



Anacortes City Council
Municipal Building Council Chambers
904 6th Street

July 9, 2018
6:00 p.m.

PRELIMINARY AGENDA

[Packet Materials](#)

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Announcements and Committee Reports**
 - a. Port/City Liaison Committee
 - b. Skagit County Population Health Trust
 - c. Planning Committee
4. **Public Comment**
5. **Consent Agenda (Action)**
 - a. Minutes of July 2, 2018
 - b. Approval of Claims in the amount of: \$78,514.09
 - c. Street Fair Application: Anacortes Arts Festival
6. **Public Hearings**
7. **Other Business**
 - a. Contract Award: 14-056-IDS-007 Fiber Optics Project Phase 3 Construction – RBC (Action)
 - b. Contract Award: 14-056-IDS-008 Fiber Optics Project - Central Broadband District - RBC (Action)
 - c. Contract Award: Water Treatment Plant Intake Pumps 3 & 4 18-098-WTR-001 (Action)
 - d. Contract Modification: Laserfiche RIO Connector (Action)
 - e. * Resolution 2017: Transportation Benefit District 0.2% Sales Tax (for public vote in November) (Discussion/Possible Action)
 - f. * Resolution 2018: Transportation Benefit District Description and Funding Source Breakdown (Discussion/Possible Action)
8. **Adjournment**

Per Resolution 1949, citizens wishing to comment on items not on the agenda may do so under the Public Comment portion of the agenda. Citizens wishing to comment on agenda items indicated with an asterisk () may do so as those items are considered by Council during the course of the meeting. Citizens wishing to speak will please sign in at the back of the Council Chambers prior to the start of the meeting. The Mayor may limit comments to those who have signed in, and may limit the time allotted to each speaker to facilitate the orderly progress of the meeting.*

The City of Anacortes encourages people with disabilities to participate in public meetings.
For assistance with special needs, please contact the City Clerk at 360-299-1960 in advance of the meeting.



Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning July 16, 2018

Subjects listed below have been tentatively suggested for consideration by the Anacortes City Council on the dates indicated. Items may be added to, removed from or rearranged on this list. Routine business such as approval of minutes and vouchers are not included. The complete Preliminary Agenda for each meeting is published at 3:00 on the Wednesday prior to the meeting. Published Agendas are subject to change and may be updated following the posting period. For additional information on agenda topics, please contact the City Clerk's office at 360-299-1960 to be directed to the sponsoring staff member.

July 16, 2018

- Closed Record Decision Hearing, Port of Anacortes "A" Dock Replacement & Reconfiguration, SDP-2018-0002
- 2019/2020 Biennial Budget: Budget Categories (Discussion)
- Ordinance 3026: Amending the 2017/2018 Budget (Discussion/Possible Action)
- Ordinance 3025: Adopting a Speed Limit Reduction on L Avenue for the Bicycle Boulevard/Greenway (Discussion/Possible Action)

July 23, 2018

August 6, 2018

August 13, 2018

August 20, 2018

August 27, 2018

September 4, 2018

September 10, 2018

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Planning, Monday, Jul 9, 2018, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Jul 11, 2018, 5:00 PM, Main Conference Room, City Hall
- Public Works, Monday, Jul 16, 2018, 5:00 PM, Public Works Director's Office, City Hall
- Planning, Monday, Jul 23, 2018, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Jul 25, 2018, 5:00 PM, Main Conference Room, City Hall



City of Anacortes

Independence Day Parade

7-4-2018





















































































July 9, 2018
6:00 p.m.

Continue on back of sheet as needed

City Council Minutes – July 2, 2018

At 6:00 p.m. Mayor Laurie Gere called to order the regular Anacortes City Council meeting of July 2, 2018. Councilmembers Eric Johnson, Anthony Young, Ryan Walters, Brad Adams, Bruce McDougall and Matt Miller were present. Councilmember Liz Lovelett was absent.

The assembly joined in the Pledge of Allegiance.

Mr. Walters moved, seconded by Mr. Johnson, to excuse the absence of Ms. Lovelett who was ill. The motion carried unanimously by voice vote.

Mayor Gere withdrew Item 7e, Resolution 2017: Transportation Benefit District 0.2% Sales Tax (for public vote in November), from the agenda and advised that the matter would come back to Council on July 9, 2018 in conjunction with Resolution 2018: Transportation Benefit District Description and Funding Source Breakdown.

Announcements and Committee Reports

Public Works Committee: Mayor Gere announced that the regular committee meeting scheduled for earlier in the evening had been cancelled.

Public Comment

Michele Pope, 4001 Peters Lane, speaking on behalf of the Anacortes Senior Activity Center Foundation, thanked Mayor Gere and City Council for supporting the Memorandum of Agreement with the Foundation and thanked City Attorney Darcy Swetnam and Administrative Services Director Emily Schuh for their wisdom and careful work drafting the MOA. The mayor thanked Ms. Pope for her work on behalf of the Foundation.

Consent Agenda

Mr. Young removed Item 5c, Contract Award: Library RFID Equipment, from the Consent Agenda. Mr. Johnson moved, seconded by Mr. Adams, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of June 25, 2018
- b. Approval of Claims in the amount of: \$231,272.62
- d. Memorandum of Agreement: Anacortes Senior Activity Center Foundation

The following vouchers/checks were approved for payment:

EFT numbers: 89726 through 89752, total \$200,709.29

Check numbers: 89753 through 89789, total \$30,268.55

Wire transfer numbers: 233732 through 234787, total \$2,370.37

- c. Contract Award: Library RFID Equipment

Mr. Young noted that the subject contract prohibited discrimination by the Contractor on the basis of race, color, religion, age, sex, national origin or physical handicap and asked that future contracts also explicitly prohibit discrimination on the basis of sexual orientation and other protected classes. Mr. Walters asked that the City Attorney report back on that language change at a later meeting. Mr. Young advised that Ms. Swetnam had already begun that research. Mr. Walters moved, seconded by Mr. Johnson, to approve the contract. The motion carried unanimously by voice vote.

OTHER BUSINESS

Public Meeting: Final Plat, Phase V of the Rock Ridge South Subdivision

Associate Planner Kevin Cricchio presented a request for final plat approval from RR Summit NW, LLC for Phase V of the Rock Ridge South subdivision. Mr. Cricchio's slide presentation was added to the packet materials for the meeting. He summarized the project chronology and advised that following its public meeting on June 13, 2018, the Planning Commission voted unanimously in favor of recommending approval to City Council. Mr. Cricchio reported that Planning and Public Works Department staff had reviewed the application material submitted for final plat, had verified that all conditions of preliminary plat approval had been met, and recommended approval by City Council. He responded to councilmember questions regarding street frontage on the final plat, confirming that all 19 lots have at least 30 feet of street frontage. He summarized City Council's role in final plat approval, noting that according to AMC 16.16.030, if the City Council finds that the final plat meets the requirements in the preliminary plat approval conditions, the final plat will be approved.

Mr. Johnson moved, seconded by Mr. Miller, to approve the final plat request for Phase V of the Rock Ridge South subdivision. Vote: Ayes – Young, Walters, Adams, McDougall, Miller and Johnson. Motion carried.

Public Meeting: Final PUD/Plat, Haddon Road PUD (PUD-2016-1001)

Associate Planner Kevin Cricchio presented a requested for final plat approval from Tom Allen and Allen Family Investments, LLC, for the Haddon Road Plat/PUD-2016-1001. Mr. Cricchio's slide presentation was added to the packet materials for the meeting. He summarized the project chronology and advised that following its public meeting on June 13, 2018, the Planning Commission voted unanimously in favor of recommending approval to City Council. Mr. Cricchio reported that Planning and Public Works Department staff had reviewed the application material submitted for final plat, had verified that all conditions of preliminary plat approval had been met and/or would be bonded shortly, and recommended approval by City Council. He summarized City Council's role in final plat approval, noting that according to AMC 16.16.030, if the City Council finds that the final plat meets the requirements in the preliminary plat approval conditions, the final plat will be approved. Mr. Cricchio displayed the final plat map and summarized the minor changes to the layout of Lots 9 through 13 between the preliminary and final plats.

Mr. Johnson moved, seconded by Mr. Adams, to approve the final plat/PUD request for the Haddon Road PUD/plat. Vote: Ayes – Walters, Adams, McDougall, Miller, Johnson and Young. Motion carried.

Mr. Walters noted the appeals that had been filed on this project, all subsequently denied, and suggested that the Planning Committee perform a review of the project with an eye to informing the upcoming changes to the development regulations. Mayor Gere concurred.

Update on Projects and Activities from the Anacortes Bike/Pedestrian Advisory Committee (ABPAC)

John Pope and Warren Tessler, representing the Anacortes Bike/Pedestrian Advisory Committee, presented the plans for three neighborhood greenways to serve pedestrians and cyclists on quieter streets parallel to busy arterials. Their slide presentation was added to the packet materials for the meeting.

Mr. Pope described the benefits of greenways, including reducing traffic, increasing safety, linking neighborhoods, and inviting new and young users to non-motorized travel. He then elaborated on design features of greenways. Mr. Pope indicated that the ABPAC had been working with city engineering staff to identify and begin configuring greenway routes. He displayed a map identifying bike/pedestrian routes throughout the city, then more detailed maps of three greenway routes: South Hill, Q Avenue and West 2nd Street. Mr. Pope then reported on progress to date, noting that signage and wayfinding markings were underway for the South Hill greenway.

Mr. Tessler then described improvements funded by the Anacortes Parks Foundation (Kiwanis Mount Erie Fund) and installed by City crews to fill in missing links for the greenways, including Q Avenue between 28th and 29th Streets already underway and West 2nd Street between Dakota and Erie Avenues due later in the summer. He praised the effectiveness of the ABPAC, city and Parks Foundation working together to achieve safer cycling and walking for city residents and visitors. Mr. Pope and Mr. Tessler invited the public to attend a ribbon cutting for the first, South Hill Greenway on July 28, 2018 at 9 a.m. at 22nd Street and J Avenue.

Mr. Miller confirmed that the Traffic Safety Committee had reviewed the greenways several times and praised the concept, noting that greater separation of motor vehicles and cyclists is good for both modes of transport.

Mayor Gere invited members of the audience to comment on this agenda item.

Wim Houppermans, 3412 K Avenue, spoke in support of bicycle transportation in the city and said he was charmed by the word “greenway” which made him envision lanes with trees. He suggested that there was some planting to do.

Ordinance 3025: Adopting a Speed Limit Reduction on L Avenue for the Bicycle Boulevard/Greenway

Mr. Buckenmeyer presented a companion action to reduce the speed limit on L Avenue between 5th and 22nd streets from 25 mph to 20 mph to improve safety along that corridor. He advised that the Traffic Safety Committee had reviewed the draft ordinance. Mr. Miller asked if the public had been provided sufficient opportunity to comment on the proposed change, if the City Attorney had reviewed the ordinance, and if enforcement mechanisms were in place. Ms. Swetnam confirmed that she had reviewed Ordinance 3025 and that Council had authority to approve the ordinance.

Mr. Adams questioned the location of stop signs along the South Hill Greenway route and asked if some intersections might be resigned. Mr. Buckenmeyer advised that it would take separate Council action to eliminate or alter stop sign placement. Mr. Pope observed that reducing the speed limit along a greenway was one means of reducing the cut through traffic in lieu of hardscape traffic calming measures. He indicated that staff was investigating changing the stop patterns at the 9th and 14th Street intersections with L Avenue. Mr. Johnson cited statistics from a AAA Traffic Safety Foundation 2011 study showing dramatically lower pedestrian mortality in collisions with motor vehicles traveling at 20 mph compared to 25 mph. He noted that signage and pavement marking also tend to reduce motor vehicle speeds. Mr. Walters encouraged installing 20 mph speed limit signs and greenway signage on the same poles to underscore the reason for the reduced speed. He noted instances of discontinuous sidewalks along L Avenue and urged completing the gaps. Mr. Walters echoed Mr. Miller’s query as to whether the public had been provided sufficient opportunity to comment on the proposed speed reduction.

Mayor Gere invited members of the audience to comment on this agenda item. No one present wished to address the Council.

Mr. Miller suggested postponing action for two weeks, then including the item on the regular agenda including opportunity for public comment. Mayor Gere and councilmembers concurred.

Resolution 2019: Authorizing Pledge to Community Action of Skagit County Capital Campaign

Mayor Gere reminded that at the June 25, 2018 consideration of this matter Mr. Young had moved, seconded by Ms. Lovelett, to pledge \$50K for Community Action’s capital campaign and Mayor Gere had clarified that the motion included prior suggested amendments to draft Resolution 2019 to specify that the funds would be payable once Community Action completed the sale transaction for its new Services Center building. Council subsequently voted 4-3 to postpone vote on the motion for one week.

Finance Director Steve Hoglund shared additional information provided by Joan Penney of Community Action following the June 25, 2018 meeting. Ms. Penney's explanation of CA's capital campaign requests to Skagit County municipalities was added to the packet materials for the meeting. Mr. Hoglund also noted that the packet materials for the meeting included two alternative versions of Resolution 2019, one specifying \$35K and one specifying \$50K.

Mr. Johnson expressed his support of CA's programs and services but argued in favor of pledging \$35K to the capital campaign, then more holistically considering the larger policy and budgetary question of city funding for non-profit agencies in Skagit County. He indicated that the Housing Affordability and Community Services Committee would undertake that review over the course of the summer. He suggested amending the motion on the floor to specify \$35K. Mr. Adams seconded. Mayor Gere restated a motion by Mr. Johnson, seconded by Mr. Adams, to change the amendment from \$50K to \$35K.

Mr. Walters agreed with Mr. Johnson's proposal to look holistically at city funding for social service agencies but clarified that the matter on the table was a one-time contribution to CA's capital campaign, not a request for ongoing support of its programs and operations. He noted that CA had requested \$50K from four Skagit County cities and had thus far received only \$25K, from Sedro Woolley. Mr. Walters argued in favor of pledging \$50K and appealed to his colleagues to demonstrate that Anacortes is a giving community and is willing to be as fully supportive of CA as Mount Vernon has been through its annual funding contribution for CA services.

Mayor Gere recommend that the during the upcoming budget discussion Council consider adding a line item for social services and establishing a plan for responding to funding requests.

Mr. Miller disagreed with Mr. Walters and said forced philanthropy is not good governance. He said there is no disagreement with the good work done by CA, Anacortes Family Center, the Boys and Girls club and other social service agencies the city supports with taxpayer money but said that such funding should be discussed and determined as part of the budget cycle rather than responding on an ad hoc basis to each request.

Mr. McDougall agreed on the wisdom of considering the city's social services portfolio holistically to determine what sorts of programs the city wants to fund and how to fund them. He inquired if there is a norm or benchmark for municipal funding of social services, perhaps as a percent of the total budget; he recalled Ms. Lovelett had mentioned 2%. Mr. Hoglund said he would research what other regional cities budget but confirmed that Anacortes expenditures for social services are far less than 2%. Mr. McDougall suggested that lacking a target budget figure, he would lean towards \$35K.

Mr. Young elaborated on the breadth of CA's mission and the very small amount of funding CA had received from Anacortes for the preceding several years. He said the \$50K request was reasonable and agreed with Mr. Walters on supporting that amount but said that if Council decided on \$35K, and agreed to consider the additional \$15K during the budget discussions over the summer, he would be willing to amend his motion.

Mr. Adams said it was a win-win situation to pledge \$35K now and then look hard at increasing social service agency funding during the budget process.

Mayor Gere invited members of the audience to comment on this agenda item.

Wim Houppermans observed that each city faces different budget challenges each year so it is nice if the funding burden is shared by multiple cities so one can step up to the plate when another faces constraints.

Joan Penney, Community Action of Skagit County, thanked Council for its thoughtful discussion. Ms. Penney shared her experience touring and researching homelessness across the country. She reported that a regional approach to responding to homelessness is much more productive because homeless populations are so fluid and

mobile. Ms. Penney said she also saw a trend towards budgeting for human services departments, such as in Everett and Seattle, who partner with common cause non-profit agencies. Ms. Penney encouraged Council's interest in taking a broader look at social service funding. She said that Anacortes is a leader in Skagit County on affordable housing. She thanked Council for its support in whatever amount it determined.

Mr. Walters referred to Ms. Penney's table of Historical Giving by Jurisdiction for 2012-2017 and concluded that other cities contribute more to CA than Anacortes does. He said that if social service agencies were not providing those critically important services, he would argue that the city should provide them directly. He again urged pledging \$50K, to make up for low contributions from Anacortes over the preceding four years.

Mr. Johnson observed that the city was spending the same amount on social services but had directed it to a different agency in recent years. He again urged looking at social service needs county-wide during the budget process, then considering the appropriate amounts to offer each agency including possibly additional funds for CA.

Mr. McDougall reported that the City of Seattle human services budget is \$176M, 2.9% of its overall budget.

Mr. Johnson restated his motion, which had been seconded by Mr. Adams, to amend Mr. Young's motion to pledge \$35 with an opportunity to revisit the pledge as part of a broader look at support of social services in Anacortes and Skagit County. Vote: Ayes – Adams, McDougall, Miller, Johnson and Young. Nays – Walters. Motion carried.

Ms. Swetnam observed that the original draft Resolution 2019 included a pledge for \$35K and suggested that Council's intent could perhaps be captured by adopting that draft with an amendment adding that City Council will revisit additional giving through the budgetary process. Vote: Ayes – McDougall, Miller, Johnson, Young, Walters and Adams. Motion carried.

There being no further business, at approximately 7:20 p.m. the Anacortes City Council meeting of July 2, 2018 was adjourned.

