorney fees which arise out of acts and/or omissions of the PORTAL AGENCY.

Nothing in these Articles of Incorporation may be interpreted as a waiver of sovereign immunity by any member.

Indemnification of directors and officers by the PORTAL AGENCY shall be consistent with the terms of the Interlocal Agreement, the Act, the Interlocal Cooperation Act and other applicable law. In the event of any inconsistency between this Article and the Interlocal Agreement, the terms of the Interlocal Agreement shall control to the extent consistent with applicable law.

Notwithstanding any other provision of this Article, no indemnification shall be provided to any person if in the reasonable opinion of competent counsel, payment of such indemnification would cause the PORTAL AGENCY to lose its exemption from federal income taxation.

DATED as of this 1st day of March, 2014.

INCORPORATORS:

INCORPORATOR: City of Bellevue

INCORPORATOR: The City of Seattle

By: Interim City Manager Brad Miyake

By: Mayor Mike McGinn

INCORPORATOR: City of Everett

INCORPORATOR: City of Tacoma

By: Mayor Ray Stephanson

By: City Manager T.C. Broadnax

Summary of
Washington Multi-City License and Tax Portal Agency Interlocal Agreement
and
Articles of Incorporation

Interlocal Agreement

Sec.	Topic	Summary
1	Creation of Portal Agency	The Washington Mulit-City License and Tax Portal Agency ("Portal Agency") is a joint effort by 4 cities (Bellevue, Everett, Seattle and Tacoma) to carry out a governmental function: business licensing and payment of certain local taxes. The Portal Agency is being formed under authorization of the Interlocal Cooperation Act (Ch. 39.34 RCW) as a nonprofit corporation pursuant to Ch. 24.06 RCW. Once established, the Portal Agency will be a separate legal entity that is a municipal instrumentality, subject to all the same limitations to which cities are subject under state law.
2	Term of Agreement	The Interlocal Agreement (ILA) has an initial term of 5 years, during which no party may voluntarily terminate its participation. Thereafter, the agreement is of perpetual duration, and parties may terminate upon prior notice (*See* section17).
3.	Definitions	Among the key terms: "Gross Receipts Tax" – includes both Business & Occupations (B&O) Taxes and taxes on gross receipts of utilities or other businesses as well as square footage taxes. "Initial Term" – the first approximately 5 years of the ILA (through 12/31/019) "Original Principals" –those cities initially signing the ILA: Bellevue, Everett, Seattle and Tacoma. "Participating Cities" -- all Principals and all Subscribers. "Principals" -- Cities that impose a B& O Tax and agree to become a party to the ILA. Principals have a vote on the Board (it may be a shared vote). "Portal"—a shared internet web application gateway owned, operated and maintained by the Vendor under contract to the Portal Agency. The Portal will provide a single online access point through which taxpayers and businesses may apply for business licenses from, and pay taxes and fees to, Participating Cities. "Portal Services Contract" – the contract with the Vendor to develop, operate and maintain the Portal. "Subscribers" –Cities that contract for service from the Portal Agency. "Supermajority Vote" – Requires vote of not less than 66% of all voting members of the Executive Board in number AND not less than 66% in number of the Original Principals. No individual city will have a veto power. "Vendor" - eGov Systems, a Louisiana Corporation, or its successor.
4.	Guiding Principles and	The principles and goals adopted in 2012 by the 4-city working

	Goals	group are incorporated in the ILA as guidance as to what the parties seek to accomplish.
5.	Portal Agency Services	Portal Agency will oversee the Vendor's contractual responsibilities to develop, own, operate, maintain and manage the Portal. The Portal Agency will own the domain name for the Portal, and will perform other responsibilities reasonably necessary for the development, operation and maintenance of the Portal and other related or ancillary services. The Portal will have capacity to process Gross Receipts Taxes (including B & O Taxes and square footage taxes) and business license applications. Service may expand to other areas upon a Supermajority Vote of Executive Board. Portal Agency has NO authority to set tax rates, classifications, policy, rules or deductions. Portal will have NO authority to take enforcement action on behalf of a Participating City. If a Participating City imposes a Gross Receipts Tax (including B&O tax, or square footage tax or other gross receipts tax) it must offer taxpayers use of the Portal to pay those taxes. It may also offer other mechanisms for payment. Beyond that, Participating Cities can choose what Portal services to use. A Portal Operating Policy will be adopted and amended from time to time by a Supermajority Vote of the Board. Here is where the data sharing and service level commitments will be included. Each City will be required to agree to comply with this policy as a condition of using the Portal, as signified by signature of its CEO or designee. Portal Agency will also engage in outreach and education on Portal services and tax policy issues.
6.	Portal Agency Powers	As a separate legal entity, the Portal Agency will have a full range of corporate powers (enter into contracts, sue and be sued, establish funds, buy and sell property, etc.) permissible under the Interlocal Cooperation Act and Ch. 49.06 RCW, but will not have the power to issue debt.
7.	Executive Board	The Executive Board is the governance board for the Portal Agency. It has final decision making authority on all issues, and exercises all powers of the Portal Agency. The Executive Board may delegate day to day responsibilities to the Portal Agency director, and can assign specific tasks to committees within defined parameters. The Executive Board will be composed of one (1) Board Member per Principal, with a maximum of 15 voting members, plus at least one (1) *non-voting* Board Member representing Subscribers.

		If there are more than 15 Principal Cities, the smallest Principals (by population) share seats (up to 5 cities per seat), provided that no Original Principal is required to share a seat. Each Board Member has 1 vote. Board Members must be the CFO of a City, or their deputy. Each Board Member may have one designated alternate, with qualifications as similar to the Board Member. Principals sharing representation on a single Board Member seat shall devise their own method to determine who represents them.
7.k	Supermajority Vote Items	Routine items require a simple majority of a quorum to pass. The following will require a Supermajority Vote: i. Approval or amendment of the budget or draft budget.* ii. Approval or amendment of fees and charges. iii. Approval of the Portal Operating Policy or amendments thereto. iv. Adoption or amendment of the Bylaws or amendment of the Articles of Incorporation. v. A decision to acquire assets, equipment, real or personal property, or bind the PORTAL AGENCY to pay total or cumulative any contract amounts over $50,000, *provided that,* this threshold amount will be indexed on the fifth (5th) anniversary of the formation of the PORTAL AGENCY and every five (5) years thereafter by the CPI-U Seattle-Tacoma-Bremerton. vi. Admission of a new Principal. vii. Admission of a new Subscriber. viii. Creating an additional non-voting Subscriber seat on the Executive Board. ix. Adding any staff positions, or partial staff positions.* x. Appointing or removing the Manager. xi. Merger, consolidation, sale of all or substantially all assets of PORTAL AGENCY. xii. Amendment of the Agreement (except for those amendments requiring approval of all legislative bodies). xiii. Termination or dissolution of the PORTAL AGENCY. xiv. Any other action actions requiring a sixty six percent (66%) majority vote under Chapter 24.06 RCW. *These actions may also require unanimous consent of the

		Original Principals if defined inflationary caps are exceeded.
7.l	Board Officers	The Board will have 4 officers: President, Vice-President, Secretary and Treasurer. The Secretary and Treasurer functions may be performed by staff.
7.n	Meetings	The Executive Board will meet not less than once a year, and as often as it deems necessary. Open Public Meetings Act requirements apply to all meetings.
8	Conversion of Status of Participating Cities; Addition of New Principals or Subscribers	Principals will be converted to Subscriber status if they fail to approve their share of the budget or do not pay their share of the budget or are delinquent for 60 days. Conversion means the Principal loses its vote on the Executive Board, and its right to receive Portal Agency assets upon dissolution. A converted Principal will be subject to the then applicable fee formula for Subscribers. Principals may also elect to convert to Subscriber status on not less than 8 months' notice before the start of the next budget term (this option can only be exercised after the Initial Term.) The Executive Board at its discretion can determine to add new Principals or Subscribers (Supermajority Vote required). Subscribers may request to be converted to Principals.
9	Tax and Finance Operations Committee	The "Operations Committee" will provide advice and recommendations to the Executive Board and may be tasked with specific responsibilities by the Board, within defined parameters. The Operations Committee will assist in policy and budget development. The Operations Committee will have 1 member from each Principal, plus at least 1 voting representative appointed by the Executive Board to represent Subscribers. Persons serving on the Operations Committee must be staff from the Principal they represent, with expertise in city tax policy and administration and/or city financial policy and administration. Details about the operation of the Operations Committee will be set forth in the Portal Agency Bylaws.
10	Portal Agency Staffing	The Executive Board shall determine the means of staffing the Portal Agency—using loaned staff from Principal(s), hiring consultants or other service providers, hiring employees or any combination of means. At least initially, the Portal will operate with use of loaned staff and contract service providers.
11	Portal Agency Manager	The Executive Board shall appoint a Manager who will be

		responsible for the day to day operation of the Portal Agency. The Manager will be an "at will" employee. Only the Executive Board may approve selection of legal counsel, independent accountants and auditors.
12	Assignment of Portal Services Contract from Seattle to Portal Agency	The City of Seattle agrees to assign the Portal Services Contract to the Portal Agency promptly after the Portal Agency is legally established (end of Q1 2014), and the Portal Agency will accept the assignment.
13	Budget – Approval Process	The budget may be adopted on an annual or biennial calendar year basis. The Manager will present a proposed budget by May 1 to the Executive Board; the Executive Board will forward an approved draft budget to all Principals for their review by June 15. The final budget will be adopted by the Executive Board effective no later than December 31 after receiving information as to which Principals have approved their share of the budget in their individual city budgets, as well as information regarding continuing Subscriber interest. Budget approval requires a Supermajority Vote, provided that an increase in certain capped costs or labor costs above defined growth factor increments will also require unanimous consent of the Original Principals.
13.b.v	2014 Portal Budget	The Portal Agency 2014 budget is set forth at Exhibit A, and will be approved by adoption of the ILA. By approving the ILA, each Original Principal agrees to pay the amount shown in Exhibit A.
13.g	Budget—Cost Allocation and Cost Recovery	Generally, costs shall be allocated between all Participating Cities based on the number of online transactions processed for each such City on the Portal.
13.h	Budget—User Fees	Executive Board may impose reasonable user fees on taxpayers and licensees using the services of the Portal.
13.i	Six-year estimated budget	An estimated budget for years 2014-2020 is attached as Exhibit B.
13.j	Capital Cost Recovery Charges	Each Participating City other than Seattle will pay an annual fee, beginning in 2015, to reimburse Seattle for approximately one-third of its contribution to start-up costs for the Portal Agency. The Charges are set on a sliding scale using the number of Transactions processed for a City. Charges will be imposed until such time as Seattle has been reimbursed $1.4 million.
13.l	Delinquencies	If a Principal does not pay its charges when due, notice of delinquency is sent; if not cured within 60 days, the Principal is converted to a Subscriber. After 6 months nonpayment, service to the Principal may be halted. After 1 year, the nonpaying party is deemed to have withdrawn from the Agreement.

13.m	Subscriber contracts	Subscriber contracts will generally have the same payment and delinquency terms as for Principals.
13.n	Reserve Funds	Reserves may be established. Executive Board will determine the levels. No Principal is required to contribute to a reserve established for a project that a Principal will not use.
14.	Retained Authority	All Participating Cities retain authority for their operational departments and services and equipment connecting to the Portal, and for management of security for all data that may be linked to the Portal.
15.	Ownership of Property	The Vendor owns the Portal and the software that operates it. The Portal Agency has contract rights to use the Portal. Any other property purchased per the Agreement is owned and held in the name of the Portal Agency. Each Participating City retains ownership of its data.
16.	Merger or Consolidation of Agency; Sale of all or substantially all assets	Requires approval by Supermajority Vote of Board.
17.	Withdrawal by, or Termination of, a Principal	After the Initial Term (5 years), a Principal can withdraw from the Agreement effective December 31 of a year, having given not less than 1 year's advance notice. A departing or terminated Principal holds other Principals and Subscribers harmless from cost increases incurred with respect to previously approved projects in which departing Principal has agreed to Participate (excluding the initial Portal launch), but only for a period of two years (plus the balance, if any of the current year if a Principal departs mid-year), and only to the extent such costs are not recouped by new Participating Cities.
18.	Amendment of Agreement	The Agreement can be amended by a Supermajority Vote of the Board, except for certain key items which can only be approved by the legislative bodies of all Principals—key items include: a. Expansion of services beyond that contemplated in Section 5.c. b. Membership on Executive Board c. Powers of Executive Board d. Contribution Obligations e. Changes to voting rights f. Hold Harmless/Indemnification g. Duration, termination, withdrawal from Agreement h. Conditions to Amend the Agreement. Addition of Principals or Subscribers does not require approval of Principals' legislative bodies.
19.	Termination of Agreement, Dissolution of Agency	Termination of Agreement and Dissolution of Agency requires a Supermajority Vote. Termination date will be at least 1 year following the date of the vote to terminate to allow for a wind-up of business.

		Agency property and liabilities (if any) will be allocated to Principals participating as of dissolution, based on ratio of their contributions to the preceding 5 years' budgets. Intellectual property (IP), if any, will be transferred to the Principal with the largest population; if that City does not want to accept ownership, the IP is transferred to the next largest Principal; if no Principal wants the IP, the Executive Board will attempt to sell it and share the proceeds per the terms of the preceding paragraph.
20.	Dispute Resolution	In event of disputes (between Principals or between Principal(s) and the Agency), parties will first try to resolve issues by meeting together; if there is no agreement, a party may request mediation. Parties could agree that the mediation is binding or nonbinding. Mediator must be mutually agreed and costs would be shared equally between the parties. If the issues are not resolved in mediation, the parties could proceed to court.
21.	Insurance	The Portal Agency will carry such insurance as the Executive Board determines is reasonably practicable to minimize liability of the Participating Cities.
22.	Indemnification and Hold Harmless	Principal indemnify and hold harmless other Principals and the Portal Agency for their negligent acts or omissions. The Portal Agency will indemnify and hold harmless Principals for its acts or omissions (negligent or otherwise). Subscribers will indemnify and hold harmless Principals and the Portal Agency for their negligent acts or omissions.
22.-30.	"Boilerplate" sections	Intergovernmental Cooperation; Notice; Venue; Filing; No Third Party Beneficiaries; Severability; Ratification; Execution, Counterparts and Effective Date (March 1, 2014).

Articles of Incorporation

The Articles of Incorporation include provisions required by Ch. 24.06 RCW

Article	Subject	Summary
I	Name of Agency	Washington Multi-City Business License and Tax Portal Agency
II	Duration	Perpetual
III	Purposes	A governmental instrumentality to carry out exclusively governmental activities per the ILA.
IV	Prohibited Activities	No actions that would violate requirements of Internal Revenue Code for nonprofit corporations.
V	Powers	As described in ILA, Chapters 24.06 and 30.34 RCW
VI	Members	The Principal Cities are "members" of the corporation
VII	Distributions upon Dissolution	No director or officers will receive corporate assets upon dissolution. Assets will be distributed per ILA to member cities.
VIII	Dissenting Members	Ensures that Portal Agency assets will be distributed per ILA.
IX	Bylaws	Will provide for additional detail on operations of the Portal Agency; these will be adopted by the Executive Board once the Agency is established.
X	Registered Agent	For purposes of receiving legal notice; will initially be Glen Lee, Finance Director of Seattle
XI	Directors	Initial Board of directors identified: the finance directors of the four original principals.
XII	Officers	There will be 4 officers: President, Vice- President, (referred to as Chair and Vice-Chair in ILA), Secretary and Treasurer.
XIII	Incorporators	The Cities of Bellevue, Everett, Seattle and Tacoma are the original incorporators.
XIV	Limitation of Director Liability	Directors (Executive Board members) not personally liable for their actions unless intentional misconduct, taking personal benefit to which they are not entitled
XI	Indemnification	Consistent with the ILA and Interlocal Cooperation Act, the Agency indemnifies officers and directors and Principals. May also elect to indemnify subscribers.

Item No.SS 2(b)
November 18, 2013

CITY COUNCIL STUDY SESSION ITEM

SUBJECT
Bellevue business tax simplification update on the Multi-City Business License and Tax Portal agency interlocal agreement and related articles of incorporation.

STAFF CONTACT
Jan Hawn, Finance Director 425.452.6846
Sara Lane, Assistant Finance Director 425.452.7247
Chris Bothwell, Tax Division Manager 425.452.4358
Finance Department

Darcie Durr, Senior Assistant City Attorney 425.452.2033
City Attorney's Office

FISCAL IMPACT
The City's share of the Portal Agency 2014 budget is anticipated to be under $40,000 (See Exhibit A to ILA) which is less than the amount included in the 2013-2014 Budget. Each year, the City will be asked to approve its share of the budget as part of the City's regular budget process. The estimated Portal Agency budgets for years 2014-2020 are presented on Exhibit B to the ILA; these assume no additional cities join the Portal Agency. It is expected that additional cities will join the portal during that time, which will lower costs. These costs were anticipated in the operating budget for 2014 and Financial Forecast for future years.