The following claims against the City of Anacortes have been preaudited and certified by the Clerk-Treasurer as ready for City Council approval at the July 9, 2018 City Council meeting:
[Download this file in OpenDocument spreadsheet format.](#)

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount
234556	1/1/2018	20180701	CHOWANEC, WILLIAM	JULY RENT: 29-3	\$2,045.00
234956	6/1/2018	181682627	GOOD TO GO!	N. WALSH	\$9.75
234826	6/5/2018	12682	ANACORTES CHAMBER OF COMMERCE	SUMMER ARTWALK ADVERTISING 98221 GALLERY	\$32.55
234500	6/6/2018	1119	ANACORTES PRINTING	500 CORRECTION NOTICES - BLDG	\$202.90
234711	6/6/2018	3859	MOUNT VERNON TOWING INC	TOWING; APD CASE 18-A04218	\$406.88
234492	6/6/2018	2427589	STRYKER SALES CORPORATION	INSTALLATION CHARGES FOR STRYKER	\$336.35
234803	6/7/2018	43110	CITIES DIGITAL	DOCUSIGN LICENSE AND LF INTEGRATION	\$7,632.98
234401	6/8/2018	60343	CODE PUBLISHING COMPANY	CODIFICATION SERVICES - WEB UPDATE 5/16/18	\$485.05
234962	6/13/2018	10297-05-18	BERK CONSULTING, INC.	FIRE IMPACT FEE STUDY - MAY 2018	\$3,347.50
234495	6/13/2018	1226428	SURETY PEST CONTROL	JUNE SERVICE - 29-2	\$44.49
234489	6/14/2018	1633-19	MAKERS ARCHITECTURE	ZONING, DEV & DESIGN STDS - MAY 2018	\$7,895.00
234393	6/18/2018	18-22038	EDGE ANALYTICAL, INC	THICKENED SLUDGE TESTING	\$44.00
234431	6/18/2018	1202717	FOSTER PEPPER PLLC	WATER TELEMETRY SYSTEM MATTER NO. 100	\$390.00
234432	6/18/2018	1202713	FOSTER PEPPER PLLC	WATER TREATMENT PLANT MATTER NO. 96	\$704.00
234493	6/18/2018	71506	MCCUNN, MIKE	REIMBURSEMENT: NON-ETHANOL GAS -	\$19.70
234869	6/18/2018	160819	SCOTT RICHARDS INSURANCE, INC	BUSINESS AUTO - ADD BRAUN AMBULANCE AND BOLT	\$458.84
234559	6/19/2018	67440000007	CASCADE NATURAL GAS CORP.	STA 1: 5/18 - 6/18	\$48.54
234560	6/19/2018	16940000009	CASCADE NATURAL GAS CORP.	STA 2: 5/18 - 6/18	\$28.08
234873	6/19/2018	2310179837	DIGICERT, INC	GEO TRUST TRUE BUSINESS ID WILDCARD 2 - YEAR	\$704.17
234949	6/19/2018	047010	DISA GLOBAL SOLUTIONS INC	MEDICAL TESTS - WTP EMPLOYEES	\$405.00
234532	6/19/2018	165427/2	H.B. JAEGER	HOSE BIB REBUILD KITS	\$613.57
234959	6/19/2018	AFD FM Q1 18	SKAGIT- 911	SPILLMAN FEES Q1 2018	\$1,468.12
234950	6/20/2018	1990764796	ARAMARK	STA 3 MAT SERVICE: 6/20	\$21.70
234557	6/20/2018	3267867	CARDINAL HEALTH 110, INC.	PHARMACEUTICALS	\$32.64
234558	6/20/2018	3267880	CARDINAL HEALTH 110, INC.	PHARMACEUTICALS	\$32.85
234875	6/20/2018	18-20883	EDGE ANALYTICAL, INC	BLUE HERON STATION FLUORIDE ANALYSIS	\$24.00
234554	6/20/2018	2742	NW CLEANERS	WEEKLY CLEANING FOR JUNE: 29-1	\$488.00
234877	6/20/2018	200024889996	PUGET SOUND ENERGY INC	WTP INTAKE ELECTRICITY 5/2/18-5/31/18	\$343.66
234954	6/21/2018	1990766865	ARAMARK	STA 2 MAT SERVICE: 6/21	\$21.70
234955	6/21/2018	1990766866	ARAMARK	STA 1 MAT SERVICE: 6/21	\$21.70
234822	6/21/2018	A-3389	BESTLINE LTD	AUX PATROL UNIFORM ITEMS	\$536.00
234977	6/21/2018	82902974	BOUND TREE MEDICAL, LLC	PHARMACEUTICALS	\$22.00

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount
234586	6/21/2018	Order	TWO RIVERS TERMINAL, LLC	CALCIUM NITRATE	\$7,824.00
234709	6/22/2018	8125000081	SHRED-IT USA, LLC	OLD RECORDS DESTROYED - APD	\$53.58
234958	6/22/2018	180664	T-SHIRTS BY DESIGN	WORKOUT SHORTS (ALL STAFF)	\$618.45
234710	6/23/2018	00005W5A83258	UNITED PARCEL SERVICE, INC	UPS SHIPPING; WEEK ENDING 6-23-18	\$16.56
234820	6/25/2018	18A04725	ANACORTES TOWING, LLC	TOWING; APD CASE 18-A04725	\$162.75
234855	6/25/2018	8498 30 017 0487207	COMCAST	CITY HALL INTERNET CONNECTION 7/5-8/4/18	\$191.12
234821	6/25/2018	201130570	CRIMINAL JUSTICE TRAINING	TRAINING; DT MASTER INSTRUCTOR OFC DOTZAUER	\$250.00
234961	6/25/2018	21305	ECONOWASH LAUNDRY & DRY	JUNE LAUNDRY (ALL STATIONS)	\$1,241.24
234879	6/25/2018	WABUR202322	FASTENAL COMPANY	SAFETY GLASSES	\$196.57
234979	6/25/2018	1226385	SURETY PEST CONTROL	LIBRARY PEST CONTROL	\$66.19
234859	6/26/2018	4509511	FISHERIES SUPPLY	SAILING SUPPLIES	\$139.97
234860	6/26/2018	B08447796	SHI INTERNATIONAL CORP.	IPAD	\$1,219.54
234940	6/26/2018	S20181727	SUPERIOR SYSTEMS, INC	ALUMINUM PLATE	\$155.01
234810	6/27/2018	18-21302	EDGE ANALYTICAL, INC	FINAL EFFLUENT TESTING	\$126.00
234819	6/27/2018	062518	FIDALGO CLEANING	CLEANING & SUPPLIES	\$700.00
234960	6/27/2018	1113449	SKAGIT PUBLISHING LLC	PUBLISH AA-1780002 AA-1780027 AA-1780035	\$320.74
234864	6/27/2018	276431	U.S. MOWER	MOWER BLADE KIT- #426	\$325.15
234871	6/27/2018	331 0411076	UNIFIRST CORPORATION	WTP WEEKLY LAUNDRY SERVICE	\$55.71
234874	6/27/2018	331 0411093	UNIFIRST CORPORATION	WTP WEEKLY LAUNDRY SERVICE INTERN	\$6.20
234880	6/28/2018	June 28 2018	ANACORTES CHAMBER OF COMMERCE	LTAC CHAMBER 2% FERRY	\$17,651.22
234851	6/28/2018	1990777066	ARAMARK	APD NYLON MATS CLEANED	\$16.28
234865	6/28/2018	1990777074	ARAMARK	OPS & PARKS LAUNDRY SVC FOR	\$64.66
234934	6/28/2018	33754	DATEC, INC	SECTOR THERMAL PAPER	\$195.30
234941	6/28/2018	360-588-9248- 0619005	FRONTIER COMMUNICATIONS	APD BACKUP LINES (6/28/18-7/27/18)	\$200.96
234942	6/28/2018	360-293-6427- 0218975	FRONTIER COMMUNICATIONS	CITY HALL 911 6/28-7/27/18	\$73.17
234943	6/28/2018	360-293-4900- 0912865	FRONTIER COMMUNICATIONS	APD BAC LINE (6/28/18-7/27/18)	\$78.42
234944	6/28/2018	360-588-1422- 0822015	FRONTIER COMMUNICATIONS	APD BUSINESS LINE (6/28/18-7/27/18)	\$288.41
234945	6/28/2018	360-299-6615- 0615165	FRONTIER COMMUNICATIONS	APD 911 LINE (6/28/18-7/27/18)	\$66.02
234978	6/28/2018	3602939063	FRONTIER COMMUNICATIONS	STA 3: PHONE/FAX/DSL	\$75.12
234980	6/28/2018	360-299-2484- 0726025	FRONTIER COMMUNICATIONS	LIBRARY PHONE 6/28 - 7/27/18	\$53.53
234935	6/28/2018	010209614	GALLS, LLC.	UNIFORM PANTS; OFC DOTZAUER	\$112.82
234863	6/28/2018	001-406266	PISTON SERVICE OF ANACORTES	BATTERY- VEH #003	\$127.98

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount
234861	6/28/2018	I-17743	SIGNS BY TOMORROW	REPLACEMENT SIGNAGE-MADRONA GROVE ARTWORK	\$44.81
234824	6/28/2018	8659	TEMPORARY VENDOR	SOCCER BALLS	\$3,445.75
234867	6/28/2018	113039	WALTON BEVERAGE COMPANY, INC	CITY HALL-EMPLOYEE BREAK ROOM SUPPLIES - 3RD FLOOR	\$157.50
234957	6/28/2018	113038	WALTON BEVERAGE COMPANY, INC	10 LBS COFFEE: 6/28	\$87.50
234858	6/28/2018	2018APR-2	WASHINGTON AMATEUR SOFTBALL	SUMMER COED SOFTBALL LEAGUE REGISTRATIONS	\$380.00
234870	6/29/2018	6-2018-APRD-001	CROSS ISLAND CONSULTING &	STAFF TRAINING-"SAFETY TRAINING SUITE"	\$813.75
234952	6/29/2018	WABUR202511	FASTENAL COMPANY	HVAC FILTERS	\$212.92
234872	6/29/2018	018004-006	HOLMAN, NICOLE	REFUND-DAY USE PARK FEE - WP CANCELLATION	\$56.00
234885	6/29/2018	001-406321	PISTON SERVICE OF ANACORTES	OIL FILTER- SHOP SUPPLIES	\$9.11
234931	6/29/2018	001-406325	PISTON SERVICE OF ANACORTES	FILTERS- SHOP STOCK	\$244.54
234884	6/29/2018	9809462177	VERIZON WIRELESS	SCADA COMMUNICATIONS~	\$770.26
234936	6/30/2018	00005W5A83268	UNITED PARCEL SERVICE, INC	UPS SHIPPING CHARGES; WEEK ENDING 6-30-18	\$8.14
234932	7/1/2018	5053817787	RICOH USA, INC	S/N C86086497 PUB DEF COPIES 4/1-6/30/18	\$35.01
234933	7/1/2018	5053818114	RICOH USA, INC	CITY WIDE 4/1-6/30/18	\$631.10
234937	7/1/2018	5053818397	RICOH USA, INC	S/N C86152062 HR COPIES 6/1-6/30/18	\$15.80
234938	7/1/2018	5053817844	RICOH USA, INC	S/N C86138599 APD FRONT OFFICE COPIES (6/1/18-6/30/18)	\$36.52
234967	7/2/2018	3301868	CARDINAL HEALTH 110, INC.	PHARMACEUTICALS	\$5.69
234947	7/2/2018	248 984 6277 5	CASCADE NATURAL GAS CORP.	WTP 6/1/18-6/28/18	\$587.93
234946	7/2/2018	360-299-0813-1017915	FRONTIER COMMUNICATIONS	WWTP PHONE SERVICE	\$299.39
234963	7/2/2018	July 2, 2018	POLLACK, JORDAN D	WILDLAND REFRESHER TRAINING	\$3,110.00
234930	7/2/2018	July	SKAGIT LAW GROUP PLLC	PROSECUTION SERVICES CONTRACT JULY 2018	\$6,000.00
234951	7/2/2018	114-6963508	UNITED SITE SERVICES, INC	INTAKE STATION PORTA-POTTI RENTAL	\$22.98

Total

\$78,514.09



City Council Agenda Bill

Meeting Date: 7/9/2018 **Agenda Item:** 5c

Subject: Street Fair Application: Anacortes Arts Festival

Staff Contact: Fred Buckenmeyer, Don Measamer

Approved for Submittal to Council by	
	Laurie Gere, Mayor
	Steve Hoglund, Finance Director
	Darcy Swetnam, City Attorney
X	Fred Buckenmeyer

Action Type	
	Ordinance No.
	Code Revision?
	Resolution No.
	Contract
	Public Hearing
	Staff Report

Summary Statement: Street Fair Application for Anacortes Arts Festival

Background: Anacortes Arts Festival requests closure of Commercial Avenue from 10th Street to the Port Transit Shed and connecting side streets from R to O Avenues between 10th and the Port Transit Shed (leaving necessary alley ways clear). No changes from their typical request. Event will take place the first full weekend in August and streets will be closed beginning August 2 at 5 p.m. until August 5 at 11:59 p.m. approximately.

Budget Impact	
Amount Budgeted	
Budget Account (BARS)	
Proposed Expenditure	
Budget Amendment Required?	
Revenue Source	

Proposed Contract	
Contractor	
Amount	
Start Date	
End Date	

Previous Council/Committee Action: NA

Competing Viewpoints Considered: NA

Recommended Motion: I move to approve the proposed street fair application as submitted

Alternative Actions: Deny the request(s)

Attachments (listed in order presented): Anacortes Arts Festival Cover Sheet & Application



TO: City Council Members, Mayor Gere
FROM: Fred Buckenmeyer, Director of Public Works
DATE: July 9, 2018
SUBJECT: Anacortes Arts Festival

Sponsor/Organizer: Anacortes Arts Festival

Location: Commercial Avenue and connecting side streets (R to O Avenues, leaving necessary alley ways clear) from 10th Street to the Port Transit Shed.

Dates & Times:

August 2, 2018 @ 5 p.m. until August 5, 2018 @ 11:59 p.m.

Background: Three day annual Anacortes Arts Festival (since 1962) to include booth artisans, food vendors, entertainment, working artists, youth area, stages with musicians and performing artists, beer and wine gardens.

Parking Restrictions:

Parking restricted in closed areas. Sponsors will post "No Parking" signs 72 hours prior to the event. Street parking on streets adjacent to the festival along with designated handicapped parking.

Public Works Services:

City Solid Waste Dept. will provide garbage service

City Building Dept. will supply "No Parking" signs

Cone, barricades, pylons and all signs other than "No Parking" signs will be supplied by applicants.

Police Services: Police support required

Recommendations: Staff recommends approval subject to applicant's submitted request

Proposed Motion: Recommend approval

Emergency Contact Numbers:

Meredith McIlmoyle, 360-293-6211

STREET FAIR APPLICATION

Date Received

6/11/18

Received by:

[Signature]

NAME OF EVENT: Anacortes Arts Festival

DATES of Event: August 3, 4, 5, 2018. Set-up August 2.

TIME of Day: 10:00a.m. – 8:00p.m. on Friday & Saturday, 10:00a.m. – 5:00p.m. on Sunday

NATURE/PURPOSE of Event: Art Festival

PARTICIPANTS/Attendees (estimated number): 80,000

LOCATION of Event (include locations and dimensions of any structure to be erected, dimensions of street/right-of-way to be used and dimensions of same to remain unobstructed):

Commercial Avenue and connecting side streets (R to O Avenue, leaving necessary alley ways clear) from 10th Street to the Port Transit Shed.

DESCRIPTION of Event: Booth artisans, food vendors, entertainment, working artists, youth area, stages with musicians and performing artists, beer and wine gardens.

FACILITIES requested (street, sidewalk, park, etc.): Street and sidewalks on Commercial Avenue and connecting streets as noted above.

Dates/hours requested: August 2, 2018 at 5:00p.m. until August 5, 2018 at 11:59p.m.

EQUIPMENT requested: Two first hydrant connections, dumpsters and any available parking signs.

Dates/hours requested: Beginning August 2 at 4:00p.m.

SERVICES requested (eg. Custodial, traffic control): Business License monitoring, police support, trash services.

Dates/hours requested: August 3, 4, 5 – as needed.

PARKING (include locations and dimensions of parking space to be available/provided): Street parking, handicapped drop-off and City Hall Parking Lot.

INSURANCE (Certificate of Insurance must be submitted with Application) -

Required _____ Not Required _____ Policy from Bell-Anderson will be provided upon receipt.

FEES (itemize any Admission fees/space rental fees/sale of items/solicitation of funds): Fees from booth artisans (\$350 + 10% commission).

APPLICANT/ORGANIZATION (Name): Anacortes Arts Festival

Name of responsible person: Meredith McIlmoyle

Phone #: 360-293-6211

Address: 505 O Avenue, Anacortes, WA 98221 _____ Date of Birth __04__/_11__/_1969

The undersigned agrees to assume responsibility for the above described event, and to abide by all conditions stipulated upon acceptance of permit.

Signature M McIlmoyle Date 5.3.18

* FOR OFFICE USE ONLY *

Initials Comments (Stipulate Conditions of Approval on Reverse)

Mayor	_____	_____
Building	<u>DM</u>	_____
Fire	_____	_____
Parks	_____	_____
Police	<u>JS</u>	_____
Public Works	<u>FB</u>	_____

* PERMIT *

Permit will be issued after review by above Department Heads subject to the following conditions:

Compliance with all City Ordinances

Compliance with Department with Public Works regulations

Submittal of Certificate of Insurance saving the City harmless from any and all



Arts at the Port

Port Stage

Waterfront Pub



Working Studios

Food Vendors

Main Stage

Hideout Bar

Reisner Distributors

H2O Anacortes Brewery

Rockfish Grill

West Center East

300 block

400 block

500 block

600 block

700 block

800 block

900 block

Reunion Wine Bar

Jazz Stage

West Marine parking

Union Tavern Local 902

Pearl Buttons

Dad's Diner

Opulence Hair Salon

Calico Cupboard

Chamber of Commerce

Chamber Restroom

Village Pizza

Wheel House

Bank of the Pacific

Classic Styles & Fidalgo Artisan Yarn

Lil' Tugs Children's Boutique

Orca Info. & Comm.

Elsa & Company

Elizabeth's Cottage by the Sea

Paper Birds

The Bead Store

Bayshore Office Supplies

Salt & Vine

Post Office

El Jinete

Johnny Picasso's Red Snapper Gifts

Information

Gere a Deli

Adrift

2Q Nails

Tangles Hair

Camwood Jewelers

Pelican Bay Books

Frida's Mexican Restaurant

A'Town Bistro

Scott Milo Gallery

Brown Lantern Ale House

Pita J's

PDA Marketing Group

ATM

Handicapped Parking

USPS Truck

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City Council Contract Agenda Bill

Meeting Date: 7/9/2018 **Agenda Item:** 7a

Subject: Contract Award: Fiber Build – Phase 3 #14-056-IDS-007

Staff Contact: Fred Buckenmeyer

Approved for Submittal to Council by:
Darcy Swetnam, City Attorney

Action Type: Contract Award

Summary Statement: City staff seeks City Council consent to award a contract in the amount of \$659,695.73 to Robinson Brothers Construction, Inc. (RBC) to perform the construction of Phase 3 of the Fiber Build project. Phase 3 scope includes connecting the fiber optic network in the west half of the City of Anacortes, including connecting Fire Station #2, three sewer pump stations, and one water pump station.

Background:

1. **History:** The City's water treatment and wastewater treatment plants each need to communicate with, and control, outlying facilities such as reservoirs and pump stations. To correct chronic communications between these facilities, this project will install fiber optics communication between the plants and the outlying facilities using the City Library as a hub. Phase 3 is required to provide connection to the remaining facilities not connected in Phases 1 and 2.
2. **Key Terms:**
 - The work performed under this Agreement shall be compensated by Unit Price for each of the categories in Exhibit A, for a total contract value of \$659,695.73.
 - Work shall be completed by 9/30/19.
3. **Competitive Bidding:** The City entered into a cooperative purchasing agreement with NoaNet per the Washington Interlocal Cooperation Act RCW 39.34 which permits public entities to cooperate with one another on the basis of mutual advantage to make the most efficient use of their powers. On 9/19/17 NoaNet competitively bid the unit prices for Emergency Response and Restoration, Maintenance and Line Extension of OSP Facilities and entered into a contract with RBC.

Previous Council/Committee Action: The original NoaNet [interlocal and contract](#) was awarded on 9/19/16. [Modification 01](#) was for additional hours for Phase 1 and 2 of the City's fiber optics communication project, as well as additional hours for construction inspectors and was approved on 10/9/17. [Modification 02](#) for the design, engineering, and construction management of Central Broadband District, and [Interlocal 263](#) for Cooperative Purchasing with NoaNet were both approved on 6/4/18. The concept of the fiber based municipal broadband system has been discussed multiple times over the last 2 years.

Competing Viewpoints Considered: N/A

Recommended Motion: I move that City Council authorize the Mayor to sign a contract 14-056-IDS-007 with RBC in the amount of \$659,695.73 to perform the construction of Phase 3 of the Fiber Build project.

Alternative Actions: Not approve the contract, cancel the project

Attachments: Contract 14-056-IDS-007, NoaNet project sheets, aerial photo

Contractor	RBC
Contract Amount	\$659,695.73
Earmarked Funds (2018)	\$1,380,000.00
BARS #s	440.000.594.35.63 401.000.594.34.63
Budget Amendment Required?	No
Start Date	Inception
End Date	9/30/2019



CONTRACT 14-056-IDS-007
AGREEMENT WITH
Robinson Brothers Construction, Inc.

This Contract is between the City of Anacortes, Washington, a Municipal Corporation (herein after referred to as "City") and Robinson Brothers Construction, Inc. ("RBC") a private contractor at 6150 NE 137th Ave, Vancouver, WA 98682 (herein after referred to as "Contractor").

PROJECT
Fiber Build – Phase 3

Whereas, Northwest Open Access Network ("NoaNet") and RBC entered into a contract dated 10/11/2017 titled 2017-015 Line Extension and Emergency Response Contract;

Whereas, the City of Anacortes and NoaNet entered into Interlocal 263 for Cooperative Purchasing as allowed through RCW 39.34;

NOW, THEREFORE, the City hereby incorporates by reference all terms and conditions of the NoaNet/RBC Contract referenced above,

IT IS MUTUALLY AGREED, AS FOLLOWS:

1. Scope of Work: The Contractor shall do all work and furnish all tools, materials, equipment, and transportation required for the Fiber Build – Phase 3 Project, in accordance with and as described in Exhibit A. Incorporated by reference, and made a part hereof, is the NoaNet/RBC Contract dated 10/11/2017 titled 2017-015 Line Extension and Emergency Response Contract and any executed modifications or change orders to said contract, except as modified by the Special Provisions identified as Exhibit B. All exhibits are attached hereto and incorporated by reference. The Contractor will construct new Fiber Optic Line Extensions. This will be scheduled work with work orders provided by NoaNet as the City's Contract Manager. NoaNet will provide detail construction drawings and specifications pertaining to the site. Each work order will specify the units required to be completed for each individual work order, and will utilize the unit specifications provided herein to establish the job. It is the responsibility of the Contractor to make the necessary contacts to facilitate permit activation, scheduling of inspections, entry on to private property, locating foreign facilities and entry into any facilities for final completion. Scheduling and control of different manpower requirements, and scope of work requirements within the project, is the sole responsibility of the Contractor, and no compensation or direction will be made by the City to facilitate any scheduling efforts other than in service requirement dates dictated on the Work Order delivered to the Contractor.

2. Contract Price: The work performed under this Agreement shall be compensated by Unit Price for each of the categories in Exhibit A, for a total contract value of **Six Hundred Fifty-Nine Thousand Six Hundred Ninety-Five Dollars and Seventy-Three Cents (\$659,695.73)**. This includes all labor, materials for the project. Before any payment is made by the City of Anacortes of sums under this contract, the contractor must provide a copy of the statement of *Intent to Pay Prevailing Wage* approved by the Department of Labor and Industries. Pursuant to RCW Chapter 60.28, a sum of five percent (5%) of the monies earned by the contractor will be retained.

3. Bonds: Pursuant to RCW 39.08.010, the Contractor shall provide the City a performance bond and payment bond for the full contract amount to be in effect as detailed in the incorporated General Provisions. The City may at its option release the bonds once all the conditions of RCW 39.08.010-1a have been discharged.

4. Time of Completion: The Contractor shall complete the work by September 30, 2019.

5. Job Safety: Contractor shall comply with all Department Labor and Industries and City of Anacortes safety standards while on the job.

6. Contract Requirements: Contractor must have a contractor license number, insurance, and City of Anacortes business license. **Prevailing Wage Law Applies.**

Forms Needed: 1) Proof of Insurance with Additional Insured Endorsement (see General Provisions)

2) Intent to Pay Prevailing Wage 3) Affidavit of Wages Paid

4) Performance Bond 5) Payment Bond

6) Certification of Compliance with Wage Payment Statutes

7. Contract Documents: The NoaNet/RBC Contract dated 10/11/2017 titled 2017-015 Line Extension and Emergency Response Contract, all modifications and change orders to NoaNet/RBC Contract, and Exhibits A and B are included in this Contract Agreement.

The Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, in respect of all covenants, agreements, and obligations contained in the Contract Documents.

In Witness Whereof, Owner and Contractor have signed two (2) copies of this Contract Agreement. All portions of the Contract Agreement have been signed or identified by the Owner and Contractor.

Owner:

City of Anacortes

Mayor

Date

Contractor:

Robinson Brothers Construction, Inc.

Signature

Printed Name

Date

Contractor License #

Washington State UBI #

COA CONTRACT 14-056-IDS-007

EXHIBIT A

Labor and Materials List

QTY	UOM	Unit code	Description	Unit Price	TOTAL
7980	Lineal Foot	BTP	BTP Trench and Place Facilities 36" Cover	\$11.00	\$87,780.00
14700	Lineal Foot	SAW	Micro Trench including restoration	\$21.00	\$308,700.00
1660	Lineal Foot	BDB+	BDB Directional Bore up to a 2" hole, 251 feet and Above	\$19.50	\$32,370.00
36	Each	BVMS	BVM Handhole Placement, small	\$450.00	\$16,200.00
2155	Square Foot.	BRA	BRA Asphalt Restoration	\$13.70	\$29,523.50
590	Square Foot.	BRC	BRC Concrete Remove & Restore	\$18.00	\$10,620.00
40	Lineal Foot	BRR	BRR Rod, Blow and Rope pre-existing Conduit	\$0.90	\$36.00
27,140	Lineal Foot	BCP	BCP Blow Fiber Cable thru Duct	\$1.00	\$27,140.00
8	Per Attachment	APT	APT Pole Transfer (Straight)	\$125.00	\$1,000.00
8	Per Anchor	APA	APA Anchor Placement New	\$200.00	\$1,600.00
2365	Per Strand Foot	APS	APS Place Strand & Overhead Guys	\$1.25	\$2,956.25
2365	Per Strand Foot	ALS	ALS Lash Fiber Optic Cable	\$1.05	\$2,483.25
5	Per Location	ARM	ARM Place New or Transfer X-Arms Wood or Composite	\$142.00	\$710.00
4	Each	ARR	ARR Place New Riser up to 4"	\$227.00	\$908.00
16	Each	SCC	SCC Placement of New Fiber Optic Closure	\$420.00	\$6,720.00
768	Each Splice	SPF 3	SPF 3 Splice and Test Fiber, 49 and above	\$41.65	\$31,987.20
2	Each	FTP	FTP Install Rack or Wall Mounted Fiber Termination Panel, any size	\$357.00	\$714.00
180	Per Foot	SIFOT	SIFOT Building Fiber Cable Placement	\$3.75	\$675.00
4	Each	CSFOD 1	CSFOD 1 Core Drill, Building or Wall Penetration, concrete	\$92.20	\$368.80
200	Per Hour	TRA	Traffic Control Crew	\$144.00	\$28,800.00
			Construction Services Sub-Total		\$591,292.00
			Contractor Provided Materials:		
2	Each		Fiber Patch Panels (Fire Station)	\$1,280.00	\$2,560.00
16	Each		Splice Case	\$380.00	\$6,080.00
1	Each		Estimated Power Company Make Ready	\$4,800.00	\$4,800.00
5000	Foot		Aerial Micro Duct	\$0.42	\$2,100.00
2365	Each		Aerial Hardware	\$0.50	\$1,182.50
			Contractor Provided Materials Sub-Total		\$ 16,722.50
			Cost of Project before Sales Tax		\$608,014.50
			Washington State Sales Tax	8.50%	\$ 51,681.23
			Total Cost of Project		\$ 659,695.73



CONTRACT 14-056-IDS-007 EXHIBIT B - SPECIAL PROVISIONS

INTRODUCTION TO THE SPECIAL PROVISIONS

The work on this project shall be accomplished in accordance with the *NoaNet/RBC Contract dated 9/18/2017 titled 2017-015 Line Extension and Emergency Response Contract*, (hereafter "Standard Terms & Conditions").

The Standard Terms & Conditions, as modified or supplemented by these Special Provisions, all of which are made a part of the Contract Document, shall govern all of the Work.

Each Provision either supplements, modifies, or replaces the comparable Standard Term & Condition, or is a new Provision. The deletion, amendment, alteration, or addition to any subsection or portion of the Standard Terms & Conditions is meant to pertain only to that particular portion of the section, and in no way should it be interpreted that the balance of the section does not apply.

GC-2 **DEFINITIONS**

Modify this Section with the following:

"COA" City of Anacortes

"COA's REPRESENTATIVE" The employee and/or Consultant designated by COA as its representative as Construction Manager during the progress of the work.

"CONTRACT DOCUMENTS" The Contract Documents shall include all sections of the NoaNet and City of Anacortes Contract Documents.

"FINAL ACCEPTANCE" Acceptance of the work by the City of Anacortes in writing. Final Acceptance shall not constitute an acceptance the City of Anacortes of any work performed or goods supplied which are not in strict compliance with the Contract Documents.

GC-3 **PROJECT**

Modify this Section with the following:

The Contractor agrees to do the work and furnish the materials in a most substantial and workmanlike manner within the time limits according to the COA Project.

No work shall be performed by Contractor until receipt of a COA Notice to Proceed and a NoaNet work order. The work order will estimate the cost of the project based on the unit pricing submitted for this contract.

GC-7 The title is modified to say **"COA RESPONSIBILITY"**

Modify this Section with the following:

In consideration of the promises and agreements of the Contractor as set forth herein, and in consideration of the faithful performance and furnishing of the work and materials required by this Contract, COA agrees to pay the Contractor the total amount not to exceed the Contract Price. If the work and services to be performed are for work as defined in WAC 458- 20-171, then the applicable Washington State retail Sales Tax on this contract shall be governed by WAC 458-20-171 and its related rules for the work completed in the Contract. The Contractor shall invoice COA monthly unless otherwise stated in the bid documents.

GC-8 SUSPENSION/TERMINATION OF WORK OTHER THAN DEFAULT

Modify this Section with the following:

COA may, at its sole option, by notice in writing to the Contractor, and without cause given by Contractor, suspend or terminate at any time the performance of all or any portion of work to be performed under the NoaNet Bid Documents. Upon such notice of suspension or termination of work, COA shall designate the amount and type of plant, labor, and equipment to be committed to the work site during the period of suspension or termination. The Contractor shall use its best efforts to utilize its plant, labor, and equipment in such a manner as to minimize costs associated with suspension or termination.

A. Upon receipt of any such notice, the Contractor shall:

1. Immediately discontinue work as specified in the notice;
2. Place no further orders or subcontracts for material, services, or equipment with respect to suspended or terminated work;
3. Promptly suspend or terminate all orders, subcontracts, and rental agreements to the extent they relate to performance of work suspended or terminated; and
4. Continue to protect and maintain the work, including those portions on which work has been suspended;
5. Assist COA Representative or COA in the maintenance, protection, and disposition of work in progress, plant, tools, equipment property, and materials acquired by Contractor or furnished by Contractor under the NoaNet Bid Documents; and
6. Complete performance of the work which is not terminated.

B. Suspension: As full compensation for such suspension the Contractor shall be reimbursed for the following costs, reasonably incurred, without duplication of any item, to the extent that such costs directly result from such suspension of work:

1. A standby charge, as determined to be equitable by the COA Representative, to be paid to the Contractor during a period of suspension of work sufficient to compensate the Contractor for keeping, to the extent required in the notice, its organization and equipment committed to the work in a standby status;
2. All reasonable costs, as determined to be equitable by COA'S Representative, associated with any demobilization and remobilization of the Contractor's plant, forces, and equipment;
3. Any claim on the part of the Contractor for additional time or compensation shall be made within ten (10) calendar days after receipt, by Contractor, of a notice to suspend work. Failure to submit a claim within the ten (10) day period shall constitute a waiver of any such claim;
4. In no event however, shall the amount to be paid the Contractor pursuant to this section exceed the Contract Price.

Upon receipt of notice to resume suspended work, the Contractor shall immediately resume performance of the suspended work to the extent required in the notice. Any claim on the part of the Contractor for time or compensation shall be made within ten calendar days after receipt of notice to resume work and the Contractor shall submit a revised project schedule for review.

C. TERMINATION: Upon delivery of a written notice to the Contractor, COA may, without cause and without prejudice to any other right or remedy, elect to terminate the COA Project. Upon receipt of any such notice, the Contractor shall take all appropriate steps in part A of this section.

Upon any such termination, Contractor shall waive any claims for damages including Contractor's

overhead, loss of anticipated profits, and all other inconvenience, expenses, damages, costs and lost profits whatsoever. If such termination is effected after COA has issued Notice to Proceed and the Contractor has commenced performance hereunder, COA shall pay the reasonable, verifiable and directly attributable costs incurred by the Contractor as determined by the physical progress of the work satisfactorily completed to date plus costs of removing equipment and materials and otherwise demobilizing, plus ten percent of the sum of all such costs; provided, said payment shall not in any event exceed the Contract Price of the Bid Documents. The payment of COA shall constitute full and complete satisfaction and settlement for the Contractor's overhead, anticipated profits, and all other inconvenience, expenses, damages, costs and lost profits whatsoever. The Contractor shall be entitled to no further payments whatsoever for the work. Amounts retained and accumulated under RCW Chapter 60.28 shall be held and disbursed as provided therein.

Contractor shall submit within 30 days after receipt of notice of termination, a request for adjustment to the Contract Price in accordance with the above provisions. A COA Representative shall review, analyze, and verify such request, and upon a COA Representative's approval, the Contract shall be amended in writing accordingly.

Those provisions of the Contract or NoaNet Bid Documents that by their nature survive Final Acceptance under the Contract Documents shall remain in full force and effect after such termination.

GC-9 TERMINATION FOR DEFAULT/NONCOMPLIANCE

Modify the second and third paragraphs to read:

B. Consequences of Default

In the event of default, COA may immediately, without limiting any other remedy available to it in law or equity, withhold any amount otherwise due under the Contract. COA shall provide written notice of default. In the event Contractor fails to correct the default within ten (10) calendar days after written notice of default, COA may terminate the Contractor's right to proceed with all or any portion of the work. COA'S right to liquidated damages shall not in any manner limit any other remedy available to COA, including but not limited to, COA'S right to terminate the Contractor's right to proceed.

C. Noncompliance

The Contractor shall, upon receipt of written notice of noncompliance with any provision of this Contract, or any NoaNet Bid Documents and the action to be taken, immediately correct the conditions to which attention has been directed. Such notice, when served on the Contractor or their representative at the site of the work, shall be deemed sufficient. If the Contractor fails or refuses to comply promptly, a COA Representative may issue an order to suspend all or any part of the work. When satisfactory corrective action is taken, an order to resume work shall be issued. No part of the time lost due to any such suspension order shall entitle the Contractor to any extension of time for the performance of the Contract or to reimbursement for excess costs or damages.

GC-10 ASSIGNMENT

Modify this section to read:

The Contractor shall not assign this Contract, or any interest in or part thereof, or any monies due or to become due hereunder, without the prior written approval of the COA. Any costs to COA associated with the assignment may be deducted from amounts due to the Contractor.

GC-11 INDEMNITY

Modify this Section with the following:

A. Contractor shall be responsible for any and all damage, loss or injury of any kind or nature whatsoever, direct or indirect, to person or property arising out of or in any manner connected with or caused by or resulting from or suffered in connection with the execution of the work provided for in this Contract, any NoaNet Bid Documents or in connection therewith. Contractor agrees to defend, indemnify and hold harmless COA and its representatives (which terms shall be deemed to include directors, officers, members, employees, agents, and servants, and any other persons directly or indirectly engaged in any activity connected with the performance of the work under the Contract and NoaNet Bid Documents) from and against any and all liabilities, claims, losses, damages or

expenses, including reasonable attorney's fees, and expert witness fees, which may be incurred or sustained by COA or any of its representatives (as defined above), by reason of any act, omission, misconduct, negligence, or default on the part of the Contractor or any Subcontractor of the Contractor, and any employees of the Contractor or Subcontractor and except as may otherwise be provided by applicable law. Contractor specifically assumes liability for actions brought by Contractor's own employees against COA and its representatives and for that purpose Contractor specifically waives any immunity under the Workers Compensation Act, RCW Title 51. The indemnification obligation under this Contract shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefits acts, or other employee benefits acts; provided Contractor's waiver of immunity by the provisions of this paragraph extends only to claims against Contractor by COA, and does not include, or extend to, any claims by Contractor's employees directly against Contractor.

B. COA shall not be responsible or be held liable for any damage to person or property consequent upon the use, misuse or failure of any crane, hoist, rigging, blocking, scaffolding or any other equipment used by the Contractor or any of their Subcontractors, even though the said crane, hoist, rigging, blocking, scaffolding, or any other equipment be furnished or loaned to the Contractor by COA. The acceptance and/or use of any such crane, hoist, rigging, blocking, scaffolding or other equipment by the Contractor or their Subcontractors shall be construed to mean that the Contractor accepts all responsibility for any claims for damages whatsoever resulting from the use, misuse or failure of such apparatus whether such damages are incurred by Contractor's own employees or property or to the employees or property of other contractors, COA, or otherwise.

C. Contractor's indemnification obligation shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by the negligence of COA or its agents or employees and not attributable to any act or omission on the part of the Contractor or Contractor's employees or agent's. In the event of damages to person or property caused by or resulting from the concurrent negligence of COA or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.

D. Contractor acknowledges that by entering into a contract with COA, he has mutually negotiated the above indemnity provisions with COA. Contractor's indemnity and defense obligations shall survive the termination or completion of this Contract and remain in full force and effect until satisfied in full.

GC-12 LAWS, REGULATIONS, PERMITS

Modify the second paragraph to read:

All written instruments, agreements, specifications and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of COA and Contractor shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Skagit, State of Washington or at COA'S sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief allowed.

GC-13 CLAIM FOR DAMAGES

Modify this section to read:

Any claims arising under the Contract by the Contractor shall be made in writing to the COA Representative no later than ten calendar days after the beginning of the event or occurrence giving rise to the claim. Failure to make written claim prior to the time specified in the NoaNet Bid Document shall constitute waiver of any such claim.

GC-14 INDEPENDENT CONTRACTOR, SUPERINTENDENT, AND EMPLOYEES

Modify the second, third and fourth paragraphs to read:

The Contractor shall designate in writing before starting work competent, authorized site representative(s) who shall be authorized to represent and act for the Contractor in all matters relating to the NoaNet Bid Documents. The Contractor's letter designating representative(s) shall clearly define the scope of the representatives(s) authority to act for the Contractor and define any limitations of this authority. Said authorized representative(s) shall be present at the site of the work at all times when work is in progress. Arrangements acceptable to COA shall be made for any emergency work which may be required. The Contractor's authorized representative(s) shall be supported by competent assistants as necessary, and the authorized representative(s) and assistants shall all be satisfactory to COA. All directions given to the authorized representative(s) by COA shall be binding as if given to the Contractor.

The Contractor and their Subcontractors shall employ only orderly workers. Employees deemed by COA to be incompetent, subversive, or disorderly shall be removed from the performance of the work, and such removal shall not form the basis of any claim for compensation or damage upon COA.

The Contractor and Subcontractor shall be responsible for insuring that its employee's fully comply with the all applicable federal, state, and local laws, including without limitation, all applicable provisions of the Drug Free Workplace Act of 1988. Unless otherwise required by law, the Contractor and Subcontractor shall immediately remove any employee from further work if it is determined by COA, at its discretion, that the employee is not fit for duty for any reason. Failure on the part of the Contractor or Subcontractor to comply with any of the above referenced policies shall be considered an act of default in accordance with GC-9.

GC-15 WORK

Modify this section to read:

The term Work, as used in this Contract, means the construction and services necessary or incidental to fulfill Contractor's obligations in conformance with this Contract.

A. No work shall be performed by Contractor until receipt of a COA Notice to Proceed accompanied by the project plans and specifications, and setting forth the cost of, and the completion date of the work.

B. Contractor shall perform the Work in a diligent, efficient and skillful manner, as the Work or any portion thereof becomes available, to allow COA to promote the general progress of the entire construction and so that the Work shall not interfere with, hinder or delay other work.

C. Should Contractor delay the progress of the Work or of the Project, Contractor shall take necessary action as required to meet and maintain job progress, without additional compensation, and shall be liable to and reimburse COA for damages resulting from such delay.

D. Contractor shall be solely responsible for protection of the Work and for loss or damage to materials, tools, equipment or other personal property, owned or rented or used by Contractor in performance of the Work.

E. When as-built drawing are required by the Contract Documents, Contractor shall record as-built conditions on the Drawings and Detail Drawings in a form acceptable to COA, on a weekly basis or as determined by the Project Manager, during performance of the Work.

GC-16 CORRECTION OF WORK/WARRANTY

Modify this section to read:

All materials and equipment incorporated into any work under the NoaNet Bid Documents and COA Contract shall be new and of the most suitable grade of their respective kinds for their intended uses unless otherwise specified. All workmanship shall be in accordance with highest standard practices acceptable COA Representative. Contractor warrants all materials, equipment, design and work it furnishes or performs under the NoaNet Bid Documents and COA Contract against defects in design, materials, and workmanship. Contractor's warranty shall remain in effect for a period of three hundred sixty-five (365) calendar days after Final Acceptance.

If at any time prior to the expiration of the warranty period, Contractor or COA discovers any defect in such materials, equipment, design and work, the Contractor shall, upon written notice from COA given within a reasonable time after discovery, correct such defects to the satisfaction of COA by redesigning, repairing or replacing the defective materials, equipment, design and work at a time acceptable to COA. All costs incidental to such corrective action including removal, disassembly, reinstallation, re-work, re-testing and re-inspection as may be necessary to correct the defect or demonstrate that the previously defective work conforms to the requirements of the Contract shall be borne by the Contractor.

Contractor warrants any and all corrective action against defects in design, materials, and workmanship for a period of twelve (12) months following acceptance COA of the corrected work.

If, after due notice, the Contractor shall refuse or persistently neglect to make corrections so as to meet the requirements of the Contract or bid documents, COA may proceed to make such corrections as they may be required and Contractor shall reimburse COA for all cost and expenses incurred in connection therewith.

The warranty requirements in this section are the minimum requirements for materials, equipment, design and work under this Contract. Any other warranty requirements specified in the NoaNet Bid Documents, including the Technical Specifications, are in addition to, and not in lieu of the minimum requirements specified herein.

GC-17 CHANGES IN WORK

Modify this section to read:

Without invalidating the Contract, COA may make changes by altering, adding or deducting from the work, and/or make changes in the drawings and specifications requiring changes in the work and/or materials and equipment to be furnished under any NoaNet Bid Documents; provided such additions, deductions or changes are within the general scope of the Documents. Except as provided herein, no official, employee, agent or representative of COA is authorized to approve any change in the Contract Award and it shall be the responsibility of the Contractor before proceeding with any change, to satisfy himself that the execution of the written Change Order has been properly authorized on behalf of COA.