POLICY ISSUES
Shall the Council further the goals of local B&O tax simplification and retained local control, with its approval of an interlocal agreement (ILA) and related Articles of Incorporation to establish an intergovernmental entity responsible for the operation of an online "portal" that will enable Bellevue businesses to apply for and renew business licenses and pay business & occupations taxes in "one-stop" even if the business operates in multiple participating cities?

DIRECTION NEEDED FROM COUNCIL

___Action
_X_ Discussion
_X_ Information

Staff will return with an ordinance authorizing execution of the final ILA for Council approval on December 2.

ANALYSIS

Summary
Bellevue continuously looks for opportunities to simplify tax compliance for its business community. In September, Council received a Management Brief on efforts currently underway to simplify Bellevue Tax reporting for Bellevue businesses including the Multi-City Business License and Tax Portal (MCBLTP) project.

The online portal is anticipated to provide efficiencies and cost savings for businesses using it, reduce current administrative costs, and improve information quality for cities. Tonight, staff will provide additional information and seek direction on a major milestone in the MCBLTP project.

The Multi-City Tax and License Portal Project

Background

For nearly three years, the cities of Bellevue, Everett, Seattle and Tacoma (the "Portal Cities") have been collaborating to simplify local tax reporting for the business community through creation of a single online location where taxpayers can license their business and file local taxes in multiple jurisdictions at the same time. This effort addresses stakeholder interests in streamlining B&O tax collection and business licensing and preempts proposals to move local tax control and administration to the Department of Revenue. The effort gained momentum in 2011, when a study was performed to determine the feasibility of a one-stop reporting solution.

In 2012, following the successful completion of the feasibility study, the Portal Cities developed the technological requirements for the Portal. Later that year Seattle issued a Request for Proposals (RFP) for a vendor to develop the portal technology. As a result, earlier this year, Seattle contracted with a vendor who is currently developing the software for the portal. The portal is on track for the scheduled go-live in mid-2014.

Project progress has been closely tracked by the business community, cities from around the state, the Association of Washington Cities, the State Department of Revenue, State Legislature, and the Governor's office. Staff has been diligent about involving stakeholders in the project at every opportunity. Stakeholders appear excited about the recent progress on the project and the opportunity to report via the portal. The next major milestone is the creation of the "Portal Agency" entity that will operate and maintain the portal technology after it goes live. To establish the Portal Agency, each of the Portal Cities must adopt the ILA and approve the associated Articles of Incorporation.

The Portal Agency will manage the day to day operations of the electronic portal that will be used by taxpayers to license their business and report local taxes to Bellevue, Seattle, Tacoma, and Everett initially, and other B&O cities in the future. Adoption of the proposed ILA and Articles of Incorporation in December will clearly demonstrate the City's ongoing efforts to simplify reporting for local B&O taxes for Bellevue businesses.

The Interlocal Agreement

<u>Governance</u>

Representatives from the Portal cities determined that a separate legal entity in the form of a nonprofit corporation, as authorized by the Interlocal Cooperation Act (Ch. 39.34 RCW), is the preferred governance structure for the Portal. It affords legal protection to the member cities and allows true joint oversight and decision making, while maintaining operational flexibility. The nonprofit corporation structure has been used multiple times in Washington by groups of cities or other local governments seeking to jointly undertake a project.

The Portal Agency will be governed jointly by the four cities that are party to the ILA: Bellevue, Everett, Seattle, and Tacoma. The governing body of each of these cities must, by ordinance or resolution, authorize adoption of the ILA. The enabling Ordinance will also:

- Authorize the City's funding of its share of the 2014 budget for the Portal Agency.
- Provide for the signing and filing of the Articles of Incorporation necessary as part of the statutory requirements to create the Portal Agency as a nonprofit corporation. (This will take place in Q1 2014.)
- Facilitate assignment of the Portal development vendor contract from Seattle to the Portal Agency.

Over the last ten months, the cities have worked through all the terms in the ILA, with the assistance of city attorneys from each city and outside legal counsel. Below are key points of the ILA. A section-by-section summary of the ILA is provided at Exhibit C.

Key Agreement Elements

1. **Original Principals, Governance and Voting.** Each of the four original parties to the ILA—Bellevue, Everett, Seattle and Tacoma (the "Original Principals") – will have a member on the Executive Board which governs the Portal Agency. Executive Board members must hold the position of Finance Director or Deputy Finance Director or the equivalent at their city. Each Original Principal will have one vote. It is contemplated that other cities may join the Portal Agency over time. As this happens, the size of the Executive Board will increase, to a maximum of 15 seats (with potential expansion thereafter), each seat having one vote. If membership grows beyond 15 cities, seats will be shared-- but each of the Original Principals will always have its own seat.

2. **Supermajority Vote Requirement.** Significant operating or budget decisions will require a two-pronged "supermajority vote" to approve: both 66% in number of votes on the Executive Board, and 66% in number of the Original Principals.

3. **Qualifications to be a Principal/Party to ILA.** Only cities that impose B&O taxes may join the ILA as Principals, upon a supermajority vote of the Board.

4. **Principals Must Offer Portal to their Taxpayers.** All Principals must offer the Portal as a payment processing option for their taxpayers—but may also offer other options.

5. **Expansion of Portal Agency Services.** The Portal will be able to process business license applications and fees, as well as the payment of business and occupation (B&O) taxes (including Bellevue's square footage tax) and other gross receipts taxes. The Executive Board can, by supermajority vote, expand the scope to include processing of other city licenses and other city taxes, but the costs of that expansion cannot be charged to Principals who elect not to utilize the service.

6. **No Auditing or Enforcement by Portal Agency.** The Portal Agency will not audit tax collections by local taxpayers or perform any audit or enforcement activities against taxpayers.

7. **Subscriber Cities.** Cities that would like to use the services of the Portal only for processing of business licenses may do so by entering into a separate contract with the Portal Agency. Such cities are referred to as "Subscribers." Cities may also be Subscribers for processing of B&O and gross receipts taxes (they do not need to be a "Principal" to receive these services). Subscribers have a non-voting Board representative and share in the costs of operating and maintaining the Portal.

8. **Five-Year Initial Term.** To enable a steady launch of the new organization, the Original Principals agree to remain party to the ILA at least through the end of 2019.

9. **User Fees and Cost Allocation between Cities.** Costs of the Portal Agency will be covered in part by minimal user fees on businesses using the Portal, and the balance (the majority of costs, for the foreseeable future) will come from participating cities. Cities will be charged the same whether they are Principals or Subscribers and will pay based on the number of transactions (a transaction is a taxpayer's payment or filing for a Business License or a payment or filing of an online tax form) processed for them on the Portal.

10. **Budgets.** Each year, the City Council will be asked to approve its share of the Portal Agency budget. Budgets require approval by supermajority vote of the Executive Board.

11. **Limitations on Growth of Budget**. Budgets are anticipated to be relatively stable, but as other cities join the Portal Agency, the workload and costs will increase. Factors allowing for such growth will be calculated for each budget year, and if the proposed budget exceeds those limits, a unanimous vote of the Original Principals is required to approve the budget.

12. **Effective Date**. The effective date of the ILA is March 1, 2014.

It is anticipated that after the ILA is approved, the Articles of Incorporation can be filed early next year and the Portal Agency will be established as of March 1, 2014. Staffing support for the Portal Agency will be provided through loaned staff from the City of Seattle, paid for by the Portal Agency per terms of a separate contract between Seattle and the Portal Agency.

Portal Naming and Marketing

After reviewing many options and soliciting input from the Cities the team selected "FileLocal" as the portal name. The team has been working on logos and other branding activities that will be shared with Council at the meeting on November 18.

ALTERNATIVES

1. Provide direction to staff to move forward with drafting the Ordinance to authorize the ILA and the related Articles of Incorporation for adoption on the consent agenda December 2, 2013.
2. Provide alternate direction to staff.

RECOMMENDATION

Recommend directing staff to move forward with drafting the Ordinance to authorize the ILA and the related Articles of Incorporation for adoption on the consent agenda December 2, 2013.

ATTACHMENT(S)

1. Draft Interlocal Agreement
2. Draft Articles of Incorporation
3. Section by Section Summary of ILA, Articles of Incorporation

AVAILABLE IN COUNCIL OFFICE FOR REVIEW

NA

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 6138

AN ORDINANCE authorizing the City Manager or his designee to execute any and all documents necessary to establish the Washington Multi-City Business License and Tax Portal Agency, including an Interlocal Agreement, Articles of Incorporation, and Operating Policies.

WHEREAS, the City is authorized by state law to issue city business licenses and collect business and occupations and other city taxes; and

WHEREAS, the Cities of Seattle, Tacoma, Bellevue and Everett (collectively, the "Original Principals") have worked for over two years to investigate and develop a mechanism by which to make it easier and more efficient for businesses to apply for local business licenses and file local taxes, while retaining local control over local licensing and tax collection functions and policies; and

WHEREAS the Original Principals seek to accomplish these goals by jointly facilitating the creation of an internet web application gateway (the "Portal") where tax collection and business licensing functions can be collectively administered, and where businesses operating in multiple cities can use a "one-stop" system for tax payment or business license application filing; and

WHEREAS the Original Principals have engaged in extensive outreach with other cities, state legislators, taxpayers and the business community to understand the interests of these stakeholders in relation to development of the Portal; and

WHEREAS, the Original Principals have negotiated the terms of an interlocal agreement that will, if approved, establish an intergovernmental entity in the form of a governmental nonprofit corporation as authorized by the Interlocal Cooperation Act, RCW 39.34, to be known as the "Washington Multi-City Business License and Tax Portal Agency" ("Portal Agency"); and

WHEREAS, the Portal Agency will oversee the development and operation of the Portal, promote economies of scale in the provision of an exclusively governmental function, and ensure continued control by each participating city of its tax and licensing policy and local tax collection activities; and

WHEREAS, the initial signatories to the Agreement and the initial members of the Portal Agency will be the four Original Principals which will serve on the Executive Board of the Portal Agency and oversee its operations and finances; and

WHEREAS, it is contemplated that over time, additional cities may seek to join the Portal Agency as principals and signatories to the Agreement, or may seek services of the Portal Agency as subscribers through contracting with the Portal Agency; and

WHEREAS, pursuant to a competitive procurement process in which staff from all the Original Principals participated, the City of Seattle has entered into a contract with eGov Systems, a Louisiana Corporation, for the development, operation and maintenance of the Portal software program, related data storage and other matters; and

WHEREAS, the City of Seattle intends to assign the contract with eGov Systems to the Portal Agency once the Portal Agency is established; and

WHEREAS, the project schedule calls for the Portal Agency nonprofit corporation to be legally established in the first quarter of 2014, and for the Portal to begin online operations in the second quarter of 2014; and

WHEREAS, the Agreement is authorized by the Interlocal Cooperation Act and the Nonprofit Miscellaneous and Mutual Corporations Act set forth in chapters 39.34 and 24.06, respectively, of the Revised Code of Washington; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The City Manager is hereby authorized to execute on behalf of the City of Bellevue both the Agreement, in form substantially similar to that attached as "Attachment 1," and the Articles of Incorporation, in form substantially similar to that attached as "Attachment 2," a copy of which Interlocal Agreement has been given Clerk's Receiving No. ___________.

Section 2. The City agrees to pay its share of the 2014 Portal Agency budget as described in Exhibit A to the Agreement.

Section 3. The City Manager or his designee is authorized to approve, on behalf of the City, the Portal Operations Policy as the same may be adopted from time to time by the Executive Board of the Portal Agency.

Section 4. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

Passed by the City Council this _____ day of _________________, 2013 and signed in authentication of its passage this ______ day of _______________, 2013.

(SEAL)

____
Conrad Lee, Mayor

Approved as to form:

Lori M. Riordan, City Attorney

____
Darcie Durr, Assistant City Attorney

Attest:

____
Myrna L. Basich, City Clerk

Published _________________

RESOLUTION NO. FL2021-04

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Approving the Addition of the City of Auburn as a Principal City.

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("Agency") was originally established under the Interlocal Agreement By and Between the Cities of Bellevue, Everett, Seattle, and Tacoma, dated March 1, 2014 ("Interlocal Agreement"); and

Whereas, Section 8.c. and 8.d. of the Interlocal Agreement authorize the Executive Board of the Agency to approve, by super-majority vote, the admission of new cities as either Principals and Subscribers; and

Whereas, the City of Auburn has indicated its interest and desire to become a Principal of the Agency, and its willingness to execute the Interlocal Agreement, upon approval of its legislative body, and to fulfill any and all financial terms and conditions included therein as the Executive Board may deem appropriate and consistent with the Agency's Bylaws and Portal Operations Policy;

Now Therefore, BE IT RESOLVED by the Executive Board of the Washington Multi-City Business License and Tax Portal Agency:

<u>SECTION 1</u>. The Executive Board hereby approves admission of the City of Auburn, Washington, as a Principal of the Agency, pursuant to Section 8 of the ILA.

<u>SECTION 2</u>. The addition of the City of Auburn as a Principal City is conditioned upon the consent of the Auburn City Council to the terms of the ILA. The Mayor of the

City of Auburn shall signify the City Council's consent and approval of the ILA by signing the form attached hereto as Attachment A by no later than March 16, 2022.

SECTION 3. The addition of the City of Auburn as a Principal City is further conditioned upon its written consent to comply with the Agency's Portal Operations Policy.

ADOPTED by super-marority vote, this 16th day of December, 2021.

ATTEST:

Washington Multi-City Business License and Tax Portal Agency Executive Board
Seattle, Washington

Board Secretary

Board Chair

FIFTH ADDENDUM TO PAGE 31 OF THE WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY INTERLOCAL AGREEMENT DATED MARCH 1, 2014 TO ADD CITY OF AUBURN AS A PRINCIPAL.

Pursuant to FileLocal Resolution 2021-04 and Section 8 of the foregoing, this Agreement has been executed by the City of Auburn to become a Principal city on the date set forth below:

City of Auburn

____
City Manager [or title]

____
Date

CITY OF AUBURN WASHINGTON

AGENDA BILL APPROVAL FORM

Agenda Subject:
Resolution No. 5653

Date:
March 1, 2022

Department:
Public Works

Attachments:
Resolution No. 5653
Exhibit 1

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

City Council adopt Resolution No. 5653.

Background for Motion:

The goal of the program is to encourage motorists to comply with the reduced speed limit within school zones to improve safety. American Traffic Solutions, DBA Verra Mobility, was identified as the preferred vendor for this service. Subsequent negotiations with Verra Mobility resulted in a proposed contract for automated traffic safety camera equipment and services.

Background Summary:

Council discussed the proposed photo enforcement program for school zone safety cameras at Council Study Sessions on October 26, 2020, February 14, 2022, and February 28, 2022. A copy of the agreement was provided to Council at the February 28, 2022 Study Session for discussion.

Resolution No. 5653 authorizes the Mayor to sign an agreement with American Traffic Solutions, Inc., DBA Verra Mobility, for automated traffic safety camera equipment and services in school zones.

Reviewed by Council Committees:

Councilmember:	Stearns	**Staff:**	Gaub
Meeting Date:	March 7, 2022	Item Number:	RES.B

RESOLUTION NO. <u>5653</u>

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT WITH AMERICAN TRAFFIC SOLUTIONS, INC. FOR AUTOMATED TRAFFIC SAFETY CAMERA EQUIPMENT AND SERVICES

WHEREAS, City traffic safety and enforcement goals include encouraging motorists to comply with traffic laws compliance and reducing the number of traffic infractions in school zones to improve safety;

WHEREAS, in accordance with these goals, the City desires to establish and implement an automated traffic safety camera program in accordance with RCW 46.63.170 and ACC 10.42;

WHEREAS, on January 26, 2021, the City issued a request for proposals (RFP) to qualified vendors who could provide the City with the equipment and services needed to establish and automated traffic safety camera program;

WHEREAS, American Traffic Solutions, Inc., d/b/a Verra Mobility ("Verra") responded to the City's RFP with a proposal most advantageous to the City. Subsequent negotiations with Verra resulted in a proposed contract for automated traffic safety camera equipment and services. The proposed contract is attached as Exhibit 1 to this Resolution;

WHEREAS, the City wishes to enter the proposed contract with Verra for the development and operation of an automated traffic safety camera program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, HEREBY RESOLVES as follows:

Section 1. On behalf of the City, the Mayor is authorized to sign the contract with American Traffic Solutions, Inc., d/b/a Verra Mobility, attached as Exhibit 1 to this Resolution.

Section 2. The Mayor is authorized to implement such administrative procedures as may be necessary to carry out the directions of this legislation.

Section 3. This Resolution shall take effect and be in full force upon passage and signatures.

Dated and Signed this _____ day of _________, 2022.