Charges or credits for the work covered by the approved changes shall be determined by one or more, or a combination of the following methods, at COA'S option:

A. Unit prices specified in the unit prices for changes in work submitted with the Contractor's Bid proposal, if any.

B. An agreed lump sum.

D. The actual cost of:

1. Labor, including foreman.
2. Materials entering permanently into the work.
3. The ownership or rental cost of plant and equipment during the time of use on the project.
4. Power and consumable supplies for the operation of power equipment.
5. Insurance.
6. Social Security and old age and unemployment contributions.
7. To the sum of Items 1, 2, 4, 5, and 6 inclusive, there shall be added a fixed fee of fifteen percent (15%). The fee shall be compensation to cover the cost of supervision, overhead, bond, profit and any other general expenses.

When a change is ordered by COA, as provided herein, a Change Order shall be executed by COA through NOANET acting as the COA's Construction Manager and the Contractor before any Change Order work is performed. COA shall not be liable for any payment to Contractor, or claims arising therefrom, for Change Order work which is not first authorized in writing as set forth in this section. All terms and conditions contained in the Contract Documents and NoaNet Bid Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as

Exhibit "D" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

If any such change or alteration in the work shall result in a decrease of the work to be performed or materials, equipment, and apparatus to be furnished, no allowance shall be made to the Contractor in computing any resulting decrease in the Contract Price for loss of anticipated profits, but if the Contractor, before receiving COA'S notice of intention pursuant to this Section, shall have incurred any expense in connection with the proper performance of the NoaNet Bid Documents which shall be rendered unnecessary by such change or alteration, such allowance shall be made therefore to the Contractor as COA shall determine to be fair and reasonable.

A COA Representative or NOANET acting as the COA's Construction Manager may instruct the Contractor to make minor changes in the work where such changes are not inconsistent with the purposes of the NoaNet Bid Documents, do not involve any additional cost and shall not require an extension of the NoaNet Bid Document completion date. The Contractor shall make no such changes without receipt of a NOANET Instruction, Exhibit "E", setting forth the changes to be made. Contractor's compliance therewith shall constitute its acknowledgment that such changes shall not result in any claim for additional payment or extension of the NoaNet Bid Document completion date. If the Contractor believes the instruction shall result in additional costs or time extensions, Contractor shall promptly notify COA of the same and not proceed with the changes. NOANET'S Instructions, when issued, shall be in writing and signed by a COA Representative and NOANET Representative.

No waiver of any provision of this Contract or the NoaNet Bid Documents, and no consent to departure there from, by either party, shall be effective unless in writing and signed by the waiving or consenting party, and no such waiver or consent shall extend beyond the particular case and purpose involved.

GC-19 PAYMENT/RETAINAGE

Modify this section to read:

Contractor shall submit a detailed monthly pay application for all services provided describing in reasonable and understandable detail the work completed during the previous month, the progress of the work, and the requested payment in an amount proportionate to the work completed. COA shall pay the pay application within thirty (30) days after approval of the pay application, pursuant to the terms below:

A. Prior to the release of any payment COA must receive from Contractor a current Approved Statement of Intent to Pay Prevailing Wage filed per project (RCW 39.12.040) for all contractors and subcontractors

B. COA shall hold back a retainage as required by RCW 60.28 for labor and material in the amount of five percent (5%), of any and all payments made to contractor for a period of sixty (60) days after the date of final acceptance, or until receipt of all necessary releases from the State Department of Revenue, State Employment Security Division and the State Department of Labor and Industries and until settlement of any liens filed under Chapter 60.28 RCW. If Contractor plans to submit a bond in lieu of the retainage specified above, the bond must be in a form acceptable to COA and submitted within 30 days upon entering into this Contract, through a bonding company meeting standards established by COA.

C. COA shall pay the Contractor as full consideration for the performance of the contract, an amount equal to the unit and lump sum prices as set forth in the bid. The Contractor will submit request for Progress payments on a monthly basis and COA will make payment within 30 days after receipt of the Contractor's request until the work is complete and accepted by COA. COA payment shall not constitute a waiver of COA's right to final inspection and acceptance of the project.

D. COA reserves its right to withhold payment from Contractor for any defective or unauthorized work. Defective or unauthorized work includes, without limitation: work and materials that do not conform to the requirements of this Contract or as more fully detailed in the project specification agreement and/or purchase; and extra work and materials furnished without COA'S written approval. If

Contractor is unable, for any reason, to satisfactorily complete any portion of the work, COA may complete the work by contract or otherwise, and Contractor shall be liable for any additional costs incurred by COA. "Additional costs" shall mean all reasonable costs, including legal costs and attorney fees, incurred by COA beyond the maximum Contract price specified above.

COA further reserves its right to deduct the cost to complete the Contract work, including any Additional Costs, from any and all amounts due or to become due the Contractor. Notwithstanding the terms of this section, COA'S payment to contractor for work performed shall not be a waiver of any claims COA may have against Contractor for defective or unauthorized work.

E. Prior to submitting its first application for payment, Contractor shall submit a schedule of values allocating the Subcontract Price to the full Scope of Work, prepared in such form and supported by such data to substantiate its accuracy as COA may require, which schedule shall be used as a basis for reviewing Contractor's applications for payment. The schedule of values will be used for payment purposes only and shall not relieve Contractor from its obligation to perform all of the Work and provide all labor and material required by the Agreement. When approved by COA, the schedule of values may be modified by Contractor to incorporate executed change orders.

F. Payments shall not be acceptance of improper, faulty, defective or non-conforming Work or material and shall not release Contractor of any of its obligations under the Agreement and shall not constitute a waiver of any right or provision hereof by COA. Beneficial use or occupancy by COA is not acceptance of the work.

GC-20 PAYMENTS WITHHELD

Modify this section to read:

In addition to the above percentage retained, COA may withhold the whole or part of any certificate for payment to such extent as may be reasonably necessary to protect itself from loss on account of:

- A. Defective or damaged work not remedied or warranties not met.
- B. Claims filed or reasonable evidence indicating filing of claims against the Contractor.
- C. Failure of the Contractor to make payments properly to Subcontractors or for materials, labor, or equipment.
- D. A reasonable doubt that the work in the Contract can be completed for the balance then unpaid.
- E. Damage to another Contractor.
- F. Damage to or loss of COA -furnished materials or COA property.
- G. Contractor's failure to meet any performance warranties required by the Contract Documents or the NoaNet Bid Documents.

The Contractor shall provide a contact name, address, and email address to facilitate notification if any payment, or portion of any payment, is withheld for any of the reasons above, or for missing documentation or items incorrectly invoiced. Notification shall be made via email, or shall be mailed, properly addressed and stamped with the required postage to the person designated by the Contractor.

GC-21 ACCEPTANCE AND FINAL PAYMENT

Modify this section to read:

When the Contractor has completed all work in accordance with the terms of the Contract and NoaNet Bid Documents, the Contractor shall properly execute and submit to a COA Representative a request for final payment and the Certificate of Completion and Release (exhibit F) The Certificate of Completion and Release shall constitute a waiver of all claims by the Contractor except for unsettled claims specifically stated. COA shall not process Contractor's request for final payment until after the

Contractor furnishes the Certificate of Completion and Release.

The Certificate of Completion and Release shall warrant that the Contractor has fully completed its work included in the Contract and NoaNet Bid Documents and has fully paid for labor, materials, equipment, services, taxes and all other costs and expenses of every nature and kind whatsoever resulting from the Contract. If any dispute exists between the Contractor and any person, firm or corporation to whom the Contractor might be obligated in connection with the Contract, the Contractor shall state the name of claimant and amount and general nature of claim against the Contractor. The Certificate of Completion and Release shall state the amount and nature of all present and future claims that the Contractor may have against COA shall not be complete until after the Contractor has delivered to a COA Representative a properly completed Certificate of Completion and Release.

After receipt of a properly completed Certificate of Completion and Release and request for final payment, a COA Representative shall, within a reasonable time, make a recommendation to COA relative to acceptance of the Contractor's work. Such a recommendation shall not constitute a recommendation of acceptance of any work or materials not furnished in accordance with the terms of this Contract and the NoaNet Bid Document.

Upon receipt of: (1) request for final payment and Certificate of Completion and Release, and (2) the COA Representative's recommendation relative to acceptance of work, COA shall, within a reasonable time, take action on the Contractor's final request for payment, and on acceptance of work. Such action shall be subject to the condition of the Performance Bond, legal rights of COA, required warranties, and correction of faulty work discovered after final payment. COA shall have the right to retain from any payment then due the Contractor, so long as any bills or claims remain unsettled and outstanding, a sum sufficient, in the opinion of COA, to provide for the payment of the same. It is also understood and agreed that, in the case of any breach by the Contractor of the provisions hereof, COA may retain from any payment or payments which may become due hereunder, a sum sufficient, in the opinion of COA, to compensate for all damages occasioned by such breach including any such damages arising out of any delay on the part of the Contractor.

Sixty (60) days after Final Acceptance, including Contractor's delivery of a properly completed Certificate of Completion and Release to a COA Representative, retainage may be claimed by the Contractor; provided, however, that there are no claims filed for material or laborers and that COA has received the certificate of the Washington State Department of Revenue of payment in full of all taxes, the Employment Security Department, and the approved Washington State Department of Labor and Industries Request for Contract Release form and the approved affidavit showing payment of prevailing wages. If any liens remain unsatisfied after final payment is made, the Contractor shall refund to COA such amounts as COA may have been compelled to pay in discharging such liens including all costs and reasonable attorney's fees.

GC-22 The title is modified to say “COA REPRESENTATIVE'S STATUS, AUTHORITY AND PROTEST PROCEDURE”

Modify this section to read:

A COA Representative shall represent COA. The Representative has authority to stop the work whenever such stoppage may be necessary to insure the proper execution of the Contract. The Representative shall also have authority to reject all work, equipment, and materials which do not conform to the Contract and to answer questions which arise in the execution of their work.

Written Approval by the COA Representative signifies favorable opinion and qualified consent. It does not carry with it certification, assurance of completeness, assurance of quality, nor assurance of accuracy concerning details, dimensions, and quantities. It is not an acceptance by COA or certification that Contractor has performed the Contract work correctly or according to Contract Documents and the NoaNet Bid Document. Such approval shall not relieve the Contractor from responsibility for errors or for deficiencies within their control.

All claims of the Contractor and all questions relating to the interpretation of the Contract and NoaNet Bid Document, including all questions as to the acceptable fulfillment of the Contract on the part of the Contractor and all questions as to compensation, shall be submitted in writing to the COA Representative for determination within the applicable time period specified in the Contract and

All such determination and other instructions of the COA Representative shall be final unless the Contractor shall file with the COA Representative a written protest, stating clearly and in detail the basis thereof, within ten (10) calendar days after the COA Representative notifies the Contractor of such determination or instruction. The protest shall be forwarded by the COA Representative to COA'S City Attorney, who shall issue a decision upon each such protest, and its decision shall be final. Pending such decision, the Contractor, if required by the COA Representative, shall proceed with the work in accordance with the determination or instructions of the COA Representative.

The COA Representative may appoint assistants and inspectors to assist him in determining that the work performed and materials furnished comply with contract requirements. Such assistants and inspectors shall have authority to reject defective material and suspend any work that is being done improperly, subject to the final decisions of the COA Representative, or to exercise such additional authority as may be delegated to them by the COA Representative. All work done and all materials furnished shall be subject to inspections by the COA Representative or their inspectors at all times during the work.

GC-23 COOPERATION WITH OTHERS

Modify this section to read:

There may be other contractors or forces of COA working the same area where work under the Contract shall be performed. The Contractor shall fully cooperate with such other contractors and COA'S employees and carefully fit their work with the other work consistent with orderly and expeditious performance and completion of the project as a whole.

GC-24 INSURANCE

Modify articles E through G to read:

E. The insurance policies shall specifically name the City of Anacortes, it's elected or appointed officials, officers, employees, and volunteers as insured with regard to damages and defense of claims arising from (1) activities performed by or on half of the Contractor; or (2) Products and completed operations of the Contractor; or (3) premises owned, leased, or used by the Contractor.

F. The insurance policies (1) shall state that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; (2) shall be primary insurance with regard to COA; and (3) shall state that COA will be given at least 30 days' prior written notice of any cancellation, suspension or material change in coverage.

G. Before commencing work and services, Contractor shall provide to COA a Certificate of Insurance evidencing the required insurance accompanied by endorsements as are necessary to comply with the requirements of this paragraph. COA reserves the right to request and receive a certified copy of all required insurance policies.

GC-25 JOB SAFETY/HOUSEKEEPING

Modify this section to read:

All work done shall be done in a manner that minimizes interruptions or inconvenience to the public and/or COA staff. All work shall be carried on with due regard for the safety of the public, and Contractor shall maintain strict compliance with the appropriate provisions relating to control of traffic and pedestrians through work areas as set forth in the Manual on Uniform Traffic and Control Devices (current edition) as adopted by the Washington State Department of Transportation. Property and streets adjacent to the Project site shall be kept free and clear at all times from accumulations of mud, dirt, gravel, rock, and other matter.

Contractor will be responsible for daily and final clean up and disposal of refuse, waste and debris produced by its operation. Refuse shall not be permitted to accumulate to the extent that it interferes with free access to the Project site. Should COA determine Contractor is not fulfilling its obligation in this regard, COA reserves the right to take such action as may be necessary, and to charge

Contractor with any costs that may be incurred in such remedial action.

GC-27 PRE-WORK CONFERENCE

Modify this section to read:

The Contractor, upon notification by COA, may be required to attend a pre-work conference prior to starting any work. The purpose of the conference is to discuss, among other considerations, the responsibility of the Contractor and their Subcontractors in the execution and progress of the work. The conference, if any, shall be held on a date mutually agreed upon by the Contractor and the COA Representative.

GC-29 PROGRESS MEETINGS

Modify this section to read:

Progress review meetings shall be held at regular intervals as deemed necessary by the COA Representative. Progress meetings shall be utilized to review the work schedule and discuss any delays, unusual conditions, or critical items which have affected or could affect the progress of the work.

Time is of the essence of any COA Project. If at any time during the progress of work, the Contractor's actual progress, in the opinion of a COA Representative, is inadequate to meet the Contract completion dates, COA may issue a written notice of noncompliance to the Contractor who shall thereupon take such steps as may be necessary to improve its progress. If within a reasonable period as determined by the COA Representative, the Contractor does not improve performance to meet the work schedule, COA may direct the Contractor to accelerate the work through an increase in the Contractor's labor force, the number of shifts, overtime operations, additional days of work per week and/or an increase in the amount of plant; all without additional cost to COA. Neither such notice by COA nor COA'S failure to issue such notice shall relieve the Contractor of its obligation to achieve the quality of work and rate of progress required by the Contract and NoaNet Bid Document.

Failure of the Contractor to comply with the instructions of COA may be grounds for determination by COA that the Contractor is not prosecuting its work with such diligence as shall assure completion within the times specified. Upon such determination, COA may terminate the Contractor's right to proceed with the performance of the Contract, or any separable part thereof in accordance with GC-9.

GC-31 PAYMENT OF LABOR

Modify this section to read:

The Contractor, and its Subcontractors shall fully comply with all applicable provisions of RCW Chapter 39.12, concerning payment of prevailing wages, including the filing and payment of fees for all required statements and affidavits, and shall pay and provide wages and benefits to their employees employed in the performance of this Contract which are not less than those fixed by the Washington Department of Labor and Industries for work of like character. It shall be the responsibility of the Contractor to ensure that the appropriate classification of work and prevailing wage rate is paid for the county in which the Work is performed. The State of Washington prevailing wage rates applicable to- Public Projects may be found at the following website address of the Department of Labor and Industries: <https://fortress.wa.gov/lni/wagelookup/prvWagelookup.aspx> Questions regarding Prevailing Wage should be directed to the Prevailing Wage section of the Department of Labor & Industries, ESAC Division, P.O. Box 44540, Olympia, Washington 98504-4540 by calling (360) 902-5335 or on their web site at: <http://lni.wa.gov/Tradeslicensing/PrevWage/WageRates/default.asp>. It is the Contractor's responsibility to ensure with the Washington Department of Labor and Industries prior to bid opening that the most current version of the prevailing wage rates are utilized in the preparation of its Bid. COA does not guarantee that labor can be procured for the minimum wages shown on the referenced schedules. The rates listed are minimum only, below which the Contractor cannot pay. The Contractor may be required to furnish to COA at any time acceptable evidence of wage rates paid by it or its Subcontractors.

For contracts in excess of \$10,000, the contractor must post in a conspicuous place at the job site, a

copy of the statement of Intent to Pay Prevailing Wages approved by the Department of Labor and Industries and the address and phone number of the Industrial Statistician where complaints or inquires may be made. Any dispute between the Contractor or any of its Subcontractors and COA over the appropriate wage rate under this provision or RCW 39.12 shall be subject to arbitration pursuant to RCW 39.12.060.

GC-32 DELAYS AND EXTENSIONS OF TIME

Modify this section to read:

If the Contractor is delayed at any time in the progress of work by any unforeseeable causes beyond the control of the Contractor, except for shortages in materials and labor, the Contract time shall be extended for such reasonable time as COA shall determine.

The Contractor agrees to complete the work within the Contract and NoaNet Bid Document time as thus extended. Such extensions shall postpone the beginning of period for payment of liquidated damages but they and the events producing them shall not be grounds for claim by the Contractor of damages or for additional costs, expenses, overhead or profit or other compensation. Except for delays caused by the acts or omissions of COA or persons acting for it, extensions of time granted by a COA Representative to the Contractor shall be the Contractor's sole and exclusive remedy for any delays due to causes beyond the control of the Contractor.

All claims for extension of time shall be made in writing to COA no more than 3 days after the Contractor knows or by reasonable diligence should know of the event causing or likely to cause the delay; otherwise, they shall be waived. In the case of a continuing cause of delay only one claim is necessary. Contractor's failure to give such notice promptly and within such time limit shall be deemed sufficient reason by COA for denial of any time extension request.

Avoidable delays in the execution or completion of the work, for which no time extension shall be granted, shall include all delays which in the opinion of COA could have been avoided by the exercise of care, prudence, foresight and diligence on the part of the Contractor or their Subcontractors. All changes of the time or changes of the schedule shall be made by Change Orders to the Contract.

GC-33 COMPLETION DEADLINE/LIQUIDATED DAMAGES

Modify this section to read:

Contractor shall commence work under this Contract upon receipt of notice to proceed from COA. If the COA Project is not completed by such date as set forth in the Contract Document, then the contractor shall pay COA \$1,000.00 for each calendar day that the work remains incomplete after expiration of the specified completion date, unless otherwise specified in the NoaNet Bid Document. The sum of the Liquidated damages shall not exceed fifteen percent of the Contact Price.

GC-37 The title is modified to say "PERFORMANCE BOND AND PAYMENT BOND"

Modify this section to read:

Contractor shall provide a separate performance bond and payment bond each for 100% of the contract price on COA provided forms, for the faithful performance and payment of all its obligations under this Contract and in accordance with RCW 39.08.010. The payment bond will be released either 45 days after final acceptance of the project or upon receipt of releases from the Department of Revenue, Department of Employment Security and the Department of Labor and Industries, whichever is later. Release is contingent on the fact that no claims against the bond have been filed prior to the 45 day mark. If claims have been filed against the bond, it will not be released until the claims have been resolved. The performance bond shall remain in effect to guarantee the repair and replacement of defective equipment, materials, and workmanship and payment of damages sustained by COA on account of such defects, discovered within one (1) year after final acceptance by COA. If this Contract is for less than \$150,000, Contractor authorizes COA, in lieu of a bond, to retain 10% of the Contract amount for a period of thirty days after the date of final acceptance, or until receipt of all necessary releases from the department of revenue and the department of labor and industries and settlement of any liens filed under chapter 60.28 RCW, whichever is later: PROVIDED FURTHER, that for contracts of one hundred fifty thousand dollars or less, the public entity may accept a full

payment and performance bond from an individual surety or sureties: AND PROVIDED FURTHER, that the surety must agree to be bound by the laws of the state of Washington and subjected to the jurisdiction of the state of Washington as provided for under RCW 39.08.010.

GC-38 GENERAL PROVISIONS

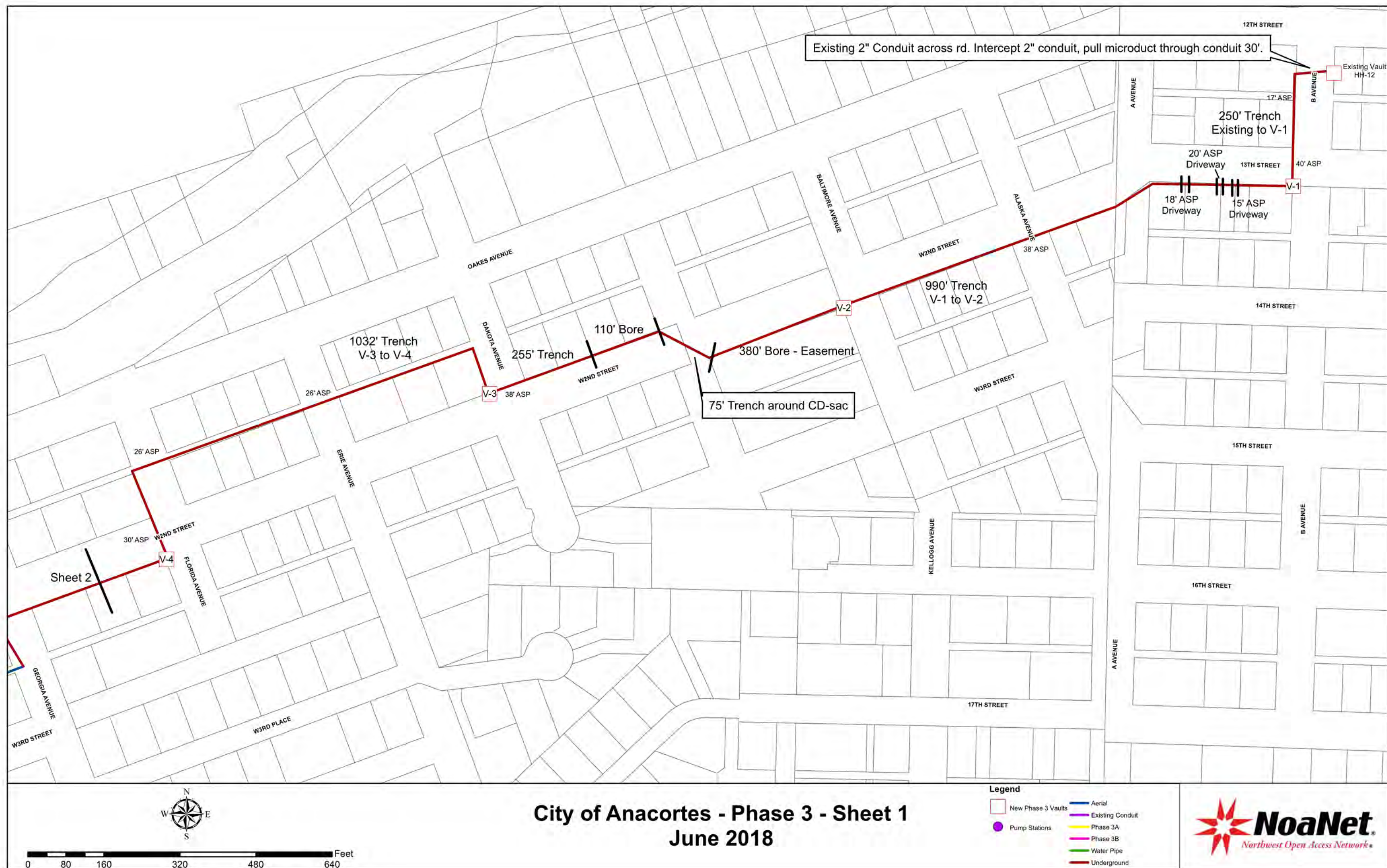
Modify articles A, B, E, and H to read:

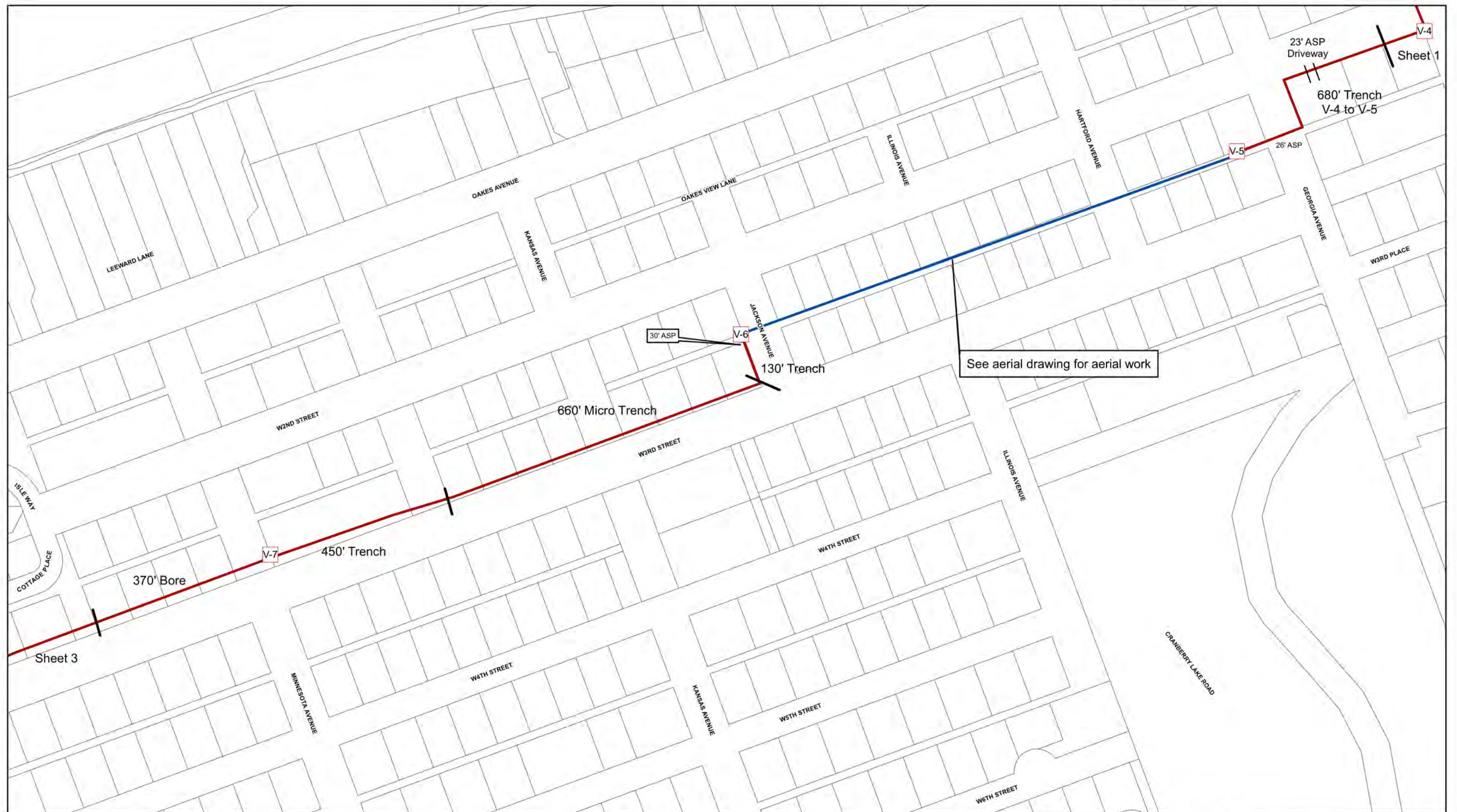
- A. Notices. Any notice or demand desired or required to be given under this Contract shall be in writing and deemed given when personally delivered, sent by facsimile machine, or deposited in the United States Mail (or with an express courier), postage prepaid, sent certified or registered mail, and addressed to the parties as set forth below or to such other address as either party shall have previously designated by such a notice:

City of Anacortes
PO Box 547
Anacortes, WA 98221
Attn: Tiffany Matson

Contractor: Robinson Bros. Constr., Inc.
6150 NE 137th Ave.
Vancouver, WA 98682
Attn: Toland Severson

- B. Entire Agreement. This Contract and its attachments contain the entire understanding between COA and Contractor relating to the Project which is the subject of this Contract. This Contract supersedes all prior discussions, negotiations, letters of understanding or other promises whether oral or in writing. Subsequent modification or amendment of this Contract shall be in writing and signed by the parties to this Contract.
- E. Assignment. Neither party shall assign, transfer or otherwise dispose of this Contract in whole or in part to any individual, firm or corporation without the prior written consent of the other party. Subject to the provisions of the preceding sentence, this Contract shall be binding upon and endure to the benefit of the respective successors and assigns of the parties hereto: This Contract is made only for the benefit of COA and the Contractor and successors in interest and no third party or person shall have any rights hereunder whether by agency or as a third party beneficiary.
- H. Jurisdiction/Law. This Contract shall be governed by and construed in accordance with the laws of the State of Washington. Any suit to enforce or relating to this Contract shall be brought in Skagit County Superior Court, Skagit County, Washington.





City of Anacortes - Phase 3 - Sheet 2
June 2018

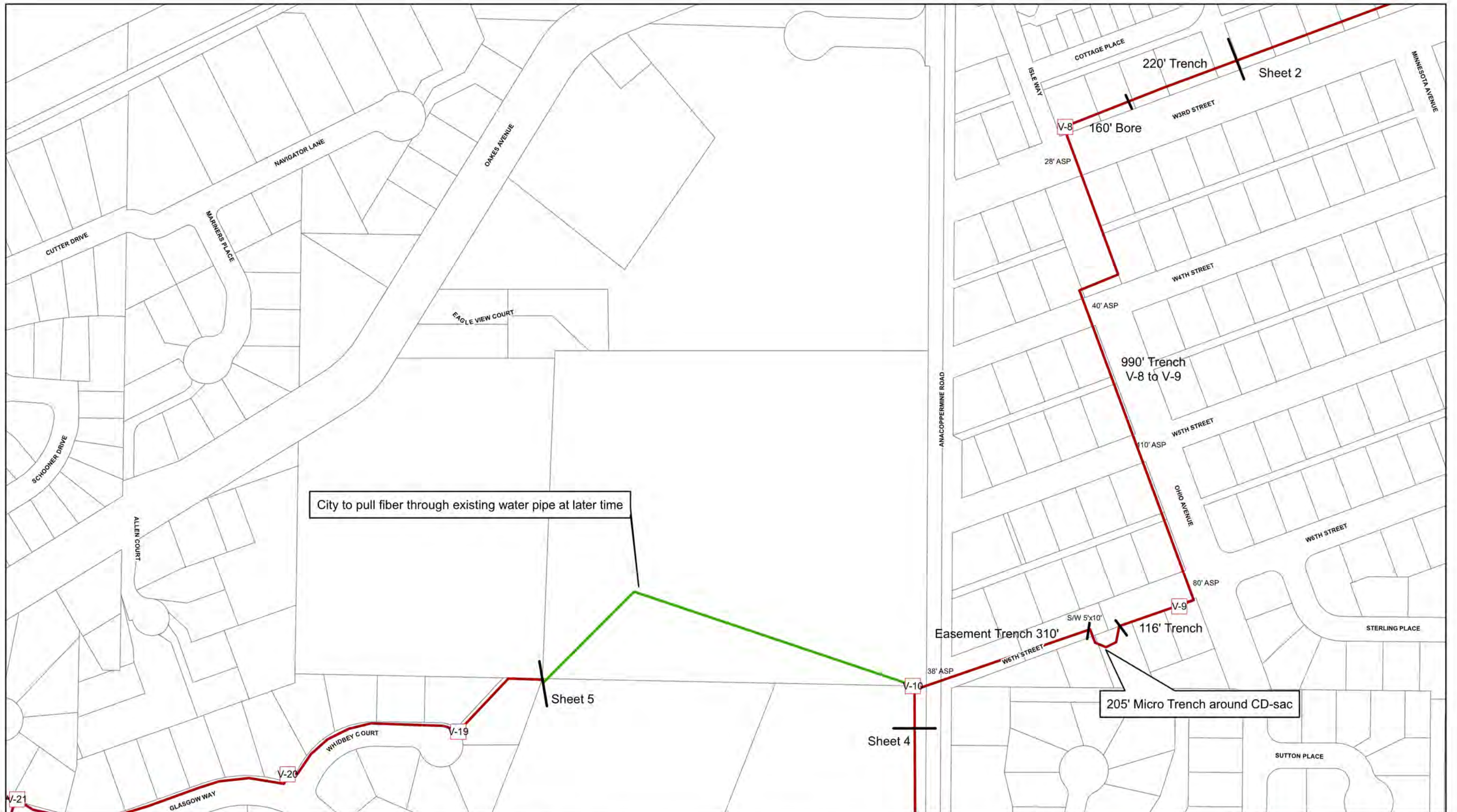


0 80 160 320 480 640 Feet

Legend

- New Phase 3 Vaults
- Aerial
- Existing Conduit
- Phase 3A
- Phase 3B
- Water Pipe
- Underground
- Pump Stations





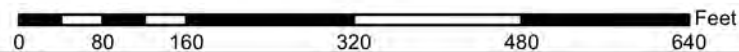
City to pull fiber through existing water pipe at later time

205' Micro Trench around CD-sac

City of Anacortes - Phase 3 - Sheet 3 June 2018

Legend

- New Phase 3 Vaults
- Existing Conduit
- Pump Stations
- Phase 3A
- Phase 3B
- Water Pipe
- Underground
- Aerial





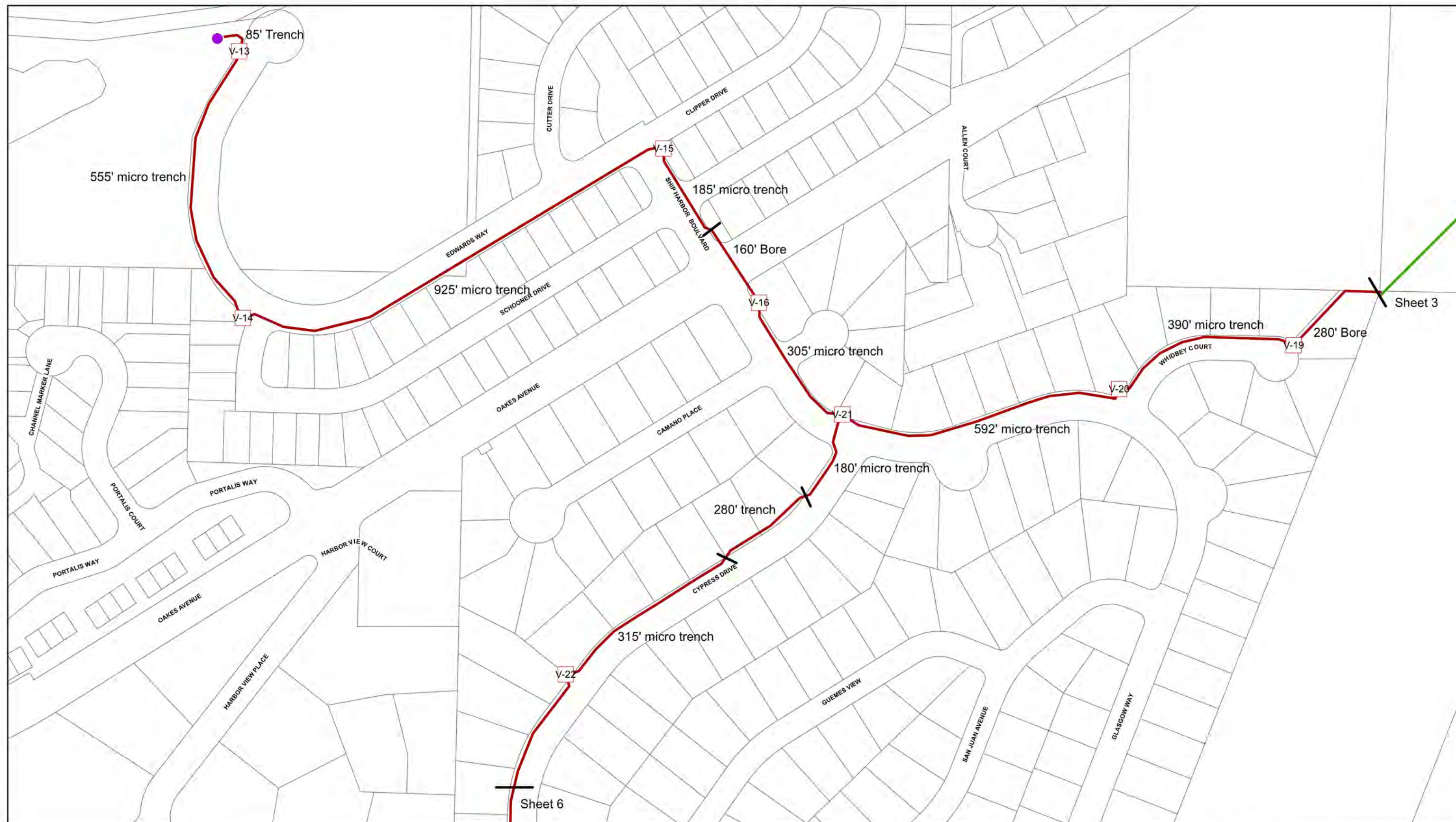
City of Anacortes - Phase 3 - Sheet 4 June 2018

Legend

- New Phase 3 Vaults
- Pump Stations
- Aerial
- Existing Conduit
- Phase 3A
- Phase 3B
- Water Pipe
- Underground



0 80 160 320 480 640 Feet



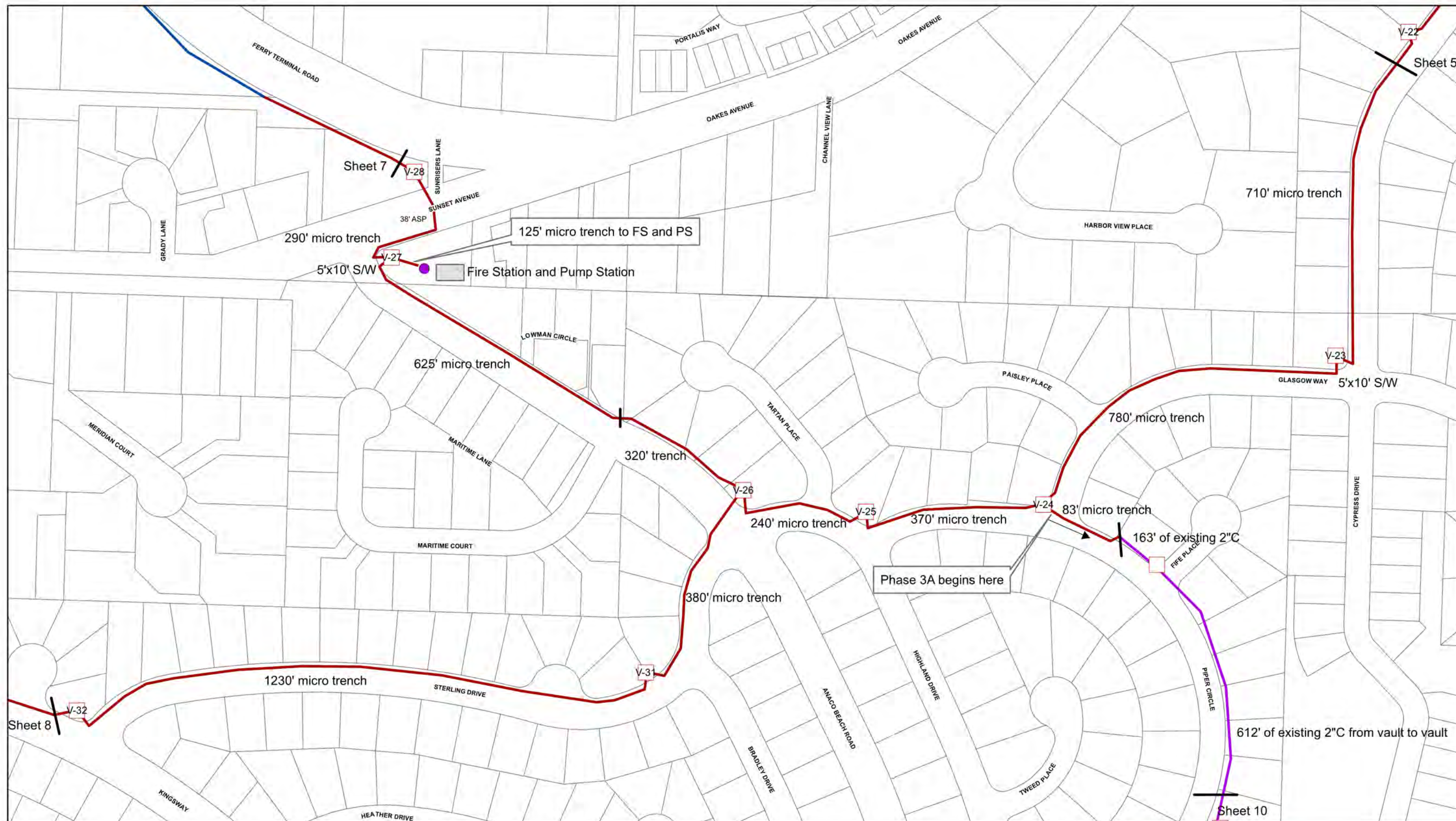
City of Anacortes - Phase 3 - Sheet 5 June 2018