CITY OF AUBURN

____
NANCY BACKUS
MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Kendra Comeau, City Attorney

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement includes the attached Exhibits ("Agreement") and is made by and between American Traffic Solutions, Inc., doing business as Verra Mobility, ("Verra Mobility") and the City of Auburn, Washington ("City").

WITNESSETH:

WHEREAS, Traffic enforcement is an integral part of traffic safety;

WHEREAS, the City traffic safety and enforcement goals are to encourage compliance with traffic laws and reduce the number of infractions in school zones to improve safety;

WHEREAS, City desires to implement a photo enforcement program to enforce traffic violations within school zones (the "Program") in accordance with RCW §46.163.170 and Auburn City Code Chapter. 10.42;

WHEREAS, the City identified the need to supplement the traffic enforcement efforts with a photo enforcement program, which must have a cost equal to or less than the program revenues, and aligns with the City's equity goals;

WHEREAS, Verra Mobility has the exclusive possession and ownership of the Axsis™ System, including certain knowledge, equipment, licenses, and the processes for processing Violations;

WHEREAS, the City desires to use the Camera Systems together with the Axsis System to monitor and enforce traffic Violations and to issue Citations for traffic Violations as part of its Program;

WHEREAS, the City issued a Request for Proposals dated on or about January 26, 2021 to which Verra Mobility responded and under which the City awarded this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby admitted and acknowledged, the parties agree as follows:

By signing below, the parties agree to the terms and conditions of this Agreement. Each individual signing below represents that such individual has the requisite authority to execute this Agreement on behalf of the entity which such individual represents and that all the necessary formalities have been met.

I. DEFINITIONS

As used in this Agreement, the following words and terms shall, unless the context otherwise requires, have the respective meanings provided below:

*"**Approach**":* One (1) direction of travel on a road or a traffic intersection including up to four (4) contiguous lanes and, if applicable controlled by up to two (2) signal phases, on which a Camera System may be installed or deployed upon the mutual agreement of the parties.

*"**Axsis**"* or *"**Axsis System**"*: The proprietary back-end system that processes Events and Violations, including the printing and mailing of Citations, the generation of evidence packages, and that provides system generated reports of Violation counts.

*"**Business Hours**"*: Eight (8) hours per day, Monday through Friday, excluding weekends and holidays.

*"**Business Rules**"*: The Business Rules Questionnaire to be completed by City and delivered to Verra Mobility setting forth the business rules for the implementation and operation of the Program.

*"**Camera System**"* or *"**Camera**"*: A photo-enforcement monitoring device consisting of one (1) rear camera, strobe (if applicable), and traffic monitoring device (including the wiring associated with each) capable of accurately detecting a Violation on an Approach with one (1) to four (4) contiguous lanes, depending on the Camera System configuration, which records such data with one (1) or more images of such vehicle. "Camera System", where the context requires, also includes any enclosure or cabinet, wiring, and related appurtenances in which the equipment is stationed. "Camera System" refers to the Fixed Speed Safety Camera System-.

*"**Change Order Notice**"*: Written notice from City requesting changes to the work required to be performed or the addition of products or services to those required pursuant to the terms of this Agreement, setting forth in reasonable detail the proposed changes.

*"**Change Order Proposal**"*: A written statement from Verra Mobility describing the cost of the changes to the work or addition of products or services requested by City in a Change Order Notice.

*"**Citation**"*: A citation, notice of violation, notice of infraction, notice of liability or equivalent instrument issued by a competent state, county or municipal law enforcement agent or agency or by a court of competent jurisdiction relating to a Violation documented or evidenced in Axsis.

*"**Event**"*: A potential Violation captured by the Camera System.

*"**Fees**"*: The amount payable by City to Verra Mobility for equipment, services, and maintenance as set forth in EXHIBIT A.

"***Fixed Speed Safety Camera System"***: A Camera System that uses radar, or other vehicle detection technology, to capture the speed of a motor vehicle and generates recorded images of a Violation, and is installed on a mutually agreed upon Approach.

"Laws": all federal, state, or local, laws, ordinances, regulations, and orders.

*"**Notice to Proceed**"*: Written confirmation from City that Verra Mobility may proceed with the installation or deployment of a given Camera System, a form of which is attached as EXHIBIT C.

*"**Owner**"*: The owner(s) of a motor vehicle as shown by the motor vehicle registration records of the motor vehicle department or the analogous agency of another state or country, including a lessee of a motor vehicle under a lease of six months or longer.

"Paid Citation": A situation where the Person cited has paid any portion of the penalty, fine, funds, fees or costs associated with the particular Citation.

*"**Person**"* or *"**Persons**"*: Any individual, partnership, joint venture, corporation, limited liability company, trust, unincorporated association, governmental authority or political subdivision thereof or any other form of entity.

"Photo Enforcement Infrastructure": foundation, conduit, and other below-grade infrastructure associated with installing Camera Systems.

*"**Program Revenue**"*: Any penalty, fine, funds, fees or costs paid by a violator for any reason related to any Violation.

*"**Project Time Line**"*: The initial schedule and timelines required to begin the implementation of City's project, as mutually agreed upon by the parties. The initial project timeline will be prepared assuming the active cooperation and engagement of the Program stakeholders set forth in Section 2.1.2 of EXHIBIT B.

*"**System**"*: A Camera System and the related Infrastructure.

*"**Violation**"*: A failure to obey an applicable traffic law or regulation, including, without limitation, operating a motor vehicle in excess of the posted speed limit, as determined in City's sole discretion.

II. <u>GENERAL TERMS AND CONDITIONS</u>

1. Verra Mobility AGREES TO PROVIDE:

The scope of work identified in EXHIBIT B, Section 1.

2. CUSTOMER AGREES TO PROVIDE:

The scope of work identified in EXHIBIT B, Section 2.

3. TERM:

This Agreement shall commence upon the Effective Date and shall continue for a term of five (5) years beginning on the first day of the month following the first-issued Citation and may be renewed for up to two (2) two (2) year renewal terms upon the written agreement of the parties.

4. FEES AND PAYMENT:

4.1 City shall pay for all equipment, services and maintenance based on the fee schedule indicated in EXHIBIT A, Service Fee Schedule 1.

4.2 Invoices shall be in standard Verra Mobility format and provided electronically.

4.3 City shall pay all Fees due Verra Mobility based upon invoices from the preceding month within thirty (30) days of submission.

4.4 Verra Mobility's Fees will be fixed for the first term (5 years) of this Agreement and thereafter unit prices will be increased annually by the Consumer Price Index (CPI) according to the average change during the prior twelve (12) months in the CPI for All Urban Consumers (CPI-U) for U.S. City average, as published by the Bureau of Labor Statistics, U.S. Department of Labor for the Services category listed under Commodity and Service Group.

4.5 Flexible Payment Plan:

(i) Generally. During the term of this Agreement, City may make monthly payments to Verra Mobility under a Flexible Payment Plan (FPP). Under the FPP, the City is entitled to retain twenty-five (25%) of the collected monthly Program Revenue prior to paying Verra Mobility its monthly Fees and City may defer payments due and owing to Verra Mobility during the term of the Agreement if the Remaining Program Revenue (i.e., the remaining 75% of the monthly Program Revenue collected by City) is insufficient to cover the Fees due Verra Mobility for the month. After every 12 monthly invoices, reconciliation of the FPP will occur and the accrued balance due to Verra Mobility will be set to $0 after the reconciliation is complete. Any Program Revenue amounts City collects after the term of this Agreement expires shall not be considered in this section 4.5. City agrees and understands that the FPP shall be applied in the aggregate across all installed Camera Systems and will not be applied on a per Camera System basis or on a per month basis.

(ii) FPP Accounting and reconciliation. For each reconciliation of the FPP, Verra Mobility will provide a separate reconciliation invoice that indicates the outstanding reconciliation amount due from the City. The outstanding reconciliation amount will be calculated by subtracting 75% of the total program revenues collected by the City during the billing period of the last 12-monthly invoices from the total fee due from the same period. If the outstanding reconciliation amount is equal or less than $0.00, no reconciliation payment will be due and the reconciliation will be complete. If the outstanding reconciliation amount is greater than $0.00, the City shall pay Verra Mobility the outstanding reconciliation amount and the reconciliation will be complete.

a) Monthly Program Revenue equals or exceeds monthly invoice amount. If the amount of program revenue City collects from all Camera Systems combined during the same month less 25% (to account for City's operating expenses) equals or exceeds the amount of the Verra Mobility invoice for the same month, City shall pay Verra Mobility the total amount due on the invoice. Upon full payment of such invoice, City shall be entitled to retain all additional Program Revenue collected.

b) Remaining Program Revenue is less than monthly invoice amount. If the total amount of revenue collected from all Camera Systems combined during the same month less 25% (to account for City's operating expenses) is less than the amount of the Verra Mobility invoice for the same month, City shall pay Verra Mobility its collected Remaining Program Revenue for that month and City may defer payment of the remaining invoice balance until the next FPP reconciliation.

c) Required FPP accounting information. If opting to use a FPP, City shall provide Verra Mobility with a record of Program Revenue including payments it receives directly or from the Courts and from Verra Mobility to accurately determine the amount of its Program Revenue collected.

(iii) Reconciliation of Program Revenue and invoice balances owed. Annually throughout the term of this Agreement, City invoice amounts due to Verra Mobility will be reconciled with the Remaining Program Revenue City has collected for the year. If City's collected Remaining Program Revenue exceeds its amounts due pursuant to Exhibit A, City shall be entitled to retain this excess amount in accordance with applicable law. Annual reconciliations under this paragraph shall be conducted independent of one another and resulting balances in one annual reconciliation shall not be used to compute and shall not otherwise affect any other annual reconciliation or its resulting balance. The first annual reconciliation shall be 12 months from the date of the first-issued Citation.

4.6 Flexible Payment Plan – Limitations. Paragraph 4.5 shall not apply if: (1) City elects not to issue a legally enforceable citation to a customer as determined by the City; (2) City elects not to pursue collections on more than ten percent (10%) of unpaid Violations when contractually obligated to do so; (3) City waives and/or fails to timely process more than ten percent (10%) of valid Violations forwarded to the Police for acceptance according to the Business Rules defined by the City prior to the start of the program; (4) City does not provide Verra Mobility with access to an accurate accounting of all payments received other than received directly by Verra Mobility; or (5) City directs Verra Mobility to not deploy and operate each Camera System each day as authorized by RCW § 46.163.170 and ACC Chapter 10.42.

5. COMMUNICATION OF INFORMATION:

Verra Mobility will comply with reasonable requests from City for information obtained by Verra Mobility through operation of the Camera Systems or the Axsis System. Verra Mobility reserves the right to assess a fee for such services if such information is requested by a third-party or if City could retrieve the information from the Axsis System without the assistance of Verra Mobility. Verra Mobility will not be under any obligation to provide information directly to non-City requesting parties. For any non-City requests for information Verra Mobility shall work collaboratively with City to provide requested information in a timely manner. If Verra Mobility agrees to provide information to a third party, City shall review and approve Verra Mobility directly disclosing such information. Nothing in this paragraph shall be construed contrary to the terms and provisions of any public records laws, insofar as they may be applicable.

6. CONFIDENTIALITY:

No information given by Verra Mobility to City will be of a confidential nature, unless specifically designated in writing as proprietary or confidential by Verra Mobility ("Verra Mobility Confidential Information"). If, however, Verra Mobility does designate certain information as proprietary or confidential, City shall treat the received information as confidential to the extent it is legally able to do so. If a protective order or other confidential treatment is not obtained or if Verra Mobility waives its rights under this paragraph, City agrees to furnish only so much of the Verra Mobility Confidential Information as it is legally required to furnish. Nothing in this paragraph shall be construed contrary to the terms and provisions of any public records laws, insofar as they may be applicable.

7. OWNERSHIP OF SYSTEM:

Under all circumstances, Verra Mobility shall retain ownership of all Camera Systems and the Axsis System, and provided for use by the City under the terms and conditions of this Agreement. In order to carry out the purposes of this Agreement, for the term of this Agreement, Verra Mobility grants City a non-exclusive, non-transferable license to use the Axsis System. On and as of the date of termination of this Agreement, Verra Mobility shall remove all installed photo enforcement infrastructure and substantially restore sites to pre-installation condition.

Verra Mobility shall retain the ownership rights to all metadata, business intelligence, or other analytics obtained, gathered, or mined by Verra Mobility from the data captured by the Camera Systems and the Axsis System. Furthermore, Verra Mobility has a right to use non-personalized and aggregated Program data for its internal business purposes, analytics, statistical analysis, and to perform analyses which would further City's Program.

8. INDEMNIFICATION AND LIABILITY:

8.1 Verra Mobility shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all third-party claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the acts, errors, or omissions of the City.

However, 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 Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant'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.

8.2 Indemnification Procedures. In the event of any Claim in respect of which any party hereto seeks indemnification from the other, the party seeking indemnification (the "Indemnified Party") shall give the party from whom indemnification is sought (the "Indemnifying Party") written notice of such Claim promptly after the Indemnified Party first becomes aware thereof; provided, however, that failure to give such notice shall not preclude indemnification with respect to such Claim except to the extent of any additional or increased Losses or other actual prejudice directly caused by such failure. The Indemnifying Party and the Indemnified Party shall cooperate in the defense or settlement of any Claim and no party shall have the right to enter into any settlement agreement that materially affects the other party's material rights or material interests without such party's prior written consent, which consent shall not be unreasonably withheld or delayed.

9. INSURANCE:

Verra Mobility shall maintain the following minimum scope and limits of insurance:

9.1 Commercial General Liability Insurance: of $5,000,000 per occurrence, $5,000,000 general aggregate.

9.2 Technology Errors & Omissions (E&O): $1,000,000 per claim and $1,000,000 policy aggregate limit.

9.3 Network Security (Cyber) and Privacy Insurance: $2,000.000 per claim $2,000,000 policy aggregate for network security and privacy coverage, $100,000 per claim for regulatory action (fines and penalties), and $100,000 per claim for event management services.

9.4 Workers' Compensation as required by applicable state law.

9.5 Business Automobile Liability Insurance for all owned, non-owned and hired automobiles and other vehicles used by Verra Mobility with a minimum $1,000,000 per occurrence combined single limit bodily injury and property damage.

9.6 City shall be named as additional insured on the Commercial General Liability policies using ISO Form G20 26 07/04 or coverage at least as broad provided by Verra Mobility under this Agreement.

9.7 Certificates of Insurance showing Verra Mobility is carrying the above-described insurance, and amendatory endorsements, evidencing the additional insured status required above, shall be furnished to City within thirty (30) calendar days after the Effective Date of this Agreement.

9.8 Notwithstanding anything to the contrary in this Agreement, neither party shall be liable to the other, by reason of any representation or express or implied warranty, condition or other term or any duty at common or civil law, for any indirect, incidental, special, or consequential damages, or lost profits, lost fines, or lost data however caused and on any theory of liability, arising out of or relating to this Agreement.

10. LIMITED WARRANTY:

Except as expressly provided in this Agreement and Verra Mobility's response to City's invitation to bid, Verra Mobility makes no warranties of any kind, express or implied, including, but not limited to, the warranties of merchantability and fitness for particular purpose, with respect to the Camera Systems, the Axsis system, or any related equipment or software, or with respect to the results of the program. The City acknowledges that at times such systems and related equipment and software may malfunction or otherwise not operate as anticipated. Verra mobility shall diligently endeavor to correct any such malfunction as required in Subsection 1.1.9 of Exhibit B of this Agreement.

11. STATE LAW TO APPLY: This Agreement shall be construed under and in accordance with the laws of the State of Washington.

12. DISPUTE RESOLUTION:

12.1 Mediation. All disputes arising out of or in connection with the Agreement that the parties are unable to resolve through mutual good faith negotiations shall be attempted to be settled through professionally-assisted mediation, with a mediator acceptable to both parties. The mediation will be treated as a settlement discussion and therefore will be confidential, except to the extent that RCW 42.56 may apply. The mediator may not testify for either party in any later proceeding relating to the dispute. No recording or transcript shall be made of the mediation proceedings. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

12.2 Arbitration. Failing resolution through negotiation or mediation, dispute shall be submitted to binding arbitration in accordance with the Arbitration Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association ("AAA Rules"), as the parties agree. The place of arbitration will be mutually agreed upon within fourteen (14) days of a decision to seek arbitration.

12.3 In an agreed arbitration, the arbitrator's decision shall follow the plain and natural meaning of the relevant documents and shall be final and binding. The arbitrator will have no power to award punitive damages except as specifically allowed by Washington law.

12.4 Except as RCW 42.56 may apply, all aspects of the arbitration will be confidential. Neither the parties nor the arbitrator may disclose the existence, content or results of the arbitration, except as may be necessary to comply with legal or regulatory requirements.