Legend

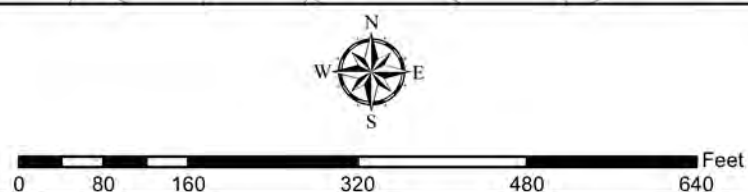
- New Phase 3 Vaults
- Pump Stations
- Aerial
- Existing Conduit
- Phase 3A
- Phase 3B
- Water Pipe
- Underground



0 80 160 320 480 640 Feet



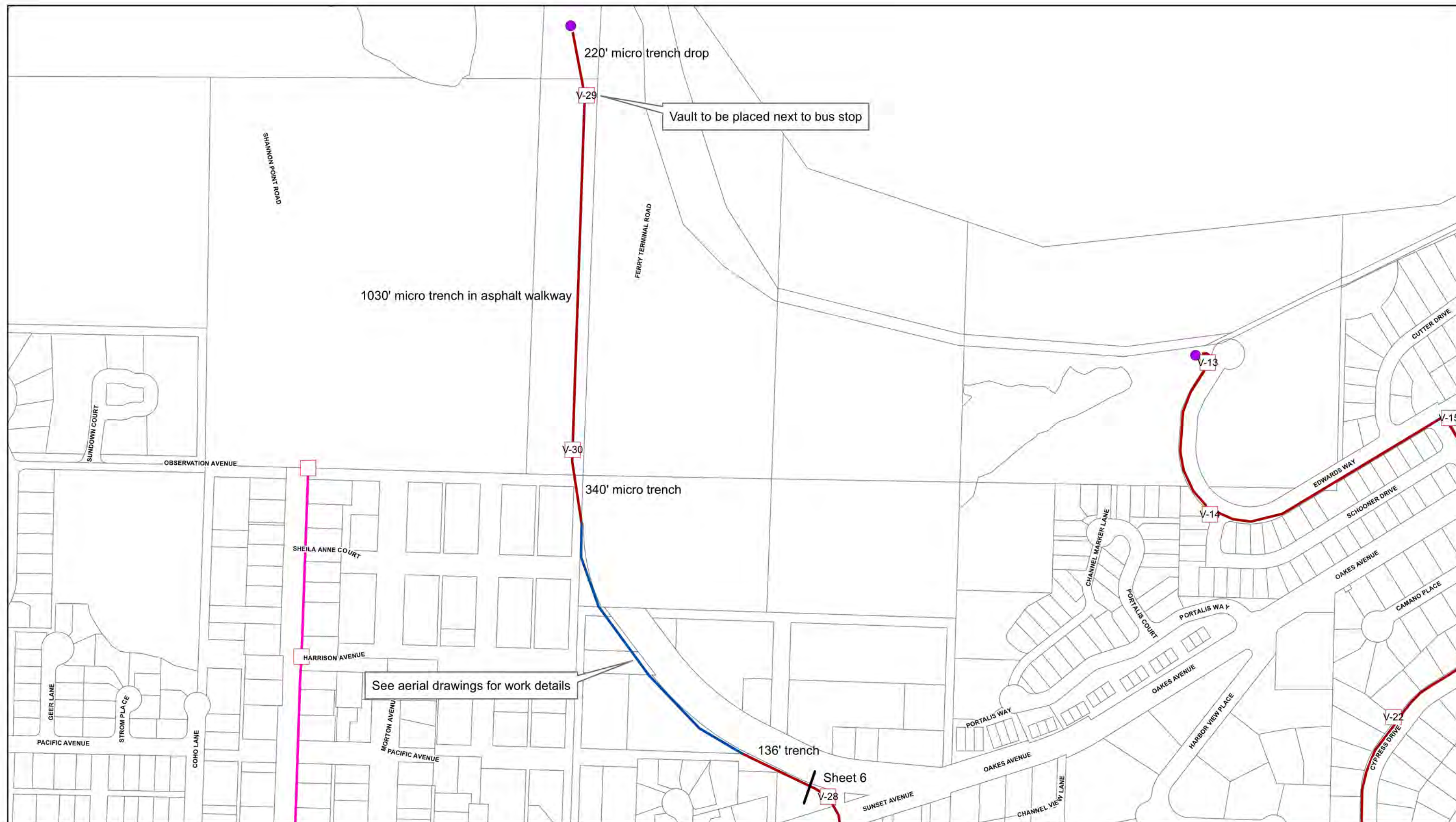
City of Anacortes - Phase 3 - Sheet 6 June 2018



Legend

- New Phase 3 Vaults
- Pump Stations
- Aerial
- Existing Conduit
- Phase 3A
- Phase 3B
- Water Pipe
- Underground



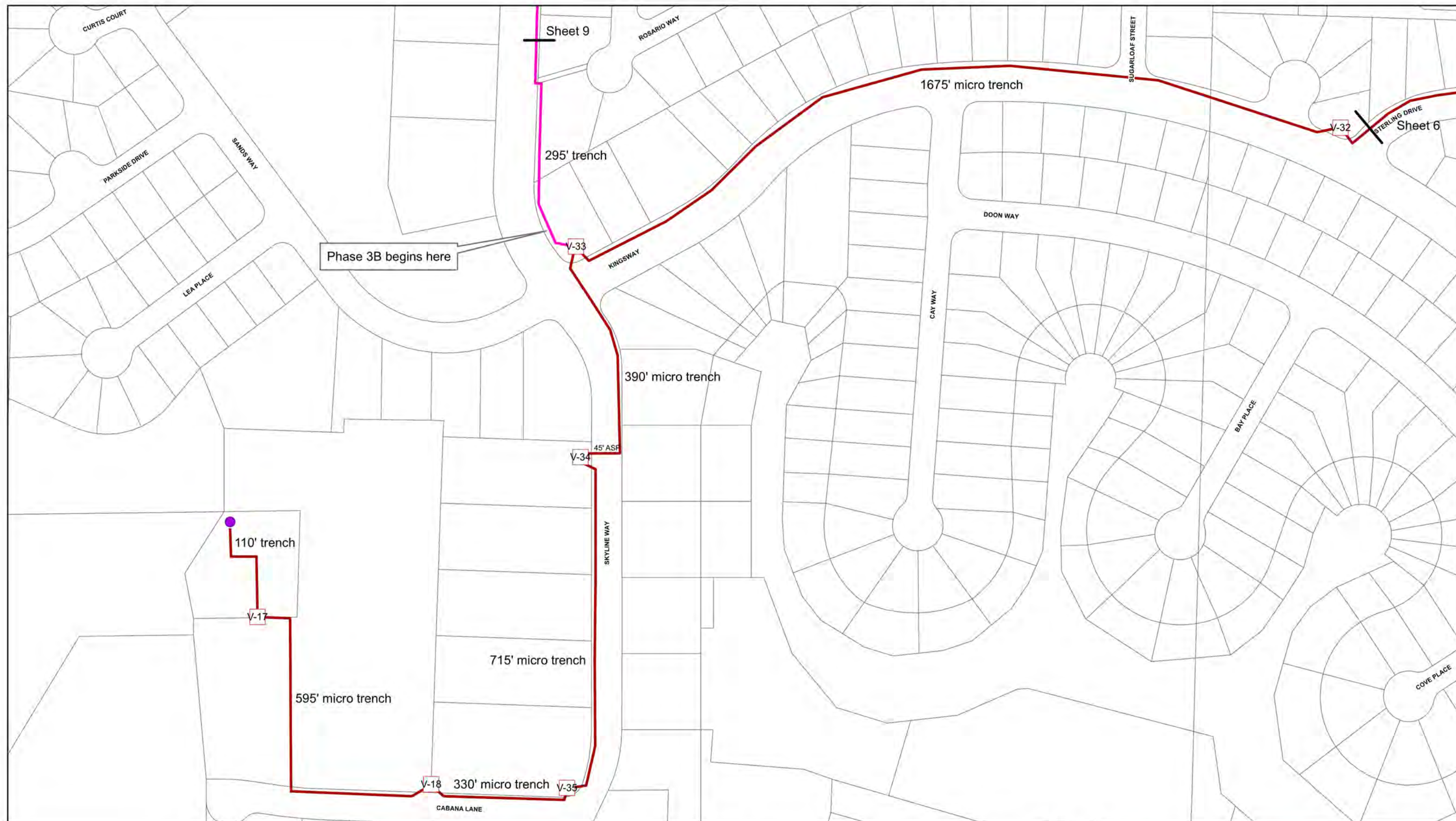


City of Anacortes - Phase 3 - Sheet 7
June 2018

Legend

- New Phase 3 Vaults
- Pump Stations
- Aerial
- Existing Conduit
- Phase 3A
- Phase 3B
- Water Pipe
- Underground



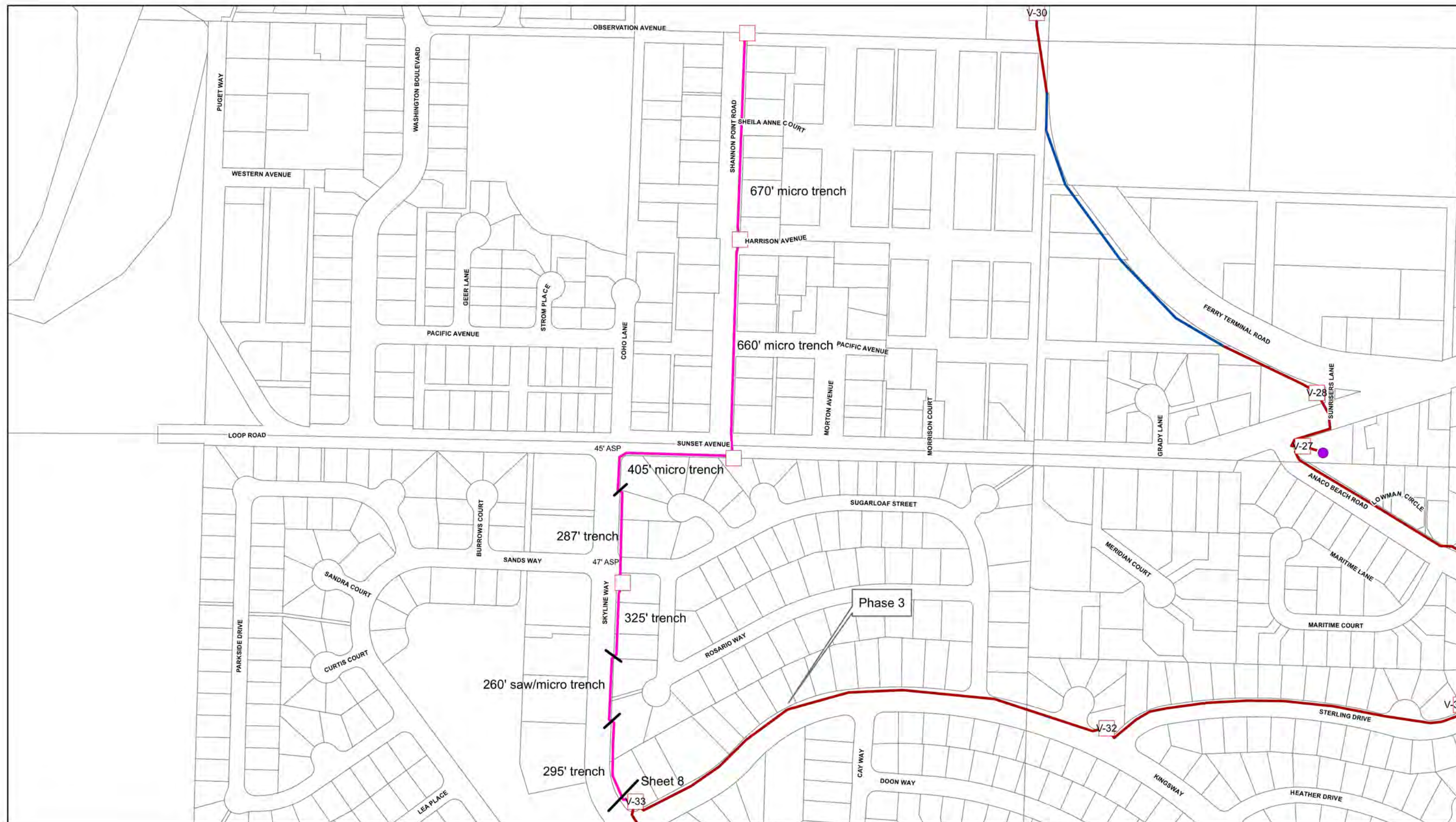


City of Anacortes - Phase 3 - Sheet 8 June 2018

Legend

- New Phase 3 Vaults
- Pump Stations
- Aerial
- Existing Conduit
- Phase 3A
- Phase 3B
- Water Pipe
- Underground

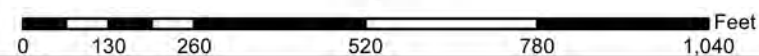


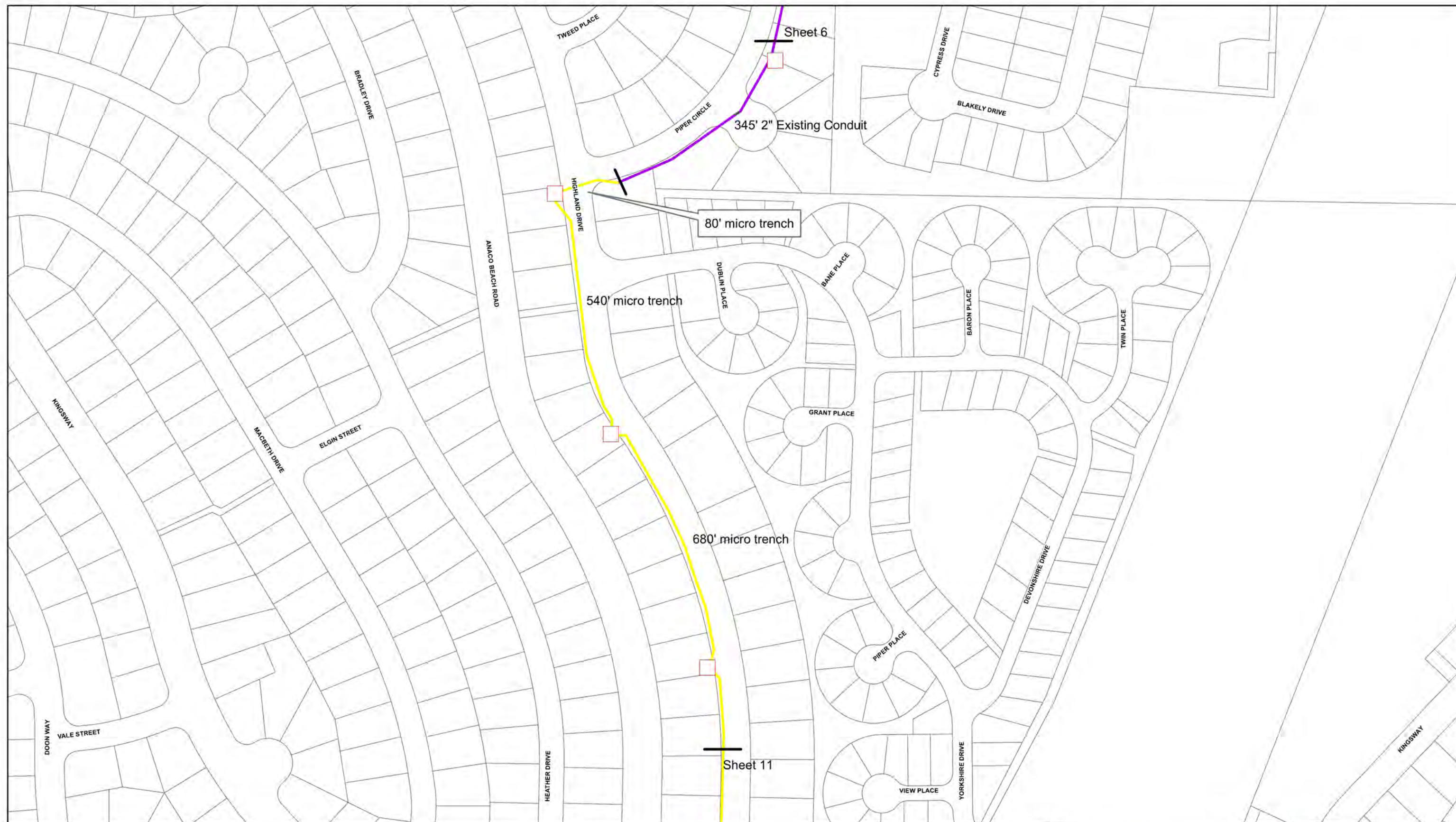


City of Anacortes - Phase 3B - Sheet 9 June 2018

Legend

- New Phase 3 Vaults
- Existing Conduit
- Pump Stations
- Phase 3A
- Phase 3B
- Water Pipe
- Underground
- Aerial

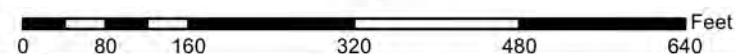
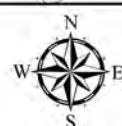


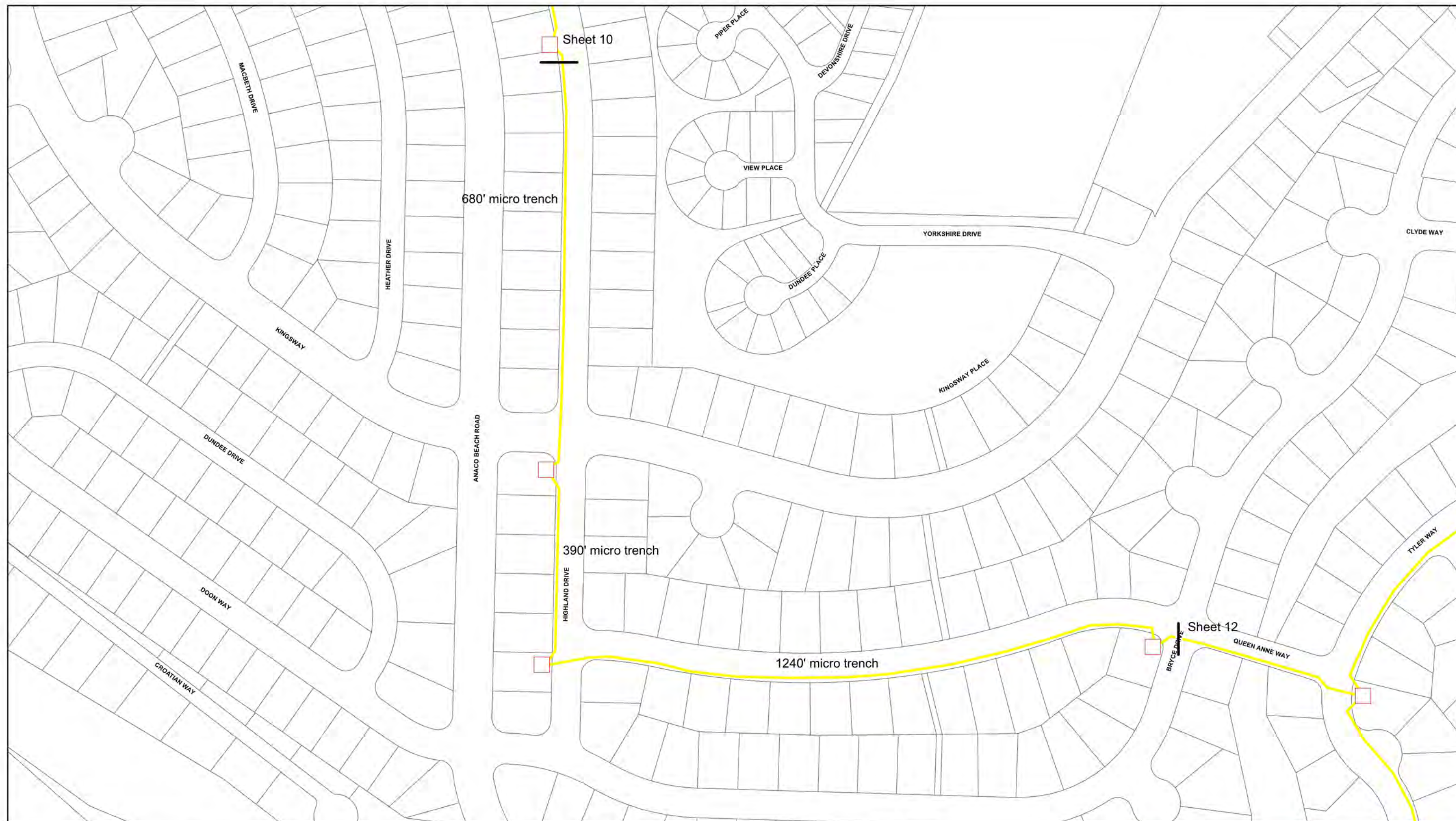


City of Anacortes - Phase 3A - Sheet 10 June 2018

Legend

- New Phase 3 Vaults
- Pump Stations
- Aerial
- Existing Conduit
- Phase 3A
- Phase 3B
- Water Pipe
- Underground