12.5 Each party will promptly pay its share of all arbitration fees and costs, provided that such fees and costs shall be recoverable by the prevailing party as determined by the arbitrator. If a party fails to pay such share promptly upon demand, the arbitrator shall, upon written request by the other party, enter a final and binding decision against the nonpaying party for the full amount of such share, together with an award of attorneys' fees and costs incurred by the other party in obtaining such decision, which decision may be entered in any court of competent jurisdiction. Except for the failure of a party to pay arbitration fees and costs that requires resort to the arbitrator to order such payment, the parties will bear their own attorneys' fees in any matter or dispute under this Agreement.

12.6 Failing an agreement to arbitration, the parties may seek resolution of any remaining dispute by filing an action in a court of competent jurisdiction. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Washington. Venue for any action under this Agreement shall be in King County, Washington.

13. CHANGE ORDERS:

City may request the addition of any products or services that Verra Mobility provides or other changes to the scope of work to be performed under this Agreement by providing a Change Order Notice to Verra Mobility. Upon Verra Mobility's receipt of the Change Order Notice, Verra Mobility shall deliver to City a Change Order Proposal. Following City's receipt of the Change Order Proposal, the parties shall negotiate in good faith regarding a plan and schedule for implementation of the proposed changes; the time, manner and amount of payment or price and any other matters relating to the proposed changes. Any Change Order Proposal mutually agreed to by the parties in writing shall be incorporated as an addendum to this Agreement.

14. TERMINATION:

14.1 Verra Mobility's services may be terminated:

(i) By mutual written consent of the parties; or

(ii) For material breach of this Agreement by either party, where the other party fails in any material way to perform its obligations under this Agreement.

a) Where City is in breach of this Agreement for non-payment of Fees to Verra Mobility, Verra Mobility may exercise any or all of the following remedies: (1) provide City written notice and thirty (30) days to cure before suspending performance and turning off the Camera Systems; (2) terminate this Agreement for cause where City's account remains delinquent ninety (90) days after written notice; and (3) in addition to the foregoing, seek any other available remedies at law or equity.

b) Termination under this Subsection 14.1(ii) for any reason other than non-payment of Fees by City is subject to the condition that the terminating party notifies the other party of its intent to terminate, stating with reasonable specificity the grounds therefore, and the other party fails to cure the default within forty-five (45) days after receiving written notice.

(iii) In the event of termination by Verra Mobility under Subsection 14.1(ii) for breach by City (including non-payment of Fees), City shall pay Verra Mobility an early termination fee based on a price of $105,000 per Fixed Speed Safety Camera System, amortized over sixty (60) months on a straight-line basis. The amortization schedule for said costs shall be reduced proportionally for each month each Camera System is installed.

(iv) City recognizes the substantial upfront costs Verra Mobility will incur to procure, provide and install Camera Systems. City therefore agrees that any Camera Systems that City authorizes through a Notice to Proceed shall remain installed and operational for the duration of the term, unless otherwise mutually agreed. Verra Mobility will bill a restocking or standby fee for any upfront costs associated with the Camera System(s), vehicle(s), or other equipment in the event City terminates or suspends a Notice to Proceed.

14.2 Upon termination of this Agreement, including because it has reached the end of its term, the parties recognize that City will have to process Events captured prior to the end of the term of the Agreement". Accordingly, the parties shall take the following actions and shall have the following obligations, which survive termination during the wind-down period as provided in Subsections 14.2(ii), 1.2(iii) and Section 178 of this Agreement:

(i) City shall cease using the Camera System to capture Events.

(ii) Unless it is unlawful to do so, Verra Mobility will, for a period of ninety (90) days, continue to process all Events captured before termination and provide all services associated with processing in accordance with this Agreement and shall be entitled to a monthly flat fee of $10,000 per month during the ninety (90) day period. After such ninety (90) day period, Verra Mobility will terminate all use of the Axsis System for City's Program and upon such termination the City shall no longer have access to the Axsis System, including violationinfo.com website, and related lockbox shall no longer be capable of accepting payments, and all violation data shall be provided to the City pursuant to section 17 of this Agreement.

(iii) City shall return or allow Verra Mobility to recover all provided equipment within a reasonable time not to exceed ninety (90) days.

14.3 In the event of termination by Verra Mobility for non-payment of Fees by City, Verra Mobility shall cease processing Events as of the date of termination.

15. LIMITED AGENCY:

City hereby grants Verra Mobility the authority to act on its behalf as a limited agent of City, and shall cause the applicable law enforcement agency to grant Verra Mobility the authority to act as a limited agent of the law enforcement agency, for the purposes of (i) facilitating establishment and maintaining bank accounts and delivering payment/transfer instructions, if applicable; (ii) access to DMV records; and (iii) generating and administratively processing recorded images of Events as described in this Agreement and the Business Rules. Verra Mobility and its employees, contractors, agents and servants will in no event be considered to be employees, agents (other than in the limited capacity described herein), or servants of City. This Agreement does not and shall not be interpreted as creating a general agency relationship between Verra Mobility and City.

16. USE OF SUBCONTRACTORS:

From time to time, Verra Mobility may subcontract certain services provided under this Agreement without notice to or consent of City.

17. DATA RETENTION:

Subject to litigation holds, court orders, changes in Law, or other legal requirements applicable to Verra Mobility, Verra Mobility shall maintain the categories of data set forth under the heading "Type of Record" for the periods of time set forth under the heading "Minimum Verra Mobility Retention Period" on EXHIBIT E during the term of this Agreement. Within one hundred-twenty (120) days of the later of the termination of this Agreement or the termination of any wind-down period, Verra Mobility shall at its option either (i) place the Violation Images, Non-Violation Images, Individually Identifiable Violation Records, and Individually Identifiable Non-Violation Records (each as described on EXHIBIT E), not previously disposed of in accordance with the data retention schedule at a secured location with SFTP access or (ii) provide City with a hard-drive containing the Violation Images, Non-Violation Images, Individually Identifiable Violation Records, and Individually Identifiable Non-Violation Records, where City shall have ninety (90) days to retrieve and validate the information. After ninety (90) days, Verra Mobility shall delete all data from the SFTP location (if applicable) and shall have no further data retention obligations to City with respect to such data.

18. ASSIGNMENT:

Neither party may assign all or any portion of this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed. However, for business financing purposes or other corporate reorganizational purposes, Verra Mobility may sell, assign, transfer or convey any interest in this Agreement in whole or in part without the written consent of City.

19. FORCE MAJEURE:

Neither party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, significant fires, floods, earthquakes, hurricanes, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, or governmental authorities approval delays which are not caused by any act or omission by the parties. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay. For the avoidance of doubt, road construction within the control of the City is not an event of Force Majeure on behalf of the City. The term of the Agreement shall be extended by a period equal to that during which either party's performance is suspended under this section.

20. TAXES:

Verra Mobility's work under this Agreement and performance of this Agreement may subject Verra Mobility to Customer imposed taxes as provided in Customer's City Code and/or ordinances. Should a dispute over Customer imposed taxes arise during the term of this Agreement, the parties shall negotiate in good faith to equitably resolve it pursuant to paragraph 13 of this agreement. During the term of this Agreement, Customer will impose no additional taxes except as permitted by its taxing authority provided by law.

21. NOTICES:

Any notices or demand which, under the terms of this Agreement or under any statute, that must or may be given or made by Verra Mobility or City shall be in writing and shall be given or made by personal service, first class mail, Federal Express, or by certified mail to the parties at the following addresses:

City of Auburn
25 West Main Street
Auburn, WA 98001
Attn: Public Works-Engineering

American Traffic Solutions, Inc.
1150 North Alma School Road
Mesa, Arizona 85201
Attn: Legal Department

22. LEGAL CONSTRUCTION:

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein. This Agreement shall be enforced to the maximum extent possible so as to give effect to the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable herein.

23. AMENDMENTS TO THE AGREEMENT:

Any changes, modifications or amendments to this Agreement shall be in writing and signed by both parties.

24. INTEGRATION:

This Agreement constitutes the sole and only agreement of the parties and supersedes any prior or contemporaneous understanding, written or oral, between the parties respecting its subject matter.

25. SURVIVAL:

The following provisions of the General Terms and Conditions shall survive the termination of this Agreement: Sections 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 17, 19, 20, 22 and this Section 25.

26. ADDITIONAL SERVICES:

During the term of this Agreement, from time-to-time Verra Mobility may propose certain new technologies for City to consider and, if so desired, City may procure from Verra Mobility the new technologies through an amendment to this Agreement upon terms to be mutually agreed upon by the parties.

27. PILOTS:

From time to time, at the mutual agreement of the parties, Verra Mobility may pilot existing Verra Mobility products and services or products and services that are under development by Verra Mobility or its current or future subcontractors and vendors (each a "Vendor"). During any pilot pursuant to this Section 27, registered owner information shall not be used and no Events will be issued as Citations and no mailing of warnings or Citations will occur. City expressly acknowledges that Verra Mobility is under no obligation to retain for any period of time any data produced by any pilot systems. Verra Mobility may request City or its employees to provide feedback on the use, quality, viability, features, functionality, or desirability of pilot systems ("City Feedback"). All data, drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared or generated by Verra Mobility or a Vendor or a pilot systems in connection with any pilot shall remain the property of Verra Mobility (the "Pilot Data"). To the extent that such Pilot Data is provided to City, Verra Mobility grants to City a limited, personal, non-sublicensable, nonexclusive license to use the Pilot Data, solely for evaluation and statistical purposes, or to fulfill City's legal requirements under RCW 42.56. Actual program performance may vary from pilot performance. City acknowledges and agrees that the terms of this Agreement, *except for* Sections 6, 7, 10, 11, 12, 13, 16, 19, 21, 22 and this Section 27, shall not apply to any such pilot.

28. EXECUTION:

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement, and all of which, when taken together, shall be deemed to constitute one and the same Agreement. The exchange of copies of this Agreement and of signature pages by facsimile or ".pdf" transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or ".pdf" shall be deemed to be their original signatures for any purpose whatsoever.

AMERICAN TRAFFIC SOLUTIONS, INC.

By: ______________________________

Name: Date
Title:

CITY OF AUBURN

By: ______________________________

Name: Date
Title:

ATTEST:

By: ______________________________

Name: Date
Title:

This Agreement is effective on the date of execution by the last signatory above ("Effective Date").

EXHIBIT A
SERVICE FEE SCHEDULE

1.0 **Description of Pricing**

Fees are based on per Camera System per month and are as follows:

Product Description	**Fees**
Fixed Speed Safety Camera System – the Parties shall mutually agree on the number of Cameras Systems installed. **Monthly fee is required to be paid for each month that schools are open, exempting periods such as summer break and unforeseen events. The fee will be prorated during times when the camera is not operational.**	$3,999 Fixed Fee per Camera System per Month
Relocation - Verra Mobility will relocate up to ten (10) percent of the total installed Camera Systems once per year at no cost to the City. At no cost to the City, the City may require Verra Mobility to permanently remove or temporarily relocate a Camera System at enforcement locations where the Camera System is in conflict with existing or new public facilities. Verra Mobility will remove or relocate the conflicting Camera System within 60 calendar days from notice by the City. Verra Mobility will work with the contractor(s) responsible for the work on the existing or new public facilities to ensure relocation is incorporated into the design and the contractor(s) know and have agreed to pay for the relocation. Prior to approving a location for installation of a Camera System the City shall inform Verra Mobility of any foreseeable public facility work that may cause a conflict with the Camera System to allow for the parties to determine if an alternative location should be found for installation of the Camera System. To the extent that City elects to have Verra Mobility relocate a Camera System more often than as referenced above, the parties must agree on the relocation costs City shall reimburse Verra Mobility prior to the relocation taking place, and if said reimbursement costs are not agreed to, then the Camera System shall remain in place during the duration of the Agreement.	
Subsequent Notices Mailing Fee – For any additional notices sent by first class mail required by the City or required by law in excess of the standard set of notices as described in Subsection 1.2.3 of EXHIBIT B, Verra Mobility will charge the City a Subsequent Notices Mailing Fee.	$2.00 per page per notice

EXHIBIT B
SCOPE OF WORK

1. VERRA MOBILITY SCOPE OF WORK

1.1 VERRA MOBILITY IMPLEMENTATION

1.1.1 Verra Mobility agrees to provide Camera System(s), use of the Axsis System and related services to City as outlined in this Agreement, excluding those items identified in Section 2 titled "City Scope of Work". Verra Mobility and City understand and agree that new or previously unforeseen requirements may, from time to time, be identified and that the parties shall negotiate in good faith to assign the proper party the responsibility and cost for such items. In general, if work is to be performed by City, unless otherwise specified, City shall not charge Verra Mobility for the cost.

1.1.2 City and Verra Mobility will complete the Project Time Line within thirty (30) days of Agreement execution date, unless mutually agreed to otherwise by the parties. Verra Mobility agrees to make every effort to adhere to the Project Time Line.

1.1.3 Prior to installing or deploying a Camera System, Verra Mobility may conduct a statistical analysis of each Approach being considered for a Camera System or Camera Systems ("Site Selection Analysis") to assist City in determining which Approaches will be the most beneficial to City in pursuit of its traffic safety and enforcement goals. Considerations may include collision history, community safety, police department staff review and engineering and construction feasibility assessment. Camera System deployment and installations will be based on mutual agreement by City and Verra Mobility. Verra Mobility makes no representations or warranties that any Violation rate estimates will be predictive of actual future traffic Violation rates.

1.1.4 Verra Mobility will install or deploy Camera System(s) at a number of Approaches to be mutually agreed upon between Verra Mobility and City after completion of Site Selection Analysis and as reflected in a written Notice to Proceed. In addition to any initial installation or deployment of Camera Systems the parties may mutually agree to add additional Camera System(s) or Approaches, which shall also be reflected in a written Notice to Proceed as set forth in EXHIBIT C.

1.1.5 Verra Mobility will operate each Camera System on a 24-hour basis, barring downtime for maintenance, normal servicing activities, or other unforeseen instances, unless enforcement times are restricted by law, such as in school zones.

1.1.6 Verra Mobility's Communications Department will assist City with public information content and outreach campaign strategies.

1.1.7 Verra Mobility agrees to provide a secure website (www.violationinfo.com) accessible to Owners/violators who have received notices of violation by means of a Notice # and PIN, which will allow Violation image and video viewing. Verra Mobility shall include a link to the payment website(s) and may offer the opportunity to download an affidavit of non-liability online. Verra Mobility will operate this secure website on a 24-hour basis, barring downtime for maintenance, normal servicing activities, or other unforeseen instances.

1.1.8 Verra Mobility will provide technician site visits to each Camera System, as needed, to perform maintenance checks consisting of camera enclosure lens cleaning; camera, strobe and controller enclosure cleaning; inspection of exposed wires; and, general system inspections and maintenance.

1.1.9 Verra Mobility shall take commercially reasonable best efforts to repair a non-functional System within seventy-two (72) hours (excluding weekends and holidays) of determination of a malfunction.

1.1.10 If City is using Verra Mobility facilitated lockbox or epayment services, City shall provide Verra Mobility and the applicable payment processor with the items set forth in Section 2.1.5 below.

1.1.11 If applicable, Verra Mobility is authorized to charge, collect and retain a service/convenience fee of up to the greater of $5.00 or to 5% of the total payment, for each payment processed through the web, call center, IVR, or other electronic means. Such fee is paid by the payor and retained by Verra Mobility.

1.2 VERRA MOBILITY OPERATIONS

1.2.1 Verra Mobility shall implement and operate the Program in accordance with the provisions of this Agreement and the City's Business Rules.

1.2.2 During the 30-day warning period, Verra Mobility shall provide City with a one-time warning period up to thirty (30) days in length following the installation and activation of the first installed Camera System. City shall not be charged a fee for the warning period; however for any warning period exceeding thirty (30) days City shall be responsible for the normal monthly Fee.

1.2.3 Verra Mobility shall provide City with access to the Axsis System, including image processing, first notice printing and mailing per Violation and insufficient information letter for a transfer of liability affidavit. In the case of a transfer of liability by the Owner, the Axsis System shall be setup to mail a Citation to the driver identified in the affidavit of non-liability or identified by a rental car company. All mailings of notices are by first class mail.

1.2.4 Subsequent notices, other than those specified in Subsection 1.2.3 may be delivered by first class or other mail means for additional compensation to Verra Mobility as agreed upon by the parties.

1.2.5 Verra Mobility shall apply an electronic signature, name, or badge number to the Citation as authorized in the City's Business Rules.

1.2.6 Verra Mobility may make non-substantive formatting or incidental changes to the Citation form without approval by City.

1.2.7 Verra Mobility shall seek records from vehicle registration databases reasonably accessible to Verra Mobility through its limited agent relationship with City and use such records to assist City in processing Citations. Verra Mobility may mail Citations to the address of the Owner obtained through the DMV, obtained through the National Change of Address (NCOA) database provided by the United States Postal Service, or obtained through other means including but not limited to skip tracing. Verra Mobility reserves the right to pass-through to City any cost increases imposed on Verra Mobility by DMV data sources.

1.2.8 The Axsis System shall provide City with the ability to run and print standard system reports. Verra Mobility provides a suite of standard program reporting at no charge to clients with active Programs. Upon notice to City, Verra Mobility reserves the right to modify the suite of standard program reporting available to City, so long as such change applies generally to customers with similar programs. Customized reporting services are available upon written request. The fee for such services shall be mutually agreed upon.

1.2.9 During the twelve (12) month period following the installation or deployment of the first Camera System, upon Verra Mobility's receipt of a written request from City at least fourteen (14) calendar days in advance of a court proceeding, and if required by the court or prosecutor, Verra Mobility shall provide City with or train a local expert witness to testify in court on matters relating to the accuracy, technical operations, and effectiveness of the Camera System or the Axsis System until judicial notice is taken. City shall use its best efforts to obtain judicial notice as soon as possible. If a Verra Mobility expert witness is required more than two (2) times during the twelve (12) month period, City shall reimburse Verra Mobility for any reasonable time and travel costs incurred for the additional dates.

1.2.10 In those instances where damage to a System (or sensors where applicable) is caused by (i) negligence on the part of Verra Mobility or its authorized agent(s), Verra Mobility shall bear the cost of repair or (ii) negligence or recklessness on the part of a driver or severe weather or other Force Majeure events, Verra Mobility shall bear the cost of repair. For all other causes of damage, including road construction, City negligence, etc. City shall reimburse Verra Mobility for the cost of repair.

1.2.11 Verra Mobility shall provide a help-line to assist City with resolving any problems encountered regarding its Camera System and/or the Axsis System. The help-line shall function during Business Hours.

2. <u>CUSTOMER SCOPE OF WORK</u>

2.1 GENERAL IMPLEMENTATION REQUIREMENTS

2.1.1 Within seven (7) business days of the Effective Date of this Agreement, Verra Mobility shall provide City with the name, title and contact information of a Project Manager to coordinate Verra Mobility responsibilities under this Agreement and City shall have the right to request a change in the Project Manager upon written notice to Verra Mobility and if such request for a change is made in good faith Verra Mobility shall have thirty (30) days to provide the City with the name and contact information of a new Project Manager. City shall have the opportunity to review and approve or reject any Verra Mobility staff that will be the primary liaison(s) between Verra Mobility and the City.

2.1.2 Within seven (7) business days of the Effective Date of this Agreement, City shall provide Verra Mobility with the name, title, mailing address, email address and phone number of all City stakeholders, including:

- A project manager with authority to coordinate City responsibilities under this Agreement;
- Court manager responsible for oversight of all Court-related program requirements;
- The police contact;
- The court contact;
- The prosecuting Attorney;
- The City Attorney;

- The finance contact (who receives the invoices and will be in charge of reconciliation);
- The IT person for the police;
- The IT person for the courts;
- The public works and/or engineering contact responsible for issuing any/all permits for construction; and

2.1.3 City and Verra Mobility shall complete the Project Time Line within thirty (30) calendar days of the Effective Date of this Agreement, unless mutually agreed to otherwise by the parties. City shall make every effort to adhere to the Project Time Line.

2.1.4 As requested from time to time by City, Verra Mobility will provide City with a mock-up of the Citation and other notices within fifteen (15) days. City shall review the Citation and other notices to ensure conformity with the Laws applicable to City. Verra Mobility shall not implement changes to the Citation or other notices without City's prior review and sign-off.

2.1.5 City shall designate a City account for deposit / settlement of funds paid by payors. Within seven (7) business days of receipt by City, City shall provide Verra Mobility completed banking forms, which may include among others a participation agreement and submerchant agreement with the payment processor as well as a bank verification letter prepared by the City's settlement account's bank, and a Form W-9, Request for Taxpayer Identification Number and Certification.

2.1.6 City shall direct the law enforcement agency to execute the Verra Mobility DMV Services Subscriber Authorization (substantially in the form attached as EXHIBIT D) to provide verification to the National Law Enforcement Telecommunications System (NLETS), State Department of Motor Vehicles, or appropriate authority indicating that Verra Mobility is acting on behalf of the City for the purposes of accessing vehicle ownership data pursuant to the list of permissible uses delineated in the Drivers Privacy Protection Act 18 U.S.C. 2721, Section (b)(1) and as may otherwise be provided or required by any provision of applicable state law. In addition to the Verra Mobility DMV Services Subscriber Authorization, City shall execute agreements or applications as requested by Verra Mobility with departments of motor vehicle to provide Verra Mobility with access to motor vehicle data

2.1.7 City shall prepare, execute, update, and maintain the Business Rules for implementation and operation of the Program. City's failure to timely prepare the Business Rules may impact the Project Time Line. Verra Mobility shall not be liable for City's failure to update and maintain the Business Rules.

2.1.8 City is responsible for notifying Verra Mobility of any local legislative and/or ordinance changes in writing within forty-eight (48) hours of the first read of the proposed legislation. Verra Mobility will not be responsible for complying with any change in applicable local law, until such time as Verra Mobility has been notified by City in writing of the change in Law.

2.1.9 City is responsible for all final jurisdictional issues, including but not limited to as they pertain to issuance of Citations, adjudication of Violations, and intergovernmental authorities.

2.1.10 Once a Notice to Proceed is granted to Verra Mobility in writing, City shall not issue a stop work order to suspend activity on the implementation process, unless City reimburses Verra Mobility for costs incurred up to the date the stop work order is issued.

2.1.11 City will comply with all applicable Laws relating to its conduct with respect to the Program, and City shall not use the Camera Systems or Axsis for any purpose not permitted by Law.

2.1.12 Once a Camera System is installed and certified by Verra Mobility as operational, it shall be immediately put into service. The first 30 days of service will be the warning period, during which Verra Mobility will issue warnings at no cost to the City.

2.1.13 City shall process each Event in accordance with state law and/or municipality ordinances within five (5) business days of its appearance in the law enforcement review queue, using Axsis to determine which Events constitute Violations that will be issued as Citations. In the event that City fails to process Events within this timeframe, Verra Mobility shall not be liable for failure of the Axsis System to allow City to issue a notice or Citation within statutory timeframes.

2.1.14 In the event that remote access to the Axsis System is blocked by City network security infrastructure, City's Department of Information Technology shall coordinate with Verra Mobility to facilitate appropriate communications while maintaining required security measures. Verra Mobility shall inform the City of any changes that may lead to such issue ahead of time, and coordinate with the City to prevent any access problems.

2.2 STREETS AND TRAFFIC DEPARTMENT OPERATIONS

2.2.1 All Camera Systems are intended to remain installed for the term of the Agreement. Any relocations shall be handled pursuant to the requirements in section 1.0 of Exhibit A.

2.2.2 If a construction or improvement project requires an installed or deployed Camera System to be deactivated or requires a Camera System, including imbedded sensors, to be moved or removed, City shall provide notice of such work to Verra Mobility and the fees shall be prorated for the time period the camera(s) are disabled.

2.2.3 Prior to the installation of any System, City shall provide Verra Mobility information regarding known road construction or improvement projects scheduled during the term of this Agreement for any Approach designated for System installation. In addition, within thirty (30) days of becoming aware of anticipated construction that may result in the deactivation or removal of a System or otherwise impact an Approach during the term of this Agreement, City shall notify Verra Mobility of any such construction. In the event of emergency projects, the City shall notify Verra Mobility of such events.

2.2.4 City will design, fabricate, install and maintain camera warning signs required by Law for purposes of operating the Program. If City cannot provide such signage Verra Mobility will do so and City shall reimburse Verra Mobility for the costs of signs and installation of the signs. City shall at all times be responsible for the maintenance of the installed warning signs.

2.2.5 City understands that proper operation of the System may require access and connection to the school zone flashing beacons. City, therefore, shall provide access or assist Verra Mobility with obtaining access to the school zone flashing beacon according to approved design. When school zone flashing beacons are not under the jurisdiction of City, the City shall assist Verra Mobility with obtaining any necessary agreements with the owner or maintaining agency of the school zone flashing beacon and infrastructure in order to provide the required access to said school zone flashing beacon and infrastructure.

2.2.6 Verra Mobility installation and removal plans shall be approved by a licensed professional engineer and such deliverables shall conform to Auburn City Code requirements and the City of Auburn Engineering Design and Construction Standards.

2.2.7 City shall allow Verra Mobility to build needed infrastructure into existing City-owned road easement.

2.3 COURTS OPERATIONS

2.3.1 City is responsible for contracting or otherwise engaging the King County Court for the adjudication of Citations in accordance with all applicable Laws,

2.3.2 City shall be responsible for ensuring the King County Court provides a judge or hearing officer and court facilities to schedule and hear disputed Citations.

2.3.3 City, or the King County Court at the direction of City, shall handle inbound and outbound phone calls and correspondence from defendants who have questions about disputes and other issues relating to Citation adjudication. City or the King County Court may refer citizens with questions regarding the Camera System technology and processes to websites and/or toll free telephone numbers provided by Verra Mobility for that purpose.

2.2.1 Verra Mobility shall provide City and appropriate King County Court staff with access to its online Axsis adjudication processing module which will enable the adjudication function to review cases, related images, and other related information required to adjudicate disputed Citations. If instead of using the online adjudication processing module in Axsis City desires to integrate Verra Mobility data into its adjudication system, subject to feasibility, Verra Mobility shall provide a court interface. City is responsible for the cost of development of any such court interface, including any costs charged by a third-party vendor. City, or the King County Court at the direction of the City, is responsible for entering all final dispositions of Citations including all payments of Citations into the Axsis System, either directly through the online adjudication processing module or through the court interface.

EXHIBIT C
FORM OF NOTICE TO PROCEED

Reference is made to the Professional Services Agreement by and between American Traffic Solutions, Inc., doing business as Verra Mobility ("Verra Mobility") and _______________ ("City"), dated as of [date] (the "Agreement"). Capitalized terms used in this Notice to Proceed shall have the meaning given to such term in the Agreement.

City hereby designates this implementation of Systems at the Approaches listed below. Verra Mobility shall make its best efforts to install a System within thirty (30) days of permits being granted and power delivered for each agreed-upon Approach, providing that City has received permission for all implementations in writing from any third-party sources.

Below is a list of School Zones provided by City, which have been analyzed based on traffic volumes, road geometry, existing infrastructure, and equitable distribution of this service based on City direction, and are believed to be locations at which a System would increase public safety.

Execution of this Notice to Proceed by City shall serve as authorization for the installation of Systems for all Approaches designated as follows:

Approach (Direction and Roadway)	Type of Enforcement	Camera System Solution

City understands that implementation and installation of any Approach is subject to Site Selection Analysis and engineering results.

City recognizes the substantial upfront costs Verra Mobility will incur to construct and install the Systems for the above listed Approaches. City agrees that the Systems authorized by this Notice to Proceed for the above-listed Approaches shall remain installed and operational for the duration of the current term of the Agreement, unless the need for relocation is identified, which is within the scope of this Agreement.

IN WITNESS WHEREOF, City has executed this Notice to Proceed as of the date written below.

[CUSTOMER]

By: ______________________________________
Name: Date
Title:

ACKNOWLEDGED AND AGREED TO BY:

AMERICAN TRAFFIC SOLUTIONS, INC.

By: ______________________________________
Name: Date
Title:

EXHIBIT D
DMV SERVICES SUBSCRIBER AUTHORIZATION

Agency ORI: _____________

[DATE]

Nlets
1918 W. Whispering Wind Dr.
Phoenix, AZ 85085

Attn: Frank L. Minice, Executive Director/CEO
Re: Authorization for American Traffic Solutions, Inc. to Perform MVD/DMV Inquiry

Dear Mr. Minice:

The Auburn Police Department authorizes the City of Auburn, Washington to use the Auburn Police Department ORI _____________ for the limited purpose of obtaining vehicle registration through Nlets. This letter acknowledges that a contract to perform automated enforcement between the City of Auburn and American Traffic Solutions, Inc., doing business as Verra Mobility ("Verra Mobility"), is in force. As a requirement of and in performance of that contract between the City of Auburn and Verra Mobility, it will be necessary for Verra Mobility to access Nlets for motor vehicle data on our agencies behalf.

Please accept this letter as authorization from the Auburn Police Department for Verra Mobility to run motor vehicle inquiries for this purpose. This authorization will automatically expire upon the termination of the contract between the City of Auburn and Verra Mobility; and, such authorization is limited to violations detected by the automated enforcement camera systems.

By completing the information below and signing this letter, I am stating that I am a member of and have the authority to extend this authorization on behalf of the Auburn Police Department.

SUBSCRIBER INFORMATION

Subscriber Agency/Name	______________________________
Agency ORI	______________________________
Name/Title of Authorized Representative	______________________________
Mailing Address	______________________________
	______________________________
	______________________________
Telephone	______________ **Fax** ______________
Email	______________________________
Signature of Authorized Representative	______________________________
Date Signed	______________

EXHIBIT E
RETENTION SCHEDULE
[*This schedule to be completed by City in conformity with applicable state and local law*]

Type of Record	Minimum Verra Mobility Retention Period
Violation Images* (including video clips and related metadata)	90 days from payment or final adjudication
Non-Violation Images (including video clips and related metadata)**	90 days from Event capture date
Individually Identifiable Violation Records*	90 days from payment or final adjudication
Individually Identifiable Non-Violation Records**	90 days from Event capture date
Audio recording from contact center	90 days from call
Written correspondence with citizens regarding Violations	1 year from date of correspondence
Maintenance Records	90 days from payment or final adjudication of an applicable Violation
Other Program Records	1 year from termination of the Agreement

* Violation Image: an image of a Violation issued as a Citation.
Individually Identifiable Violation Records: a record containing individually identifiable information pertaining to a Violation issued as a Citation.

** Non-Violation Image: an image of an Event not issued as a Citation.
Individually Identifiable Non-Violation Records: a record containing individually identifiable information pertaining to an Event not issued as a Citation.

*** Retention period is not applicable upon termination of the Agreement and the data is provided to City pursuant to Section 15 of the Agreement.

This records retention schedule does not apply to any Event data captured by the Camera System, but not uploaded into Axsis. For the avoidance of doubt, this records retention schedule does not apply to any records related to any Pilot Data.

CITY OF AUBURN WASHINGTON

AGENDA BILL APPROVAL FORM

Agenda Subject:
Resolution No. 5652

Date:
March 2, 2022

Department:
Parks/Art and Recreation

Attachments:
Resolution # 5652
Contract

Budget Impact:
Current Budget: $0
Proposed Revision: $230,644
Revised Budget: $230,644

Administrative Recommendation:

City Council approve Resolution #5652

Background for Motion:

The City of Auburn has previously received these funds in 2021 for a similar program. In 2022, the Parks, Arts and Recreation department will use the funds awarded this year to provide new recreation services to Auburn residents. The programs include a mobile recreation program where staff will bring games and activities to different parks in the city. Anyone will be welcome to come and play. The Auburn Outside program will take children on outdoor adventures. The scholarship program will cover program fees for families who are unable to pay for these programs and the normal summer camp programs offered in Auburn.

Background Summary:

The Association of Washington Cities (AWC), as administrator of an OSPI grant program, awarded the City of Auburn $230,644.00 in grant funds. The City of Auburn Parks and Recreation Department applied for the funding in order to provide three youth summer programs: the Rec & Roll Mobile Recreation program, the Auburn Outside program, and a scholarship program to allow underserved and low-income families to enjoy Parks' usual slate of summer recreation and arts programs.

Accepting these grant funds will allow the Parks, Arts and Recreation department to provide more opportunities for the residents of Auburn. These grant funds target families and children who have been impacted by the pandemic and/or have experienced systemic barriers to participation in the past.

Reviewed by Council Committees:

Councilmember:	Jeyaraj	**Staff:**	Faber
Meeting Date:	March 7, 2022	Item Number:	RES.C

RESOLUTION NO. 5652

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF AUBURN AND THE ASSOCIATION OF WASHINGTON CITIES FOR GRANT FUNDING AND TO EXPEND THE FUNDS FOR YOUTH SUMMER EXPERIENCE AND ENRICHMENT PROGRAMS.

WHEREAS, the Association of Washington Cities (AWC), as administrator of an OSPI grant program, awarded the City of Auburn $230,644.00 in grant funds; and

WHEREAS, the City of Auburn Parks and Recreation Department applied for the funding in order to provide three youth summer programs: the Rec & Roll Mobile Recreation program, the Auburn Outside program, and a scholarship program to allow underserved and low-income families to enjoy Parks' usual slate of summer recreation and arts programs; and

WHEREAS, to appropriate the funds, AWC requires that Auburn execute a subcontractor grant agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RESOLVES as follows:

Section 1. The Mayor is authorized to execute an Agreement between the City of Auburn and the Association of Washington Cities for $230,644.00 in grant funding, which agreement will be in substantial conformity with the agreement attached hereto, and to expend the funds.