City of Anacortes - Phase 3A - Sheet 11
June 2018

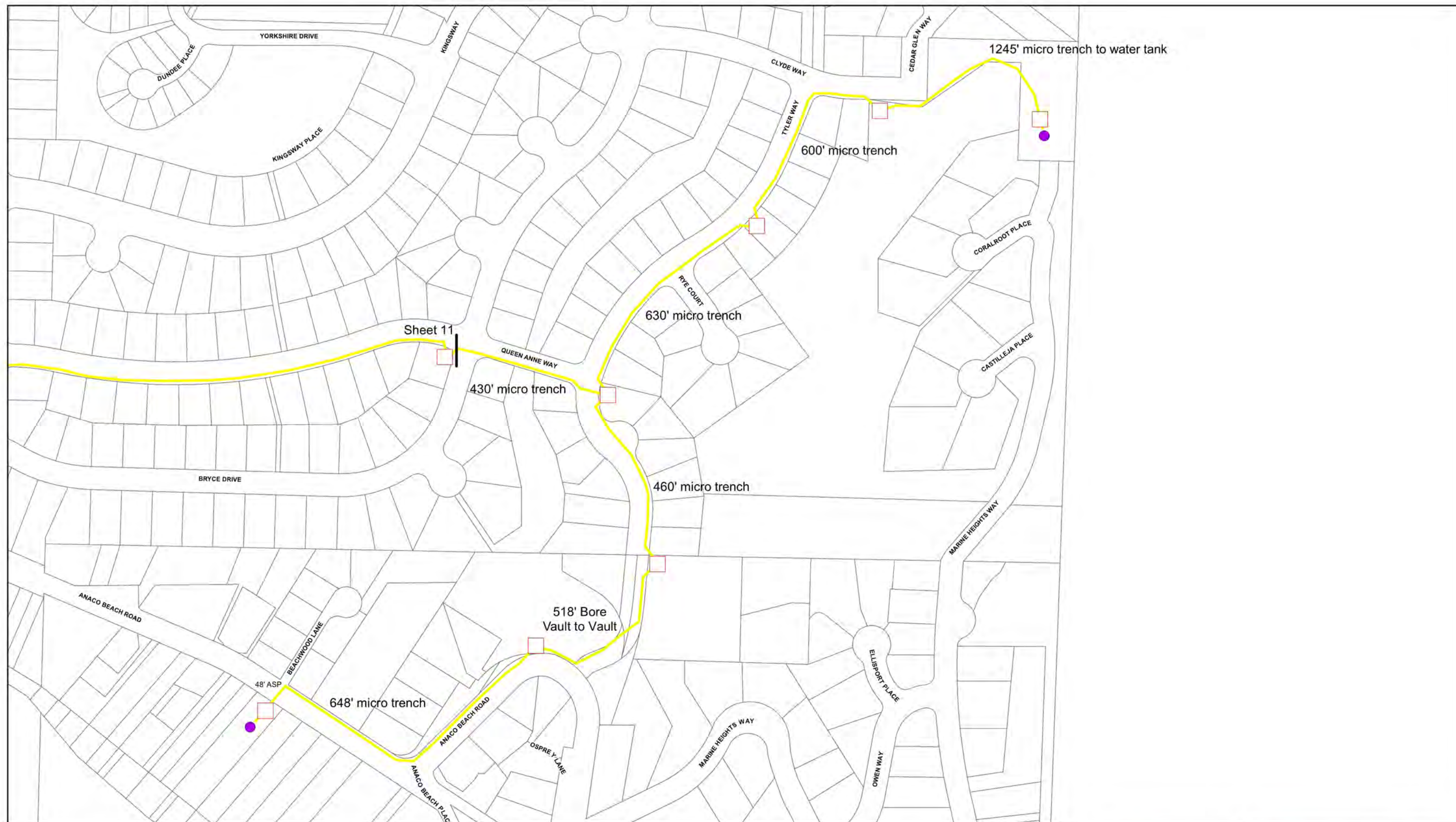


0 80 160 320 480 640 Feet

Legend

- New Phase 3 Vaults
- Pump Stations
- Aerial
- Existing Conduit
- Phase 3A
- Phase 3B
- Water Pipe
- Underground





City of Anacortes - Phase 3A - Sheet 12 June 2018

Legend

- New Phase 3 Vaults
- Pump Stations
- Aerial
- Existing Conduit
- Phase 3A
- Phase 3B
- Water Pipe
- Underground







City Council Contract Agenda Bill

Meeting Date: 7/9/2018 **Agenda Item:** 7b

Subject: Contract Award: Fiber Build – Central Broadband District #14-056-IDS-008

Staff Contact: Fred Buckenmeyer

Approved for Submittal to Council by:
Darcy Swetnam, City Attorney

Action Type: Contract Award

Summary Statement: City staff seeks City Council consent to award a contract in the amount of \$77,418.77 to Robinson Brothers Construction, Inc. (RBC) to perform the construction of Central Broadband District (CBD) portion of the Fiber Build project. Central broadband district project will deploy a fiber optic network in the greater downtown area, roughly reaching from 2nd to 15th street, between R Avenue and N Avenue. This deployment will use our existing fiber backbone in this area and will allow the businesses in the area to connect to the city broadband network. The project consists of installing approximately 2,000 feet of fiber optic cable, in both aerial and buried locations. In addition, the project will procure additional equipment for the fiber equipment room in the library, and materials and equipment to facilitate connections at the premise. A minimal amount of additional work will be required when each customer contracts for service.

Background:

1. **History:** This deployment will use our existing fiber backbone in this area and will allow the businesses in the area to connect to the city broadband network.
2. **Key Terms:**
 - The work performed under this Agreement shall be compensated by Unit Price for each of the categories in Exhibit A, for a total contract value of \$77,418.77.
 - Work shall be completed by 9/30/19.
3. **Competitive Bidding:** The City entered into a cooperative purchasing agreement with NoaNet per the Washington Interlocal Cooperation Act RCW 39.34 which permits public entities to cooperate with one another on the basis of mutual advantage to make the most efficient use of their powers. On 9/19/17 NoaNet competitively bid the unit prices for Emergency Response and Restoration, Maintenance and Line Extension of OSP Facilities and entered into a contract with RBC.

Previous Council/Committee Action: The original NoaNet [interlocal and contract](#) was awarded on [9/19/16](#). [Modification 01](#) was for additional hours for Phase 1 and 2 of the City's fiber optics communication project, as well as additional hours for construction inspectors and was approved on [10/9/17](#). [Modification 02](#) for the design, engineering, and construction management of Central Broadband District, and [Interlocal 263](#) for Cooperative Purchasing with NoaNet were both approved on [6/4/18](#). The concept of the fiber based municipal broadband system has been discussed multiple times over the last 2 years.

Competing Viewpoints Considered: N/A

Recommended Motion: I move that City Council authorize the Mayor to sign a contract 14-056-IDS-008 with RBC in the amount of \$77,418.77 to perform the construction of Central Broadband District of the Fiber Build project.

Alternative Actions: Not approve the contract, cancel the project

Attachments: Contract 14-056-IDS-008, map

Contractor	RBC
Contract Amount	\$77,418.77
Earmarked Funds (2018)	\$1,380,000.00
BARS #s	440.000.594.35.63 401.000.594.34.63
Budget Amendment Required?	No
Start Date	Inception
End Date	9/30/2019



CONTRACT 14-056-IDS-008
AGREEMENT WITH
Robinson Brothers Construction, Inc.

This Contract is between the City of Anacortes, Washington, a Municipal Corporation (herein after referred to as "City") and Robinson Brothers Construction, Inc. ("RBC") a private contractor at 6150 NE 137th Ave, Vancouver, WA 98682 (herein after referred to as "Contractor").

PROJECT
Fiber Build – Central Broadband District

Whereas, Northwest Open Access Network ("NoaNet") and RBC entered into a contract dated 10/11/2017 titled 2017-015 Line Extension and Emergency Response Contract;

Whereas, the City of Anacortes and NoaNet entered into Interlocal 263 for Cooperative Purchasing as allowed through RCW 39.34;

NOW, THEREFORE, the City hereby incorporates by reference all terms and conditions of the NoaNet/RBC Contract referenced above,

IT IS MUTUALLY AGREED, AS FOLLOWS:

1. Scope of Work: The Contractor shall do all work and furnish all tools, materials, equipment, and transportation required for the Fiber Build – Central Broadband District (CBD), in accordance with and as described in Exhibit A. Incorporated by reference, and made a part hereof, is the NoaNet/RBC Contract dated 10/11/2017 titled 2017-015 Line Extension and Emergency Response Contract and any executed modifications or change orders to said contract, except as modified by the Special Provisions identified as Exhibit B. All exhibits are attached hereto and incorporated by reference. The Contractor will construct new Fiber Optic Line Extensions. This will be scheduled work with work orders provided by NoaNet as the City's Contract Manager. NoaNet will provide detail construction drawings and specifications pertaining to the site. Each work order will specify the units required to be completed for each individual work order, and will utilize the unit specifications provided herein to establish the job. It is the responsibility of the Contractor to make the necessary contacts to facilitate permit activation, scheduling of inspections, entry on to private property, locating foreign facilities and entry into any facilities for final completion. Scheduling and control of different manpower requirements, and scope of work requirements within the project, is the sole responsibility of the Contractor, and no compensation or direction will be made by the City to facilitate any scheduling efforts other than in service requirement dates dictated on the Work Order delivered to the Contractor.

2. Contract Price: The work performed under this Agreement shall be compensated by Unit Price for each of the categories in Exhibit A, for a total contract value of **Seventy-Seven Thousand Four Hundred Eighteen Dollars and Seventy-Seven Cents (\$77,418.77)**. This includes all labor, materials for the project. Before any payment is made by the City of Anacortes of sums under this contract, the contractor must provide a copy of the statement of *Intent to Pay Prevailing Wage* approved by the Department of Labor and Industries. Pursuant to RCW Chapter 60.28, a sum of five percent (5%) of the monies earned by the contractor will be retained.

3. Bonds: Pursuant to RCW 39.08.010, the Contractor shall provide the City a performance bond and payment bond for the full contract amount to be in effect as detailed in the incorporated General Provisions. The City may at its option release the bonds once all the conditions of RCW 39.08.010-1a have been discharged.

4. Time of Completion: The Contractor shall complete the work by September 30, 2019.

5. Job Safety: Contractor shall comply with all Department Labor and Industries and City of Anacortes safety standards while on the job.

6. Contract Requirements: Contractor must have a contractor license number, insurance, and City of Anacortes business license. **Prevailing Wage Law Applies.**

Forms Needed: 1) Proof of Insurance with Additional Insured Endorsement (see General Provisions)

2) Intent to Pay Prevailing Wage 3) Affidavit of Wages Paid

4) Performance Bond 5) Payment Bond

6) Certification of Compliance with Wage Payment Statutes

7. Contract Documents: The NoaNet/RBC Contract dated 10/11/2017 titled 2017-015 Line Extension and Emergency Response Contract, all modifications and change orders to NoaNet/RBC Contract, and Exhibits A and B are included in this Contract Agreement.

The Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, in respect of all covenants, agreements, and obligations contained in the Contract Documents.

In Witness Whereof, Owner and Contractor have signed two (2) copies of this Contract Agreement. All portions of the Contract Agreement have been signed or identified by the Owner and Contractor.

Owner:

City of Anacortes

Mayor

Date

Contractor:

Robinson Brothers Construction, Inc.

Signature

Printed Name

Date

Contractor License #

Washington State UBI #

COA CONTRACT 14-056-IDS-008
EXHIBIT A

Labor and Materials List					
QTY	UOM	Unit code	Description	Unit Price	TOTAL
150	Lineal Foot	BDB	BDB Directional Bore up to a 2" hole	\$22.50	\$3,375.00
21	Per Anchor	APA	APA Anchor Placement New	\$200.00	\$4,200.00
6800	Per Strand Foot	APS	APS Place Strand & Overhead Guys	\$1.25	\$8,500.00
11260	Per Strand Foot	ALS	ALS Lash Fiber Optic Cable	\$1.05	\$11,823.00
2	Each	ARR	ARR Place New Riser up to 4"	\$227.00	\$454.00
4	Each	SCC	SCC Placement of New Fiber Optic Closure	\$420.00	\$1,680.00
4	Each Closure	SPC	SPC Splice Closure Prep & or Re-Entry	\$357.00	\$1,428.00
240	Each Splice	SPF 3	SPF 3 Splice and Test Fiber, 49 and above	\$41.65	\$9,996.00
5	Each Closure	SPR	SPR Ring Cut or Mid-Entry Prep	\$595.00	\$2,975.00
31	Each	MST	MST Install Multi-Service Terminal	\$357.00	\$11,067.00
60	Per Hour	TRA	Traffic Control Crew	\$144.00	\$8,640.00
			Construction Services Sub-Total		\$64,138.00
Contractor Provided Materials:					
4	Each		Splice Case	\$380.00	\$1,520.00
11260	Foot		Aerial Hardware	\$0.50	\$5,630.00
			Contractor Provided Materials Sub-Total		\$7,150.00
			Cost of Project before Sales Tax		\$71,288.00
			Washington State Sales Tax	8.60%	\$ 6,130.77
			Total Cost of Project		\$ 77,418.77



CONTRACT 14-056-IDS-007 EXHIBIT B - SPECIAL PROVISIONS

INTRODUCTION TO THE SPECIAL PROVISIONS

The work on this project shall be accomplished in accordance with the *NoaNet/RBC Contract dated 9/18/2017 titled 2017-015 Line Extension and Emergency Response Contract*, (hereafter "Standard Terms & Conditions").

The Standard Terms & Conditions, as modified or supplemented by these Special Provisions, all of which are made a part of the Contract Document, shall govern all of the Work.

Each Provision either supplements, modifies, or replaces the comparable Standard Term & Condition, or is a new Provision. The deletion, amendment, alteration, or addition to any subsection or portion of the Standard Terms & Conditions is meant to pertain only to that particular portion of the section, and in no way should it be interpreted that the balance of the section does not apply.

GC-2 **DEFINITIONS**

Modify this Section with the following:

"COA" City of Anacortes

"COA's REPRESENTATIVE" The employee and/or Consultant designated by COA as its representative as Construction Manager during the progress of the work.

"CONTRACT DOCUMENTS" The Contract Documents shall include all sections of the NoaNet and City of Anacortes Contract Documents.

"FINAL ACCEPTANCE" Acceptance of the work by the City of Anacortes in writing. Final Acceptance shall not constitute an acceptance the City of Anacortes of any work performed or goods supplied which are not in strict compliance with the Contract Documents.

GC-3 **PROJECT**

Modify this Section with the following:

The Contractor agrees to do the work and furnish the materials in a most substantial and workmanlike manner within the time limits according to the COA Project.

No work shall be performed by Contractor until receipt of a COA Notice to Proceed and a NoaNet work order. The work order will estimate the cost of the project based on the unit pricing submitted for this contract.

GC-7 The title is modified to say **"COA RESPONSIBILITY"**

Modify this Section with the following:

In consideration of the promises and agreements of the Contractor as set forth herein, and in consideration of the faithful performance and furnishing of the work and materials required by this Contract, COA agrees to pay the Contractor the total amount not to exceed the Contract Price. If the work and services to be performed are for work as defined in WAC 458- 20-171, then the applicable Washington State retail Sales Tax on this contract shall be governed by WAC 458-20-171 and its related rules for the work completed in the Contract. The Contractor shall invoice COA monthly unless otherwise stated in the bid documents.

GC-8 SUSPENSION/TERMINATION OF WORK OTHER THAN DEFAULT

Modify this Section with the following:

COA may, at its sole option, by notice in writing to the Contractor, and without cause given by Contractor, suspend or terminate at any time the performance of all or any portion of work to be performed under the NoaNet Bid Documents. Upon such notice of suspension or termination of work, COA shall designate the amount and type of plant, labor, and equipment to be committed to the work site during the period of suspension or termination. The Contractor shall use its best efforts to utilize its plant, labor, and equipment in such a manner as to minimize costs associated with suspension or termination.

A. Upon receipt of any such notice, the Contractor shall:

1. Immediately discontinue work as specified in the notice;
2. Place no further orders or subcontracts for material, services, or equipment with respect to suspended or terminated work;
3. Promptly suspend or terminate all orders, subcontracts, and rental agreements to the extent they relate to performance of work suspended or terminated; and
4. Continue to protect and maintain the work, including those portions on which work has been suspended;
5. Assist COA Representative or COA in the maintenance, protection, and disposition of work in progress, plant, tools, equipment property, and materials acquired by Contractor or furnished by Contractor under the NoaNet Bid Documents; and
6. Complete performance of the work which is not terminated.

B. Suspension: As full compensation for such suspension the Contractor shall be reimbursed for the following costs, reasonably incurred, without duplication of any item, to the extent that such costs directly result from such suspension of work:

1. A standby charge, as determined to be equitable by the COA Representative, to be paid to the Contractor during a period of suspension of work sufficient to compensate the Contractor for keeping, to the extent required in the notice, its organization and equipment committed to the work in a standby status;
2. All reasonable costs, as determined to be equitable by COA'S Representative, associated with any demobilization and remobilization of the Contractor's plant, forces, and equipment;
3. Any claim on the part of the Contractor for additional time or compensation shall be made within ten (10) calendar days after receipt, by Contractor, of a notice to suspend work. Failure to submit a claim within the ten (10) day period shall constitute a waiver of any such claim;
4. In no event however, shall the amount to be paid the Contractor pursuant to this section exceed the Contract Price.

Upon receipt of notice to resume suspended work, the Contractor shall immediately resume performance of the suspended work to the extent required in the notice. Any claim on the part of the Contractor for time or compensation shall be made within ten calendar days after receipt of notice to resume work and the Contractor shall submit a revised project schedule for review.

C. TERMINATION: Upon delivery of a written notice to the Contractor, COA may, without cause and without prejudice to any other right or remedy, elect to terminate the COA Project. Upon receipt of any such notice, the Contractor shall take all appropriate steps in part A of this section.

Upon any such termination, Contractor shall waive any claims for damages including Contractor's

overhead, loss of anticipated profits, and all other inconvenience, expenses, damages, costs and lost profits whatsoever. If such termination is effected after COA has issued Notice to Proceed and the Contractor has commenced performance hereunder, COA shall pay the reasonable, verifiable and directly attributable costs incurred by the Contractor as determined by the physical progress of the work satisfactorily completed to date plus costs of removing equipment and materials and otherwise demobilizing, plus ten percent of the sum of all such costs; provided, said payment shall not in any event exceed the Contract Price of the Bid Documents. The payment of COA shall constitute full and complete satisfaction and settlement for the Contractor's overhead, anticipated profits, and all other inconvenience, expenses, damages, costs and lost profits whatsoever. The Contractor shall be entitled to no further payments whatsoever for the work. Amounts retained and accumulated under RCW Chapter 60.28 shall be held and disbursed as provided therein.

Contractor shall submit within 30 days after receipt of notice of termination, a request for adjustment to the Contract Price in accordance with the above provisions. A COA Representative shall review, analyze, and verify such request, and upon a COA Representative's approval, the Contract shall be amended in writing accordingly.

Those provisions of the Contract or NoaNet Bid Documents that by their nature survive Final Acceptance under the Contract Documents shall remain in full force and effect after such termination.