Section 2. The Mayor is authorized to implement those administrative procedures necessary to carry out the directives of this Resolution.

Section 3. This Resolution will take effect and be in full force on passage and signatures.

Dated and Signed: ___________________________

CITY OF AUBURN

____
NANCY BACKUS, MAYOR

ATTEST:

____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

____
Kendra Comeau, City Attorney

Association of Washington Cities
Service Subcontract ("Subcontract") with

Auburn Parks, Arts & Recreation
through

Summer Experiences & Enrichment for Kids Fund (SEEK Fund)
A program of the Washington Office of Superintendent of Public Instruction (OSPI)

For

Jurisdiction Name	Auburn Parks, Arts & Recreation
Program Description	1. Rec n' Roll Mobile Recreation Program 2. Auburn Outside 3. Youth Summer Day Camp Scholarship Program

Start date: April 15, 2022

End date: November 15, 2022

FACE SHEET

Subcontract Number: 22-03

Association of Washington Cities (AWC)

Summer Experiences & Enrichment for Kids (SEEK) Fund

The Association of Washington Cities (AWC) is working in collaboration with and generally under the direction from OSPI to provide evidence-based, outdoor, summer enrichment programs to youth in K-12 (ages 4-21). Funds for this subcontract are intended to prevent, prepare for, or respond to the COVID-19 pandemic, including its impact on the social, emotional, mental health, and academic needs of students.

1. Subcontractor		**2. Subcontractor Doing Business As (optional)**	
3. Subcontractor Representative		**4. AWC Representative** Jacob Ewing Legislative Policy Analyst (360) 753-4137 jacobe@awcnet.org	1076 Franklin Street SE Olympia, WA 98501
5. Subcontract Amount $230644	**6. Start Date** April 15, 2022	**7. End Date** November 15, 2022	**8. Tax ID #**
9. Subcontract Purpose Carry out summer activities under the OSPI SEEK program as described in Attachment A.			
AWC and the Subcontractor, as defined above, acknowledge and accept the terms of this Subcontract and attachments and have executed this Subcontract on the date below to start as of the date and year referenced above. The rights and obligations of both parties to this Subcontract are governed by this Subcontract and the following other documents incorporated by reference: Subcontractor General Terms and Conditions including Attachment "A" – SEEK Application/Scope of Work; Attachment "B" – Project Costs Worksheet; Attachment "C" – Subcontractor Data Collection; Attachment (D) – Subcontractor Agent(s); Attachment E - Proclamation 21-14 COVID-19 Vaccination Certification.			
FOR SUBCONTRACTOR ____________________ ____________________ Date		**FOR Association of Washington Cities** ____________________ ____________________ Date	

Last revision 11/23/2021

1. SUBCONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the Subcontract contact person for all communications and billings regarding the performance of this Subcontract.

The Representative for AWC and their contact information are identified on the Face Sheet of this Subcontract.

The Representative for the Subcontractor and their contact information are identified on the Face Sheet of this Subcontract.

2. PAYMENT

AWC shall pay an amount not to exceed $230644 for the performance of all things necessary for or incidental to the performance of work as set forth in the SEEK Application and described in Attachment A. Subcontractor's compensation for services rendered shall be based on the completion of duties as outlined in the SEEK application, in Attachment A, in accordance with the following sections.

3. BILLING PROCEDURES AND PAYMENT

AWC will reimburse Subcontractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for AWC not more often than monthly. Subcontractor will use the invoice form provided by AWC to request reimbursement.

The invoices shall describe and document, to AWC's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the **Subcontract Number 22-03**. A receipt must accompany any single expenses in the amount of $50.00 or more in order to receive reimbursement.

If errors are found in the submitted invoice or supporting documents, AWC will notify the Subcontractor to make corrections in a timely manner, resubmit the invoice and/or supporting documentation as requested, and notify AWC.

Payment shall be considered timely if made by AWC within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Subcontractor.

AWC may, in its sole discretion, terminate the Subcontract or withhold payments claimed by the Subcontractor for services rendered if the Subcontractor fails to satisfactorily comply with any term or condition of this Subcontract.

No payments in advance or in anticipation of services or supplies to be provided under this Subcontract shall be made by AWC.

Duplication of Billed Costs

The Subcontractor shall not bill AWC for services performed under this Subcontract, and AWC shall not pay the Subcontractor, if the Subcontractor is entitled to payment or has been or will be paid by any other source, including grants, for that service. This does not include fees charged for summer recreation programs.

Disallowed Costs

The Subcontractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

Final Reimbursement and Reporting Deadline

When the project is completed the Subcontractor must submit a final invoice, final report, and supporting documents needed to close out the project no later than **October 1, 2022**.

AWC shall withhold 10 percent (10%) from each payment until acceptance by AWC of the final reporting from the Subcontractor has been submitted and verified.

4. SUBCONTRACTOR DATA COLLECTION/REPORTING REQUIREMENTS

Subcontractor will submit reports, in a form and format to be provided by AWC (See Attachment C). Data must be provided to AWC along with final billing.

5. AGENT(S)

Agent(s) in this contract refers to any third-party entity and its employees that the Subcontractor has subcontracted with to provide services funded through this agreement. The Subcontractor is responsible for ensuring that any agent complies with the provision herein.

Any of the Subcontractor's agent(s) that will provide director supervision of youth through programs funded by this contract must be listed in Attachment D – Subcontractor Agent(s) and must provide proof of insurance per Section 6 of this document.

6. INSURANCE

a. Workers' Compensation Coverage. The Subcontractor shall at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the fullest extent applicable. This requirement includes the purchase of industrial insurance coverage for the Subcontractor's employees, as may now hereafter be required of an "employer" as defined in Title 51 RCW. Such workers' compensation and occupational disease requirements shall include coverage for all employees of the Subcontractor, and for all employees of any subcontract retained by the Subcontractor, suffering bodily injury (including death) by accident or disease, which arises out of or in connection with the performance of this Subcontract. Satisfaction of these requirements shall include, but shall not be limited to:

i. Full participation in any required governmental occupational injury and/or disease insurance program, to the extent participation in such a program is mandatory in any jurisdiction;

ii. Purchase workers' compensation and occupational disease insurance benefits to employees in full compliance with all applicable laws, statutes, and regulations, but only to the extent such coverage is not provided under mandatory governmental program in "a" above, and/or;

iii. Maintenance of a legally permitted and governmentally approved program of self-insurance for workers' compensation and occupational disease.

Except to the extent prohibited by law, the program of the Subcontractor's compliance with workers' compensation and occupational disease laws, statutes, and regulations in 1), 2), and 3) above shall provide for a full waiver of rights of subrogation against AWC, its directors, officers, and employees.

If the Subcontractor, or any agent retained by the Subcontractor, fails to effect and maintain a program of compliance with applicable workers' compensation and occupational disease laws, statutes, and regulations and AWC incurs fines or is required by law to provide benefits to such employees, to obtain coverage for such employees, the Contractor will indemnify AWC for such fines, payment of benefits to Subcontractor or Subcontractor employees or their heirs or legal representatives, and/or the cost of effecting coverage on behalf of such employees. Any amount owed AWC by the Subcontractor pursuant to the indemnity may be deducted from any payments owed by AWC to the Subcontractor for the performance of this Subcontract.

b. Automobile Insurance. In the event that services delivered pursuant to this Subcontract involve the use of vehicles, owned or operated by the Subcontractor, automobile liability insurance shall be required. The minimum limit for automobile liability is:

$1,000,000 per accident, using a Combined Single Limit for bodily injury and property damage.

c. Business Automobile Insurance. In the event that services performed under this Subcontract involve the use of vehicles or the transportation of clients, automobile liability insurance shall be required. If Subcontractor-owned personal vehicles are used, a Business Automobile policy covering a minimum Code 2 "owned autos only" must be secured. If the Subcontractor's employees' vehicles are used, the Subcontractor must also include under the Business Automobile policy Code 9, coverage for "non-owned autos." The minimum limits for automobile liability is:

$1,000,000 per accident, using a Combined Single Limit for bodily injury and property damage.

d. Public Liability Insurance (General Liability). The Subcontractor shall at all times during the term of this Subcontract, at its cost and expense, carry and maintain general public liability insurance, including contractual liability, against claims for bodily injury, personal injury, death, or property damage occurring or arising out of services provided under this Subcontract. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the Subcontractor or its officers, agents, representatives, assigns or servants. The limits of liability insurance, which may be increased from time to time as deemed necessary by AWC, with the approval of the Subcontractor (which shall not be unreasonably withheld), shall not be less than as follows:

Each Occurrence	$1,000,000
Products-Completed Operations Limit	$2,000,000
Personal and Advertising Injury Limit	$1,000,000
Fire Damage Limit (any one fire)	$ 50,000

e. Local Governments that Participate in a Self-Insurance Program.

Alternatively, Subcontractors may maintain a program of self-insurance or participate in aproperty/liability pool with adequate limits to comply with the Subcontract insurance requirements or as is customary to the contractor or subcontractor's business, operations/industry, and the performance of its respective obligations under this Subcontract.

f. **Additional Insured.** The Office of Superintendent of Public Instruction, and the Association of Washington Cities, shall be specifically named as an additional insured on all policies, including Public Liability and Business Automobile, except for liability insurance on privately-owned vehicles, and all policies shall be primary to any other valid and collectible insurance. AWC and OSPI may waive the requirement to be specially named as an additional insured on policies, including Public Liability and Business Automobile, provided that the Subcontractor provides: (1) a description of its self-insurance program, and (2) a certificate and/or letter of coverage that outlines coverage limits and deductibles. All self-insured risk management programs or self-insured/liability pools must comply with RCW 48.62, the requirements of the Office of Risk Management and Local Government Self Insurance Program, the Washington State Auditor's reporting requirements and all related federal and state regulations. Subcontractors participating in a joint risk pool shall maintain sufficient documentation to support the aggregate claim liability information reported on the balance sheet. The AWC and OPSI, its agents, and employees need not be named as additional insured under a self-insured property/liability pool, if the pool is prohibited from naming third parties as additional insured.

g. **Proof of Insurance.** Certificates and or evidence satisfactory to the AWC confirming the existence, terms and conditions of all insurance required above shall be delivered to AWC within five (5) days of the Subcontractor's receipt of Authorization to Proceed.

h. **General Insurance Requirements.** Subcontractor shall, at all times during the term of the Subcontract and at its cost and expense, buy and maintain insurance of the types and amounts listed above. Failure to buy and maintain the required insurance may result in the termination of the Subcontract at AWC's option. By requiring insurance herein, AWC does not represent that coverage and limits will be adequate to protect Subcontractor and such coverage and limits shall not limit Subcontractor's liability under the indemnities and reimbursements granted to AWC in this Subcontract.

Subcontractor shall include all agents of the Subcontractor as insureds under all required insurance policies, or shall furnish proof of insurance and endorsements for each agent. Agent(s) must comply fully with all insurance requirements stated herein. Failure of agent(s) to comply with insurance requirements does not limit Subcontractor's liability or responsibility.

7. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Subcontract and Subcontractor General Terms and Conditions
- Attachment A – SEEK Application & Scope of Work
- Attachment B – Budget and Project Costs Worksheet
- Attachment C – Subcontractor Reporting Requirements
- Attachment D – Subcontractor Agent(s)
- Attachment E - Proclamation 21-14 COVID-19 Vaccination Certification

SUBCONTRACTOR GENERAL TERMS AND CONDITIONS

1. **Access to Data.** In compliance with Chapter 39.26 RCW, the Subcontractor shall provide access to data generated under this Subcontract to AWC, and to the extent necessary to comply with RCW 39.26, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the Subcontractor's reports, including computer models and methodology for those models.

2. **Alterations and Amendments.** This Subcontract may be amended only by mutual agreement of the parties in writing. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

3. **Americans with Disabilities Act (ADA) of 1990, Public Law 101-336, also referred to as the "ADA" 28 CFR Part 35.** **In relation to this Subcontract,** the Subcontractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

4. **Assignment.** Neither this Subcontract, nor any claim arising under this Subcontract, shall be transferred or assigned by the Subcontractor without prior written consent of AWC.

5. **Assurances.** AWC and the Subcontractor agree that all activity pursuant to this Subcontract will be in accordance with all applicable current federal, state and local laws, rules and regulations.

6. **Attorney's Fees.** In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney's fees and costs.

7. **Budget Revisions.** Any monetary amount budgeted by the terms of this Subcontract for various activities and line item objects of expenditure, as outlined in Attachment B – Budget and Project Costs Worksheet, may be revised without prior written approval of AWC, so long as the revision is no more than ten percent (10%) of the original line item amount and the increase in an amount is offset by a decrease in one or more other amounts equal to or greater than the increase. All other budget revisions exceeding ten percent (10%) shall only be made with the prior written approval of AWC. Subcontractor will use the funding change request form provided by AWC to request these budget revisions.

8. **Certification Regarding Debarment, Suspension, and Ineligibility.** The Subcontractor certifies that neither it nor its principals are debarred, suspended, proposed for debarment, or voluntarily excluded from participation in transactions by any federal department or agency. The Subcontractor further certifies that they will ensure that potential subcontractors or any of their principals are not debarred, suspended, proposed for debarment, or voluntarily excluded from participation in covered transactions by any federal department or agency. "Covered transactions" include procurement contracts for goods that are expected to equal or exceed twenty-five thousand dollars ($25,000). Subcontractor may do so by obtaining a certification statement from the potential subcontractor or subrecipient or by checking online at the System for Award Management (SAM), Excluded Parties List. The Subcontractor shall immediately notify the AWC if, during the term of this subcontract, Subcontractor becomes debarred. AWC may immediately terminate this Subcontract by providing Subcontractor written notice if Subcontractor becomes debarred during the term of this Subcontract.

The Subcontractor also certifies that neither it nor its principals are debarred, suspended, or proposed for debarment from participation in transactions by any state department or agency. The Subcontractor further certifies that they will ensure that potential subcontractors or any of their principals are not debarred, suspended, or proposed for debarment from participation in covered transactions by any state department or agency.

9. **Certification Regarding Lobbying.** The Subcontractor certifies that Federal-appropriated funds will not be used to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress or an employee of a member of Congress in obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Subcontractor shall require its agents to certify compliance with this provision.

10. **Certification Regarding Wage Violations.** The Subcontractor certifies that within three (3) years prior to the date of execution of this Subcontract, Subcontractor has not been determined by a final and binding citation and notice of assessment issued by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of RCW chapters 49.46, 49.48, or 49.52.

    The Subcontractor further certifies that it will remain in compliance with these requirements during the term of this Subcontract. Subcontractor will immediately notify AWC of any finding of a willful violation entered by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction entered during the term of this Subcontract.

11. **Change in Status.** In the event of substantive change in the legal status, organizational structure, or fiscal reporting responsibility of the Subcontractor, Subcontractor agrees to notify AWC of the change. Subcontractor shall provide notice as soon as practicable, but no later than thirty (30) days after such a change takes effect.

12. **Confidentiality.** The Subcontractor acknowledges that all of the data, material and information which originates from this Subcontract, and any student assessment data, material and information which will come into its possession in connection with performance under this Subcontract, consists of confidential data owned by AWC or confidential personally identifiable data subject to the federal Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) or other privacy laws, and that the data must be secured and protected from unauthorized disclosure by the Subcontractor. The Subcontractor is wholly responsible for compliance with FERPA requirements.

    The Subcontractor, therefore, agrees to hold all such material and information in strictest confidence, not to make use thereof other than for the performance of this Subcontract, to release it only to authorized employees and agents requiring such information and not release or disclose it to any other party. The Subcontractor agrees to release such information or material only to employees and agents who have signed a written agreement expressly prohibiting disclosure or usages not specifically authorized by this Subcontract. The parties acknowledge the release of records may be subject to the Public Records Act, RCW 42.56, and further acknowledge that Washington law and court order may compel disclosure of certain records; this provision does not apply to records compelled by law or court order.

13. **Copyright Provisions.** Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and copyright shall be owned by the

Superintendent of Public Instruction (Superintendent). The Superintendent shall be considered the author of such Materials. If Materials are not considered “works for hire”, Subcontractor hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to the Superintendent effective from the moment of creation of such Materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Copyright ownership includes the right to patent, register and the ability to transfer these rights.

Subcontractor understands that, except where otherwise agreed to in writing or approved by the Superintendent or designee, all original works of authorship produced under this Contract shall carry a **Creative Commons Attribution License**, version 4.0 or later.

All Materials the Subcontractor has adapted from others’ existing openly licensed resources must be licensed with the least restrictive open license possible that is not in conflict with existing licenses.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, Subcontractor will license the materials to allow others to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. If the Subcontractor would like to limit these pre-existing portions of the work to non-commercial use, the **Creative Commons Attribution-NonCommercial-ShareAlike** license, version 4.0 or later, is acceptable for these specific sections.

The Subcontractor warrants and represents that Subcontractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to apply such a license.

The Subcontractor shall exert all reasonable effort to advise the Superintendent, at the time of delivery of data furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Superintendent shall receive prompt written notice of each notice or claim of infringement received by the Subcontractor with respect to any data delivered under this Contract. The Superintendent shall have the right to modify or remove any restrictive markings placed upon the data by the Subcontractor.

14. **Covenant Against Contingent Fees.** The Subcontractor warrants that no person or selling agent has been employed or retained to solicit or secure this Subcontract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agent maintained by the Subcontractor for the purpose of securing business. AWC shall have the right, in the event of breach of this clause by the Subcontractor, to annul this Subcontract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fees.

15. **Disputes.** In the event that a dispute arises under this Subcontract, the parties will use their best efforts to amicably resolve any dispute, including use of alternative dispute resolution options.

16. **Duplicate Payment.** AWC shall not pay the Subcontractor, if the Subcontractor has charged or will charge the State of Washington or any other party under any other contract or agreement, for the same services or expenses.

17. **Entire Agreement.** This Subcontract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Subcontract shall be deemed to exist or to bind any of the parties hereto.

18. **Ethical Conduct.** Neither the Subcontractor nor any employee or agent of the Subcontractor shall participate in the performance of any duty or service in whole or part under this Subcontract in violation of, or in a manner that violates any provision of the Ethics in Public Service law at Chapter 42.52 RCW, RCW 42.17A.550, RCW 42.17A.555, and 41.06.250 prohibiting the use of public resources for political purposes.

19. **Governing Law and Venue.** This Subcontract shall be construed and interpreted in accordance with the laws of the State of Washington and the venue of any action brought hereunder shall be in Superior Court for Thurston County.

20. **Indemnification.** To the fullest extent permitted by law, Subcontractor shall indemnify, defend and hold harmless AWC and all officials, agents, and employees of AWC, from and against all claims for injuries or death arising out of or resulting from the performance of this Subcontract. “Claim” as used in this Subcontract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney’s fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting therefrom. Additionally, ‘”claims” shall include but not be limited to, assertions that the use or transfer of any software, book, document, report, film, tape or sound reproduction or material of any kind, delivered hereunder, constitutes an infringement of any copyright, patent, trademark, trade name, or otherwise results in an unfair trade practice or in unlawful restraint of competition. Subcontractor’s obligation to indemnify, defend and hold harmless includes any claim by Subcontractor’s agents, employees, representatives, or any subcontractor or its employees.

    Subcontractor expressly agrees to indemnify, defend, and hold harmless AWC for any and all claims, costs, charges, penalties, demands, losses, liabilities, damages, judgments, or fines out of or incident to Subcontractor’s or its subcontractor’s performance or failure to perform the Subcontract. Subcontractor’s obligation to indemnify, defend, or hold harmless AWC shall not be eliminated or reduced by any actual or alleged concurrent negligence by AWC, or their agents, employees, or officials.

    Subcontractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless AWC, and their agents, employees, or officials.

21. **Independent Capacity of the Subcontractor.** The parties intend that an independent Subcontractor relationship will be created by this Subcontract. The Subcontractor and his/her employees or agents performing under this Subcontract are not employees or agents of AWC. The Subcontractor will not hold itself out as nor claim to be an officer or employee of AWC, the Superintendent or of the state of Washington by reason hereof, nor will the Subcontractor make any claim or right, privilege, or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Subcontractor.

22. **Licensing and Accreditation Standards.** The Subcontractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary to the performance of this Subcontract.

23. **Limitation of Authority.** Only AWC or AWC's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Subcontract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this Subcontract is not effective or binding unless made in writing and signed by AWC.

24. **Non-Discrimination.** The Subcontractor shall comply with all the federal and state non-discrimination laws, regulations and policies, which are otherwise applicable to AWC. Accordingly, no person shall, on the ground of sex, race, creed, religion, color, national origin, marital status, families with children, age, veteran or military status, sexual orientation, gender expression, gender identity, disability, or the use of a trained dog guide or service animal, be unlawfully excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any activity performed by the Subcontractor and its agents under this Subcontract. The Subcontractor shall notify AWC immediately of any allegations, claims, disputes, or challenges made against it under non-discrimination laws, regulations, or policies, or under the Americans with Disabilities Act. In the event of the Subcontractor's noncompliance or refusal to comply with this nondiscrimination provision, this Subcontract may be rescinded, cancelled or terminated in whole or part, and the Subcontractor may be declared ineligible for further contracts with AWC.

25. **Overpayments**. Subcontractor shall refund to AWC the full amount of any overpayment under this Subcontract within thirty (30) calendar days of written notice. If Subcontractor fails to make a prompt refund, AWC may charge Subcontractor one percent (1%) per month on the amount due until paid in full.

26. **Public Disclosure.** Subcontractor acknowledges that AWC is subject to the Washington State Public Records Act, Chapter 42.56 RCW, and AWC acknowledges that the Subcontractor is subject to the Washington State Public Records Act, Chapter 42.56 RCW, and that this Subcontract shall be a public record as defined in RCW 42.56. Any specific information that is claimed by either party to be confidential or proprietary must be clearly identified as such by that party. To the extent consistent with chapter 42.56 RCW, each party shall attempt reasonably to maintain the confidentiality of all such information marked confidential or proprietary. If a request is made to view such information, the party receiving the public records request will notify the other party of the request and the date that such records will be released to the requester unless the other party obtains a court order enjoining that disclosure. If such party fails to obtain the court order enjoining disclosure, the party receiving the records request will release the requested information on the date specified.

27. **Publicity.** The Subcontractor agrees to submit to AWC all advertising and publicity matters relating to this Subcontract which in the AWC's judgment, AWC or the Superintendent's name can be implied or is specifically mentioned. The Subcontractor agrees not to publish or use such advertising and publicity matters without the prior written consent of AWC.

28. **Registration with Department of Revenue.** The Subcontractor shall complete registration with the Department of Revenue and be responsible for payment of all taxes due on payments made under this Subcontract.

29. **Records Maintenance.** The Subcontractor shall maintain all books, records, documents, data and other evidence relating to this Subcontract and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Subcontract. Subcontractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the Subcontract, shall be subject at all reasonable times to inspection, review or audit by the AWC or the Superintendent, personnel duly authorized by AWC or the Superintendent, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

    If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

30. **Right of Inspection.** The Subcontractor shall provide right of access to its facilities utilized under this Subcontract to AWC or any of its officers responsible for executing the terms of this Subcontract at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this Subcontract on behalf of AWC. All inspections and evaluations shall be performed in such a manner that will not unduly interfere with the Subcontractor's business or work hereunder.

31. **Severability.** The provisions of this Subcontract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.

32. **Subcontracting.** Neither the Subcontractor nor any agent of the Subcontractor shall enter into subcontracts for any of the work contemplated under this Subcontract without obtaining prior written approval of AWC. Subcontractor is responsible to ensure that all terms, conditions, assurances and certifications set forth in this Subcontract are included in any and all Subcontracts. In no event shall the existence of the subcontract operate to release or reduce liability of the Subcontractor to the AWC for any breach in the performance of the Subcontractor's duties. This clause does not include contracts of employment between the Subcontractor and personnel assigned to work under this Subcontract.

    If, at any time during the progress of the work, AWC determines in its sole judgment that any agent of the Subcontractor is incompetent, AWC shall notify the Subcontractor, and the Subcontractor shall take immediate steps to terminate the agent's involvement in the work. The rejection or approval by AWC of any agent or the termination of an agent shall not relieve the Subcontractor of any of its responsibilities under the Subcontract, nor be the basis for additional charges to AWC.

33. **Taxes.** All payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the Subcontractor or its staff shall be the sole responsibility of the Subcontractor.

34. **Technology Security Requirements**. The security requirements in this document reflect the applicable requirements of Standard 141.10 (https://ocio.wa.gov/policies) of the Office of the Chief Information Officer for the state of Washington, which by this reference are incorporated into this agreement.

    The Subcontractor acknowledges it is required to comply with WaTech Office of Chief Information Officer (OCIO) IT Security Policy 141 and OCIO IT Security Standard 141.10, Securing Information Technology Assets. OCIO IT Security Standard 141.10, Securing Information Technology Assets, applies to all Superintendent assets stored as part of a service, application, data, system, portal, module, components or plug-in product(s) that are secured as defined by the WaTech OCIO's IT Security Policy 141 and OCIO IT Security Standard 141.10, Securing Information Technology Assets.

    As part of OCIO IT Security Standard 141.10, a design review checklist and/or other action may be required. These activities will be managed and coordinated between AWC and the Subcontractor. Any related costs to performing these activities shall be at the expense of the Subcontractor. Any such activities and resulting checklist and/or other products must be shared with AWC.

35. **Termination for Convenience.** Except as otherwise provided in this Subcontract, the Superintendent or Superintendent's Designee may, by ten (10) days written notice, beginning on the second day after the mailing, terminate this Subcontract in whole or in part. The notice shall specify the date of termination and shall be conclusively deemed to have been delivered to and received by the Subcontractor as of midnight the second day of mailing in the absence of proof of actual delivery to and receipt by the Subcontractor. If this Subcontract is so terminated, AWC shall be liable only for payment required under the terms of the Subcontract for services rendered or goods delivered prior to the effective date of termination.

36. **Termination for Default**. In the event AWC determines the Subcontractor has failed to comply with the conditions of this Subcontract in a timely manner, AWC has the right to suspend or terminate this Subcontract. AWC shall notify the Subcontractor in writing of the need to take corrective action. If corrective action is not taken within thirty (30) days, the Subcontract may be terminated. AWC reserves the right to suspend all or part of the Subcontract, withhold further payments, or prohibit the Subcontractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Subcontractor or a decision by AWC to terminate the Contract. In the event of termination, the Subcontractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original Subcontract and the replacement or cover Subcontract and all administrative costs directly related to the replacement Subcontract, e.g., cost of the competitive bidding, mailing, advertising and staff time. The termination shall be deemed to be a "Termination for Convenience" if it is determined that the Subcontractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the AWC provided in this Subcontract are not exclusive and are in addition to any other rights and remedies provided by law.

37. **Termination Due to Funding Limitations or Contract Renegotiation, Suspension.** In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Subcontract and prior to normal completion of this Subcontract, with the notice specified below and without liability for damages:

    a. At AWC's discretion, AWC may give written notice of intent to renegotiate the Subcontract under the revised funding conditions.

b. At AWC's discretion, AWC may give written notice to Subcontractor to suspend performance when AWC determines there is reasonable likelihood that the funding insufficiency may be resolved in a timeframe that would allow Subcontractor's performance to be resumed.

(1) During the period of suspension of performance, each party will inform the other of any conditions that may reasonably affect the potential for resumption of performance.

(2) When AWC determines that the funding insufficiency is resolved, it will give the Subcontractor written notice to resume performance, and Subcontractor shall resume performance.

(3) Upon the receipt of notice under b. (2), if Subcontractor is unable to resume performance of this Subcontract or if the Subcontractor's proposed resumption date is not acceptable to AWC and an acceptable date cannot be negotiated, AWC may terminate the Subcontract by giving written notice to the Subcontractor. The parties agree that the Subcontract will be terminated retroactive to the date of the notice of suspension. AWC shall be liable only for payment in accordance with the terms of this Subcontract for services rendered prior to the retroactive date of termination.

c. AWC may immediately terminate this Subcontract by providing written notice to the Subcontractor. The termination shall be effective on the date specified in the termination notice. AWC shall be liable only for payment in accordance with the terms of this Subcontract for services rendered prior to the effective date of termination. No penalty shall accrue to AWC in the event the termination option in this section is exercised.

d. For purposes of this section, "written notice" may include email.

38. Termination Procedure. Upon termination of this Subcontract the AWC, in addition to other rights provided in this Subcontract, may require the Subcontractor to deliver to AWC any property specifically produced or acquired for the performance of such part of this Contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The AWC shall pay to the Subcontractor the agreed upon price, if separately stated, for completed work and services accepted by AWC and the amount agreed upon by the Subcontractor and AWC for (a) completed work and services for which no separate price is stated, (b) partially completed work and services, (c) other property or services which are accepted by AWC, and (d) the protection and preservation of the property, unless the termination is for default, in which case AWC shall determine the extent of the liability. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause for this Subcontract. The AWC may withhold from any amounts due to the Subcontractor such sum as AWC determines to be necessary to protect AWC against potential loss or liability.

The rights and remedies of AWC provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law under this Subcontract.

After receipt of a notice of termination, and except as otherwise directed by the Superintendent, the Subcontractor shall:

a. Stop work under this Subcontract on the date and to the extent specified, in the notice;

b. Place no further orders or subcontracts for materials, services or facilities except as may be necessary for completion of such portion of the work under the Subcontract that is not terminated;

c. Assign to AWC, in the manner, at the times, and to the extent directed by the AWC, all rights, title, and interest of the Subcontractor under the orders and subcontracts in which case AWC has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

d. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of AWC to the extent the AWC may require, which approval or ratification shall be final for all the purposes of this clause;

e. Transfer title to AWC and deliver, in the manner, at the times and to the extent as directed by AWC, any property which, if the Subcontract had been completed, would have been required to be furnished to AWC;

f. Complete performance of such part of the work not terminated by AWC; and

g. Take such action as may be necessary, or as AWC may direct, for the protection and preservation of the property related to this Subcontract which, in is in the possession of the Subcontractor and in which AWC has or may acquire an interest.

39. Treatment of Assets. Except as otherwise provided for in the Subcontract, the ownership and title to all real property and all personal property exceeding a value of $5,000 purchased by the Subcontractor in the course of performing this Subcontract with moneys paid by the Superintendent shall vest in the Superintendent, except for supplies consumed in performing this Subcontract. The Subcontractor shall (1) maintain a current inventory of all the real and personal property; (2) label all the property "State of Washington, Superintendent of Public Instruction"; and, (3) surrender property and title to the Superintendent without charge prior to settlement upon completion, termination or cancellation of this Contract.

If any property is lost, destroyed, or damaged, the Subcontractor shall notify the Superintendent and take all reasonable steps to protect the property from further damage.

All reference to the Subcontractor under this clause shall include Subcontractor's employees and agents.

40. Waiver. A failure by either part to exercise its rights under this Subcontract shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this agreement. Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Subcontract unless stated to be such in writing and signed by personnel authorized to bind each of the parties.

Attachment A

SEEK Application & Scope of Work

Insert detailed project description as included in the Funding Opportunity application & Attach SEEK Funding Application

Rec n' Roll Mobile Recreation Program

Auburn Parks, Arts and Recreation will be creating a mobile recreation program that will bring recreation to its various neighborhoods. The program will be called Rec nâ€™ Roll. The department will be securing a large van/truck for the program (not included in the grant application) that will pull up to neighborhood parks, apartment complexes, and other popular areas to roll out recreation including sports, STEAM, and other fun activities. This program will connect with children in various neighborhoods around Auburn. By bringing activities to the community, we are eliminating transportation as a barrier to participation. This program will also be free which eliminates another barrier. Children will be engaging with others from their specific neighborhood which will help them build bonds within the community they live. Rec nâ€™ Roll will have various components such as sports, STEAM activities and group games that will help children have positive social interactions and engage with each other outside of the school setting. Art and craft projects will be structured so children will finish an art piece that they can take home with them. STEAM activities will focus on hands on learning through science experiments suchs as rockets, egg-drops, robotics and other science and engineering activities. Physical activities will include yard and lawn games, disc golf, parkour, kicking, passing and dribbling, and other games. Physical activities promote healthy bodies and healthy minds. Youth who participate in the Rec nâ€™ Roll will get a positive and memorable experience that is long-lasting and fun. Rec nâ€™ Roll will visit a different park, apartment complex, or neighborhood each day. The program will be advertised well in advance through the schools, direct mail campaigns, flyers, social media and other outlets. Advertisements will be produced in several languages to help reduce barriers for non-English speaking families. The parks, apartments, and neighborhood areas targeted are areas with high diversity, are lower-income, and in areas with limited resources. Bringing recreation to these areas eliminates several barriers to participation. Rec and Roll removes transportation and cost as a factor. The program will be designed to be inclusive for children with physical or mental disabilities. This program does not currently exist in Auburn and would not be possible without these grant funds as it is not budgeted now or in plans for future budgets. The city is matching the grant investment by purchasing a vehicle dedicated for this program. That will also allow for the city to budget to keep this type of program running in the future. Rec nâ€™ Roll will take place Monday-Friday. Each day will be at a different location (high population and locations that are in conjunction with the free summer lunch program may be visited more that once over the summer). The program will be open for four (4) hours each day. The program will be all outdoors and will be able to run in all weather conditions by use of covered shelter areas or pop-up tents. The program will be eight (8) weeks starting after school ends in June 2022 and wrapping up prior to Labor Day weekend. This gives about 160 hours of outdoor programming for youth.Rec nâ€™ Roll will be a FREE program. There will be no cost to show up at any of the locations the program will be visiting. There will be a limit of 40 children at any time to allow for adequate staff supervision. As children come and go, additional children can be added into the activities. The Rec nâ€™ Roll program will partner with other local organizations but at no time will these organizations be directly supervising youth in the program. Some of these partnerships include: the Auburn School District Summer Lunch Program offers free meals to youth in our programs. On some occasions contracted vendors and instructors will be used, but at no time will they be responsible for the supervision of youth participants. Contracted vendors include performers and instructors for specific activities such as parkour, disc golf and STEAM activities.

Auburn Outside

The requested funding will allow for expanded outdoor adventure programming for underserved youth ages 4-18 in our Auburn Outside program. Programming under Auburn Outside will be based on the age of the population served- programs consist of: comprehensive biking skills camps and outdoor adventures for teens. Bike programs (Auburn MTB) will take place at the Cedar Lanes Bike Park and will offer Learn-to-Ride camps for 4-6 year old youth, basic bike skills camps for ages 6-10 and Mountain Bike Skills camps for ages 6-14. Mountain Bike Skills camps will utilize the pump track and the skills park to teach introductory mountain bike skills. All bike programs will include social emotional learning curriculum to teach and practice important skills including: goal setting, conflict resolution, confidence, grit and problem solving. Mountain Bike Skills camps will run in 3-hour intervals (2 sessions per day) for week-long sessions for a total of 9 weeks.Outdoor Adventures for teens strives to connect youth ages 12-18 with nature through exciting, physical programming. 8 camps will be offered including 3- week-long Outdoor Adventures camps, 2- Bike & Camp 3-day excursions, and 3-week-long Mountain Bike Camps for teens utilizing local trails.Outdoor Adventure camps will introduce teens to new outdoor opportunities like white water rafting, hiking, outdoor rock climbing, stand-up paddle boarding, kayaking, spelunking and more. Hands on skills and safety will be taught to all youth so they learn about the activities as well as enjoy the process of participating. The activities available to youth in the Outdoor Adventure camps are typically completely new to our participants. Getting teens outside in exciting, adventure based nature programming empowers them to push themselves to try new things, connect with nature and their peers, build confidence in their abilities and encourages them to challenge themselves. Participating in these activities with their peers fosters a strong connection as they bond and overcome challenges together. These skills are important ones that our youth participants take with them- translating what theyâ€™ve learned in nature, to their schools and families.Bike & Camp excursions consist of three days of camping and mountain biking culminating with a rafting trip on the way home. Youth will learn how to set up a camp, prepare food outdoors, experience mountain trails, practice bike skills and connect with their peers. Getting youth into nature for a prolonged experience fosters strong relationship building and reliance on their peers. We find that the three day trips boost self-esteem and leadership skills significantly for the participants.Week-long Bike camps take youth to the trails to practice mountain bike skills and ride together. Each day takes them to a different trail system giving youth the opportunity to experience all that our public lands have to offer. Mountain Biking for teens presents a challenging sport that comes with great rewards- we find that itâ€™s a sport that most teens have little to no experience with but fall in love with quickly as they experience the thrill of conquering a challenging climb and feel the rush of the wind as they get into a flow. Mountain Biking allows youth to bond with each other over their challenges and successes and while it is an individual sport we find teens build a strong sense of team camaraderie as they encourage and push one another to take on more challenge.All Teen Outdoor programs include Social Emotional Learning curriculum that is both formally discussed and also practiced through hands-on skill building. Staff and volunteers promote the importance of practicing skills like goal setting, tenacity, supporting their peers, conflict resolution, positive communication and problem solving.Auburn Outdoors is an active program that offers local youth the opportunity to engage in new outdoor activities that promote physical activity, social emotional learning, healthy lifestyle and positive social engagement. Outdoor Adventures uses outdoor adventure activities like hiking, rock climbing, rafting, mountain biking, kayaking, etc., as a catalyst to empower youth to make positive choices, build confidence and self-esteem, develop camaraderie with their peers, and engage with nature in a physically active way. All programs consist of three primary goals: 1. Get Moving Outside: Increase physical activity through adventure programming in natural surroundings. 2. Learn, Think, Do: Improve Social Emotional skills through simulated practice (discussion, activities) and through real life experiences (problem solving, conflict resolution, confidence building). 3. Be safe and have a blast!Combining physical activity with nature allows for important benefits for youth. Youth participating in Auburn Outdoors programming will have the opportunity to constantly be interacting with their peers, thus practicing important social skills that they may be missing out on in the summertime. By developing a team that all participants are a part of youth will practice overcoming challenges together and cheer each other on as they meet their goals. Perhaps most importantly youth in Auburn Outdoors programs will gain a positive and memorable experience that is long-lasting and fun! Shared experience with other youth in the program, combined with getting outside into nature, and moving their bodies each day will have great impacts on the mental health of all youth participants. Shared experience provides youth with an important sense of belonging. Physical activities promote healthy bodies and healthy minds and offering programming exclusively outdoors allows participants a chance to engage with nature that may be lacking in their typical day-to-day life. Summer camp programming has long been out of reach for most of our low-income families. Despite offering a fee waiver program, the cost to attend camp has still been too high for many youth. By offering a robust, full fee scholarship program and by reserving a percentage of all camps for scholarship recipients weâ€™ll be able to ensure that underserved youth have a chance to take advantage of the exciting experiences that summer camps offer. Additionally, Auburn Outdoors summer programs will be in centralized locations to help alleviate the barrier of transportation and accessibility to program sites.Significant barriers to underserved youth engaging in outdoor programming are cost, transportation and knowledge of the outdoors. These barriers will be eliminated in the Auburn Outside program. First and foremost- full scholarships will be available for underserved youth in order to completely eliminate the financial barrier that is most commonly cited as prohibiting underserved youth participation. Programs will meet at central locations to reduce the barrier of transportation. Parks vans will then be used to transport participants to activity locations. Lastly, knowledge and understanding of outdoor activities will not be a barrier as all programs will be facilitated by trained staff that will be teaching all participants the skills needed to safely participate in all activities.Outdoor adventure activities are cost prohibitive to our targeted population. In the past these programs have been entirely fee based and gear has been provided by the participants or rented from outdoor program vendors. The funds that would be provided through this grant will enable the Auburn Outside program to build an inventory of gear and equipment that would be available for underserved youth to use as needed. Having equipment available that doesnâ€™t need to be rented will allow programming to continue at no cost to underserved youth, thus creating a sustainable program long into the future that focuses on getting youth physically active outdoors.The Auburn Outdoors program will partner with other local organizations but at no time will these organizations be directly supervising youth in the program. Some of these partnerships include: Auburn School District Summer Lunch Program offers free meals to youth in our programs. The Auburn Police Department Bike Patrol offers assistance with bike skills and bike safety talks. They also provide skills mentorship and volunteer ride leaders. On some occasions contracted vendors and guides will be used but at no time will they be responsible for the supervision of youth participants.Auburn Outside programs are available at no cost to participants through a full scholarship program that will be made possible by SEEK funding. 25% of all Teen Outdoor programs will be reserved for participants receiving scholarships. 50% of all spots available in Auburn MTB programs will be reserved for participants receiving scholarships.Youth Bike camps (Auburn MTB) will run for week-long sessions for three hours per day/15 hours for the week. Camps and clinics will differ week to week and can be continued through the duration of the summer for a potential total of 240 hours/participant of bike camps.Teen Bike Camps will be all day programs, 5 days per week for a total of 40 hours. Bike camps can be repeated with three sessions available for a total of 120 hours/participant.Teen Bike & Camp excursions are overnight camping trips with daytime activities over the course of three days for a total of 40 hours. Two sessions are available for a total of 80 hours/participant.Outdoor Adventure Camps will be all day programs, 5 days per week for a total of 40 hours. Outdoor Adventure Camps can be repeated with 3 sessions available for a total of 120 hours/participant.

Youth Summer Day Camp Scholarship Program

City of Auburn Parks, Art & Recreation offers a variety of summer camp programs including Sports, Tweens, and specialty mix and match camps for youth ages 6-12. Summer camp will be offered June â€“ August, Monday â€“ Friday 8am-5pm for 9 weeks. These are the descriptions of camps we offer: Sports- Each week of summer a different sport camp is offered including, basketball, soccer, flag football, lacrosse, volleyball, cheerleading, baseball, and an occasional multisport week. Sport camps promote active, healthy, and social skills. Since most sports arenâ€™t offered in the summer, camps are the best way for kids to stay active. Summer sport programs also allow youth to be consistent. Consistently working on the mechanics of sports will increase your skill level and confidence. Each day kids are challenged to learn something new from their peers and coaches. Participants are challenged through skills and drills scheduled throughout the day. Depending on the sport, youth can spend anywhere between 50-90% of their day outside. For example, if theyâ€™re attending basketball camp, they spend up to 5 hours a day/ 20 hours a week/ 180 hours of summer outdoors. If they attend, soccer, lacrosse, or flag football they spend up to 7 hours a day/ 35 hours a week/ 315 hours a summer outdoors.Tweens: Tweens camp is offered to youth entering fifth and sixth grade. Each week will offer a new theme with activities to match in the morning and the afternoon is followed up with a special event or field trip. While this camps focus isnâ€™t outdoor, we stress the importance of connecting kids socially. Transitioning from elementary to middle school can be intimidating, but summer camp helps to make the transition easier. During camp, â€œtweensâ€� learn how to socially interact with one another through, problem solving, developing friendships, and team building. Social interactions develop soft skills that they will carry with them for the rest of their lives such as, listening skills, problem solving, and teamwork. Youth Mix & Match: Mix and match camps are designed to give kids a variety of specialty camps throughout the summer. Some examples of camps offered are, farming, LEGO, rock climbing, STEAM, painting, and many more. During the farming camp, kids are outside 100% of the day. Kids explore the daily activities of farm life in the early 20th century. Activities include caring for farm animals, working in the garden, crafts, archery, baking in a wood stove, playing historic games and more. While in LEGO camp, kids can build engineer designed projects with Legos. In rock climbing camp, we will give kids the opportunity to harness up and learn the fundamentals of rock climbing, learn basic climbing techniques, and set goals to reach new heights. STEAM camp will be a week of hands-on experiments and projects that gives the opportunity to build, create, explore and problem solve in the world of science and inventions. During art camp a professional artist guides children during each session to create a finished piece of artwork to take home at the end of the day. Youth mix and match camps promote social connections, encourage physical activity and support to families who struggle with childcare needs. Each camp promotes social connections by bringing kids together that share similar interest. Kids from all backgrounds come together and they can learn from one another. During camp we will nurture friendships; kids get to meet other kids with similar interest. Counselors facilitate introductions between the kids and mediate conversations and arguments whenever thereâ€™s a problem. Summer camp promotes independence. While at camp, kids get to experience time away from their parents. Helping kids develop a sense of self identity. Mom and dad arenâ€™t there so they learn to listen to their inner voice to make decisions. Kids become more self-reliant as they discover their strengths and weakness. We schedule a variety of activities and trips throughout the summer for kids to participate in to develop lifelong skills. Activities such as, dodgeball. Dodgeball teaches teamwork, decision making, and resilience. Often in camp, we schedule teambuilding activities. These activities allow kids to work together to achieve a common goal. While engaged in the activities they will gain exposure to other peopleâ€™s perspective. They will also learn to accomplish a goal with others and realize you must learn to work with differences. Our summer camp program will remove institutional and systematic barriers by providing scholarships to the underserved and low-income families in the community. The goal of our program is to promote an inclusive space for all youth no matter their background or economic status. These funds will allow The City of Auburn to bridge the gap between the underserved youth and everyone else. Since our programs are fee based, we will use these funds to provide scholarships for underserved populations to ensure cost is not a barrier. We will reserve 25% of our summer camp spots to families who are not able to afford our programs. In previous years we have not been able to serve youth who identify as underserved because of the lack of scholarships funds. By receiving these funds, these funds will change that narrative. We will be able to provide these families with opportunities that they otherwise will not be able to afford.The summer camp program will partner with other local organizations but at no time will these organizations be directly supervising youth in the program. Some of these partnerships include: the Auburn School District Summer Lunch Program offers free meals to youth in our programs. On some occasions contracted vendors and instructors will be used, but at no time will they be responsible for the supervision of youth participants.

Attachment B

Budget & Project Costs Worksheet

Budget (as presented in the SEEK application Project Costs Worksheet)

Project: Rec n' Roll Mobile Recreation Program

Project Costs	Summer 2022
Staff	$17000
Equipment & supplies (i.e. sports equipment, art supplies, or water and snacks) (*must be directly related to program being offered*)	$13900
Scholarships or subsidies	$
Transportation	$500
Facilities	$
Professional Services (please be specific on type of service)	$8000
Fees (such as entrance fees for field trips)	$
**Meals	$
Other (please specify)	$2000
TOTAL	$41400

Project: Auburn Outside

Project Costs	Summer 2022
Staff	$47187
Equipment & supplies (i.e. sports equipment, art supplies, or water and snacks) (*must be directly related to program being offered*)	$28012
Scholarships or subsidies	$35225
Transportation	$1920
Facilities	$
Professional Services (please be specific on type of service)	$
Fees (such as entrance fees for field trips)	$14900
**Meals	$
Other (please specify)	$
TOTAL	$127244

Project: Youth Summer Day Camp Scholarship Program

Project Costs	**Summer 2022**
Staff	$12000
Equipment & supplies (i.e. sports equipment, art supplies, or water and snacks) (*must be directly related to program being offered*)	$
Scholarships or subsidies	$50000
Transportation	$
Facilities	$
Professional Services (please be specific on type of service)	$
Fees (such as entrance fees for field trips)	$
**Meals	$
Other (please specify)	$
TOTAL	$

Attachment C

Subcontractor Reporting Requirements

Reports must contain the following information:

- Describe the K-12-aged (4 to 21) youth who participated through this program including disaggregated data about student age range, gender, race/ethnicity, FRPL status, and other student information.
- Describe the type of program funded and the geographic area served.
- Explain how the program targeted youth populations were recruited to participate.
- Explain how these funds were used to create more access to underserved and/or economically disadvantaged youth.
- What disproportionately impacted communities did the summer recreation program serve?
- Discuss program successes and challenges.

Attachment D

Subcontractor Agent(s)

List any Subcontractor Agent(s) that will provide director supervision of youth in a program funded through SEEK.

Name of Agent	Address

Attachment E

Proclamation 21-14 COVID-19 Vaccination Certification

To reduce the spread of COVID-19, Washington state Governor Jay Inslee, pursuant to emergency powers authorized in RCW 43.06.220, issued *Proclamation 21-14 – COVID-19 Vaccination Requirement (dated August 9, 2021)*, as amended *by Proclamation 21-14.1 – COVID-19 Vaccination Requirement (dated August 20, 2021)* and as amended by *Proclamation 21-14.2 – COVID-19 Vaccination Requirement (dated September 27, 2021)*, and as may be amended thereafter. The Proclamation requires contractors who have goods, services, or public works contracts with a Washington state agency to ensure that their personnel (including subcontractors and agents) who perform contract activities on-site comply with the COVID-19 vaccination requirements, unless exempted as prescribed by the Proclamation. AWC is under contract with OSPI and as such is required to meet these requirements and ensure that any subcontractors also comply.

By entering into this agreement, the Subcontractor agrees to comply as follows:

1. Has reviewed and understands Subcontractor's obligations as set forth in Proclamation 21-14 – COVID-19 Vaccination Requirement (dated August 9, 2021), as amended by Proclamation 21-14.1 – COVID-19 Vaccination Requirement (dated August 20, 2021), and as amended by Proclamation 21-14.2 – COVID-19 Vaccination Requirement (dated September 27, 2021);
2. Has developed a COVID-19 Vaccination Verification Plan for Subcontractor's personnel (including agents) that complies with the above-referenced Proclamation;
3. Has obtained a copy or visually observed proof of full vaccination against COVID-19 for Subcontractor personnel (including agents) who are subject to the vaccination requirement in the above-referenced Proclamation;
4. Complies with the requirements for granting disability and religious accommodations for Subcontractor personnel (including agents) who are subject to the vaccination requirement in the above-referenced Proclamation;
5. Has operational procedures in place to ensure that any contract activities that occur in person and on-site at OSPI premises (other than only for a short period of time during a given day and where any moments of close proximity to others on-site will be fleeting – e.g., a few minutes for deliveries) that are performed by Subcontractor personnel (including agents) will be performed by personnel who are fully vaccinated or properly exempted as required by the above-referenced Proclamation;
6. Has operational procedures in place to enable Subcontractor personnel (including agents) who perform contract activities on-site and at OSPI premises to provide compliance documentation that such personnel are in compliance with the above referenced Proclamation;
7. Will provide to OSPI or AWC, upon request, Subcontractor's COVID-19 Vaccination Verification Plan and related records, except as prohibited by law, and will cooperate with any investigation or inquiry pertaining to the same.