GC-9 TERMINATION FOR DEFAULT/NONCOMPLIANCE

Modify the second and third paragraphs to read:

B. Consequences of Default

In the event of default, COA may immediately, without limiting any other remedy available to it in law or equity, withhold any amount otherwise due under the Contract. COA shall provide written notice of default. In the event Contractor fails to correct the default within ten (10) calendar days after written notice of default, COA may terminate the Contractor's right to proceed with all or any portion of the work. COA'S right to liquidated damages shall not in any manner limit any other remedy available to COA, including but not limited to, COA'S right to terminate the Contractor's right to proceed.

C. Noncompliance

The Contractor shall, upon receipt of written notice of noncompliance with any provision of this Contract, or any NoaNet Bid Documents and the action to be taken, immediately correct the conditions to which attention has been directed. Such notice, when served on the Contractor or their representative at the site of the work, shall be deemed sufficient. If the Contractor fails or refuses to comply promptly, a COA Representative may issue an order to suspend all or any part of the work. When satisfactory corrective action is taken, an order to resume work shall be issued. No part of the time lost due to any such suspension order shall entitle the Contractor to any extension of time for the performance of the Contract or to reimbursement for excess costs or damages.

GC-10 ASSIGNMENT

Modify this section to read:

The Contractor shall not assign this Contract, or any interest in or part thereof, or any monies due or to become due hereunder, without the prior written approval of the COA. Any costs to COA associated with the assignment may be deducted from amounts due to the Contractor.

GC-11 INDEMNITY

Modify this Section with the following:

A. Contractor shall be responsible for any and all damage, loss or injury of any kind or nature whatsoever, direct or indirect, to person or property arising out of or in any manner connected with or caused by or resulting from or suffered in connection with the execution of the work provided for in this Contract, any NoaNet Bid Documents or in connection therewith. Contractor agrees to defend, indemnify and hold harmless COA and its representatives (which terms shall be deemed to include directors, officers, members, employees, agents, and servants, and any other persons directly or indirectly engaged in any activity connected with the performance of the work under the Contract and NoaNet Bid Documents) from and against any and all liabilities, claims, losses, damages or

expenses, including reasonable attorney's fees, and expert witness fees, which may be incurred or sustained by COA or any of its representatives (as defined above), by reason of any act, omission, misconduct, negligence, or default on the part of the Contractor or any Subcontractor of the Contractor, and any employees of the Contractor or Subcontractor and except as may otherwise be provided by applicable law. Contractor specifically assumes liability for actions brought by Contractor's own employees against COA and its representatives and for that purpose Contractor specifically waives any immunity under the Workers Compensation Act, RCW Title 51. The indemnification obligation under this Contract shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefits acts, or other employee benefits acts; provided Contractor's waiver of immunity by the provisions of this paragraph extends only to claims against Contractor by COA, and does not include, or extend to, any claims by Contractor's employees directly against Contractor.

B. COA shall not be responsible or be held liable for any damage to person or property consequent upon the use, misuse or failure of any crane, hoist, rigging, blocking, scaffolding or any other equipment used by the Contractor or any of their Subcontractors, even though the said crane, hoist, rigging, blocking, scaffolding, or any other equipment be furnished or loaned to the Contractor by COA. The acceptance and/or use of any such crane, hoist, rigging, blocking, scaffolding or other equipment by the Contractor or their Subcontractors shall be construed to mean that the Contractor accepts all responsibility for any claims for damages whatsoever resulting from the use, misuse or failure of such apparatus whether such damages are incurred by Contractor's own employees or property or to the employees or property of other contractors, COA, or otherwise.

C. Contractor's indemnification obligation shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by the negligence of COA or its agents or employees and not attributable to any act or omission on the part of the Contractor or Contractor's employees or agent's. In the event of damages to person or property caused by or resulting from the concurrent negligence of COA or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.

D. Contractor acknowledges that by entering into a contract with COA, he has mutually negotiated the above indemnity provisions with COA. Contractor's indemnity and defense obligations shall survive the termination or completion of this Contract and remain in full force and effect until satisfied in full.

GC-12 LAWS, REGULATIONS, PERMITS

Modify the second paragraph to read:

All written instruments, agreements, specifications and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of COA and Contractor shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Skagit, State of Washington or at COA'S sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief allowed.

GC-13 CLAIM FOR DAMAGES

Modify this section to read:

Any claims arising under the Contract by the Contractor shall be made in writing to the COA Representative no later than ten calendar days after the beginning of the event or occurrence giving rise to the claim. Failure to make written claim prior to the time specified in the NoaNet Bid Document shall constitute waiver of any such claim.

GC-14 INDEPENDENT CONTRACTOR, SUPERINTENDENT, AND EMPLOYEES

Modify the second, third and fourth paragraphs to read:

The Contractor shall designate in writing before starting work competent, authorized site representative(s) who shall be authorized to represent and act for the Contractor in all matters relating to the NoaNet Bid Documents. The Contractor's letter designating representative(s) shall clearly define the scope of the representatives(s) authority to act for the Contractor and define any limitations of this authority. Said authorized representative(s) shall be present at the site of the work at all times when work is in progress. Arrangements acceptable to COA shall be made for any emergency work which may be required. The Contractor's authorized representative(s) shall be supported by competent assistants as necessary, and the authorized representative(s) and assistants shall all be satisfactory to COA. All directions given to the authorized representative(s) by COA shall be binding as if given to the Contractor.

The Contractor and their Subcontractors shall employ only orderly workers. Employees deemed by COA to be incompetent, subversive, or disorderly shall be removed from the performance of the work, and such removal shall not form the basis of any claim for compensation or damage upon COA.

The Contractor and Subcontractor shall be responsible for insuring that its employee's fully comply with the all applicable federal, state, and local laws, including without limitation, all applicable provisions of the Drug Free Workplace Act of 1988. Unless otherwise required by law, the Contractor and Subcontractor shall immediately remove any employee from further work if it is determined by COA, at its discretion, that the employee is not fit for duty for any reason. Failure on the part of the Contractor or Subcontractor to comply with any of the above referenced policies shall be considered an act of default in accordance with GC-9.

GC-15 WORK

Modify this section to read:

The term Work, as used in this Contract, means the construction and services necessary or incidental to fulfill Contractor's obligations in conformance with this Contract.

A. No work shall be performed by Contractor until receipt of a COA Notice to Proceed accompanied by the project plans and specifications, and setting forth the cost of, and the completion date of the work.

B. Contractor shall perform the Work in a diligent, efficient and skillful manner, as the Work or any portion thereof becomes available, to allow COA to promote the general progress of the entire construction and so that the Work shall not interfere with, hinder or delay other work.

C. Should Contractor delay the progress of the Work or of the Project, Contractor shall take necessary action as required to meet and maintain job progress, without additional compensation, and shall be liable to and reimburse COA for damages resulting from such delay.

D. Contractor shall be solely responsible for protection of the Work and for loss or damage to materials, tools, equipment or other personal property, owned or rented or used by Contractor in performance of the Work.

E. When as-built drawing are required by the Contract Documents, Contractor shall record as-built conditions on the Drawings and Detail Drawings in a form acceptable to COA, on a weekly basis or as determined by the Project Manager, during performance of the Work.

GC-16 CORRECTION OF WORK/WARRANTY

Modify this section to read:

All materials and equipment incorporated into any work under the NoaNet Bid Documents and COA Contract shall be new and of the most suitable grade of their respective kinds for their intended uses unless otherwise specified. All workmanship shall be in accordance with highest standard practices acceptable COA Representative. Contractor warrants all materials, equipment, design and work it furnishes or performs under the NoaNet Bid Documents and COA Contract against defects in design, materials, and workmanship. Contractor's warranty shall remain in effect for a period of three hundred sixty-five (365) calendar days after Final Acceptance.

If at any time prior to the expiration of the warranty period, Contractor or COA discovers any defect in such materials, equipment, design and work, the Contractor shall, upon written notice from COA given within a reasonable time after discovery, correct such defects to the satisfaction of COA by redesigning, repairing or replacing the defective materials, equipment, design and work at a time acceptable to COA. All costs incidental to such corrective action including removal, disassembly, reinstallation, re-work, re-testing and re-inspection as may be necessary to correct the defect or demonstrate that the previously defective work conforms to the requirements of the Contract shall be borne by the Contractor.

Contractor warrants any and all corrective action against defects in design, materials, and workmanship for a period of twelve (12) months following acceptance COA of the corrected work.

If, after due notice, the Contractor shall refuse or persistently neglect to make corrections so as to meet the requirements of the Contract or bid documents, COA may proceed to make such corrections as they may be required and Contractor shall reimburse COA for all cost and expenses incurred in connection therewith.

The warranty requirements in this section are the minimum requirements for materials, equipment, design and work under this Contract. Any other warranty requirements specified in the NoaNet Bid Documents, including the Technical Specifications, are in addition to, and not in lieu of the minimum requirements specified herein.

GC-17 CHANGES IN WORK

Modify this section to read:

Without invalidating the Contract, COA may make changes by altering, adding or deducting from the work, and/or make changes in the drawings and specifications requiring changes in the work and/or materials and equipment to be furnished under any NoaNet Bid Documents; provided such additions, deductions or changes are within the general scope of the Documents. Except as provided herein, no official, employee, agent or representative of COA is authorized to approve any change in the Contract Award and it shall be the responsibility of the Contractor before proceeding with any change, to satisfy himself that the execution of the written Change Order has been properly authorized on behalf of COA.

Charges or credits for the work covered by the approved changes shall be determined by one or more, or a combination of the following methods, at COA'S option:

A. Unit prices specified in the unit prices for changes in work submitted with the Contractor's Bid proposal, if any.

B. An agreed lump sum.

D. The actual cost of:

1. Labor, including foreman.
2. Materials entering permanently into the work.
3. The ownership or rental cost of plant and equipment during the time of use on the project.
4. Power and consumable supplies for the operation of power equipment.
5. Insurance.
6. Social Security and old age and unemployment contributions.
7. To the sum of Items 1, 2, 4, 5, and 6 inclusive, there shall be added a fixed fee of fifteen percent (15%). The fee shall be compensation to cover the cost of supervision, overhead, bond, profit and any other general expenses.

When a change is ordered by COA, as provided herein, a Change Order shall be executed by COA through NOANET acting as the COA's Construction Manager and the Contractor before any Change Order work is performed. COA shall not be liable for any payment to Contractor, or claims arising therefrom, for Change Order work which is not first authorized in writing as set forth in this section. All terms and conditions contained in the Contract Documents and NoaNet Bid Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as

Exhibit "D" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

If any such change or alteration in the work shall result in a decrease of the work to be performed or materials, equipment, and apparatus to be furnished, no allowance shall be made to the Contractor in computing any resulting decrease in the Contract Price for loss of anticipated profits, but if the Contractor, before receiving COA'S notice of intention pursuant to this Section, shall have incurred any expense in connection with the proper performance of the NoaNet Bid Documents which shall be rendered unnecessary by such change or alteration, such allowance shall be made therefore to the Contractor as COA shall determine to be fair and reasonable.

A COA Representative or NOANET acting as the COA's Construction Manager may instruct the Contractor to make minor changes in the work where such changes are not inconsistent with the purposes of the NoaNet Bid Documents, do not involve any additional cost and shall not require an extension of the NoaNet Bid Document completion date. The Contractor shall make no such changes without receipt of a NOANET Instruction, Exhibit "E", setting forth the changes to be made. Contractor's compliance therewith shall constitute its acknowledgment that such changes shall not result in any claim for additional payment or extension of the NoaNet Bid Document completion date. If the Contractor believes the instruction shall result in additional costs or time extensions, Contractor shall promptly notify COA of the same and not proceed with the changes. NOANET'S Instructions, when issued, shall be in writing and signed by a COA Representative and NOANET Representative.

No waiver of any provision of this Contract or the NoaNet Bid Documents, and no consent to departure there from, by either party, shall be effective unless in writing and signed by the waiving or consenting party, and no such waiver or consent shall extend beyond the particular case and purpose involved.

GC-19 PAYMENT/RETAINAGE

Modify this section to read:

Contractor shall submit a detailed monthly pay application for all services provided describing in reasonable and understandable detail the work completed during the previous month, the progress of the work, and the requested payment in an amount proportionate to the work completed. COA shall pay the pay application within thirty (30) days after approval of the pay application, pursuant to the terms below:

A. Prior to the release of any payment COA must receive from Contractor a current Approved Statement of Intent to Pay Prevailing Wage filed per project (RCW 39.12.040) for all contractors and subcontractors

B. COA shall hold back a retainage as required by RCW 60.28 for labor and material in the amount of five percent (5%), of any and all payments made to contractor for a period of sixty (60) days after the date of final acceptance, or until receipt of all necessary releases from the State Department of Revenue, State Employment Security Division and the State Department of Labor and Industries and until settlement of any liens filed under Chapter 60.28 RCW. If Contractor plans to submit a bond in lieu of the retainage specified above, the bond must be in a form acceptable to COA and submitted within 30 days upon entering into this Contract, through a bonding company meeting standards established by COA.

C. COA shall pay the Contractor as full consideration for the performance of the contract, an amount equal to the unit and lump sum prices as set forth in the bid. The Contractor will submit request for Progress payments on a monthly basis and COA will make payment within 30 days after receipt of the Contractor's request until the work is complete and accepted by COA. COA payment shall not constitute a waiver of COA's right to final inspection and acceptance of the project.

D. COA reserves its right to withhold payment from Contractor for any defective or unauthorized work. Defective or unauthorized work includes, without limitation: work and materials that do not conform to the requirements of this Contract or as more fully detailed in the project specification agreement and/or purchase; and extra work and materials furnished without COA'S written approval. If

Contractor is unable, for any reason, to satisfactorily complete any portion of the work, COA may complete the work by contract or otherwise, and Contractor shall be liable for any additional costs incurred by COA. "Additional costs" shall mean all reasonable costs, including legal costs and attorney fees, incurred by COA beyond the maximum Contract price specified above.

COA further reserves its right to deduct the cost to complete the Contract work, including any Additional Costs, from any and all amounts due or to become due the Contractor. Notwithstanding the terms of this section, COA'S payment to contractor for work performed shall not be a waiver of any claims COA may have against Contractor for defective or unauthorized work.

E. Prior to submitting its first application for payment, Contractor shall submit a schedule of values allocating the Subcontract Price to the full Scope of Work, prepared in such form and supported by such data to substantiate its accuracy as COA may require, which schedule shall be used as a basis for reviewing Contractor's applications for payment. The schedule of values will be used for payment purposes only and shall not relieve Contractor from its obligation to perform all of the Work and provide all labor and material required by the Agreement. When approved by COA, the schedule of values may be modified by Contractor to incorporate executed change orders.

F. Payments shall not be acceptance of improper, faulty, defective or non-conforming Work or material and shall not release Contractor of any of its obligations under the Agreement and shall not constitute a waiver of any right or provision hereof by COA. Beneficial use or occupancy by COA is not acceptance of the work.

GC-20 PAYMENTS WITHHELD

Modify this section to read:

In addition to the above percentage retained, COA may withhold the whole or part of any certificate for payment to such extent as may be reasonably necessary to protect itself from loss on account of:

- A. Defective or damaged work not remedied or warranties not met.
- B. Claims filed or reasonable evidence indicating filing of claims against the Contractor.
- C. Failure of the Contractor to make payments properly to Subcontractors or for materials, labor, or equipment.
- D. A reasonable doubt that the work in the Contract can be completed for the balance then unpaid.
- E. Damage to another Contractor.
- F. Damage to or loss of COA -furnished materials or COA property.
- G. Contractor's failure to meet any performance warranties required by the Contract Documents or the NoaNet Bid Documents.

The Contractor shall provide a contact name, address, and email address to facilitate notification if any payment, or portion of any payment, is withheld for any of the reasons above, or for missing documentation or items incorrectly invoiced. Notification shall be made via email, or shall be mailed, properly addressed and stamped with the required postage to the person designated by the Contractor.

GC-21 ACCEPTANCE AND FINAL PAYMENT

Modify this section to read:

When the Contractor has completed all work in accordance with the terms of the Contract and NoaNet Bid Documents, the Contractor shall properly execute and submit to a COA Representative a request for final payment and the Certificate of Completion and Release (exhibit F) The Certificate of Completion and Release shall constitute a waiver of all claims by the Contractor except for unsettled claims specifically stated. COA shall not process Contractor's request for final payment until after the

Contractor furnishes the Certificate of Completion and Release.

The Certificate of Completion and Release shall warrant that the Contractor has fully completed its work included in the Contract and NoaNet Bid Documents and has fully paid for labor, materials, equipment, services, taxes and all other costs and expenses of every nature and kind whatsoever resulting from the Contract. If any dispute exists between the Contractor and any person, firm or corporation to whom the Contractor might be obligated in connection with the Contract, the Contractor shall state the name of claimant and amount and general nature of claim against the Contractor. The Certificate of Completion and Release shall state the amount and nature of all present and future claims that the Contractor may have against COA shall not be complete until after the Contractor has delivered to a COA Representative a properly completed Certificate of Completion and Release.

After receipt of a properly completed Certificate of Completion and Release and request for final payment, a COA Representative shall, within a reasonable time, make a recommendation to COA relative to acceptance of the Contractor's work. Such a recommendation shall not constitute a recommendation of acceptance of any work or materials not furnished in accordance with the terms of this Contract and the NoaNet Bid Document.

Upon receipt of: (1) request for final payment and Certificate of Completion and Release, and (2) the COA Representative's recommendation relative to acceptance of work, COA shall, within a reasonable time, take action on the Contractor's final request for payment, and on acceptance of work. Such action shall be subject to the condition of the Performance Bond, legal rights of COA, required warranties, and correction of faulty work discovered after final payment. COA shall have the right to retain from any payment then due the Contractor, so long as any bills or claims remain unsettled and outstanding, a sum sufficient, in the opinion of COA, to provide for the payment of the same. It is also understood and agreed that, in the case of any breach by the Contractor of the provisions hereof, COA may retain from any payment or payments which may become due hereunder, a sum sufficient, in the opinion of COA, to compensate for all damages occasioned by such breach including any such damages arising out of any delay on the part of the Contractor.

Sixty (60) days after Final Acceptance, including Contractor's delivery of a properly completed Certificate of Completion and Release to a COA Representative, retainage may be claimed by the Contractor; provided, however, that there are no claims filed for material or laborers and that COA has received the certificate of the Washington State Department of Revenue of payment in full of all taxes, the Employment Security Department, and the approved Washington State Department of Labor and Industries Request for Contract Release form and the approved affidavit showing payment of prevailing wages. If any liens remain unsatisfied after final payment is made, the Contractor shall refund to COA such amounts as COA may have been compelled to pay in discharging such liens including all costs and reasonable attorney's fees.

GC-22 The title is modified to say "COA REPRESENTATIVE'S STATUS, AUTHORITY AND PROTEST PROCEDURE"

Modify this section to read:

A COA Representative shall represent COA. The Representative has authority to stop the work whenever such stoppage may be necessary to insure the proper execution of the Contract. The Representative shall also have authority to reject all work, equipment, and materials which do not conform to the Contract and to answer questions which arise in the execution of their work.

Written Approval by the COA Representative signifies favorable opinion and qualified consent. It does not carry with it certification, assurance of completeness, assurance of quality, nor assurance of accuracy concerning details, dimensions, and quantities. It is not an acceptance by COA or certification that Contractor has performed the Contract work correctly or according to Contract Documents and the NoaNet Bid Document. Such approval shall not relieve the Contractor from responsibility for errors or for deficiencies within their control.

All claims of the Contractor and all questions relating to the interpretation of the Contract and NoaNet Bid Document, including all questions as to the acceptable fulfillment of the Contract on the part of the Contractor and all questions as to compensation, shall be submitted in writing to the COA Representative for determination within the applicable time period specified in the Contract and

All such determination and other instructions of the COA Representative shall be final unless the Contractor shall file with the COA Representative a written protest, stating clearly and in detail the basis thereof, within ten (10) calendar days after the COA Representative notifies the Contractor of such determination or instruction. The protest shall be forwarded by the COA Representative to COA'S City Attorney, who shall issue a decision upon each such protest, and its decision shall be final. Pending such decision, the Contractor, if required by the COA Representative, shall proceed with the work in accordance with the determination or instructions of the COA Representative.

The COA Representative may appoint assistants and inspectors to assist him in determining that the work performed and materials furnished comply with contract requirements. Such assistants and inspectors shall have authority to reject defective material and suspend any work that is being done improperly, subject to the final decisions of the COA Representative, or to exercise such additional authority as may be delegated to them by the COA Representative. All work done and all materials furnished shall be subject to inspections by the COA Representative or their inspectors at all times during the work.

GC-23 COOPERATION WITH OTHERS

Modify this section to read:

There may be other contractors or forces of COA working the same area where work under the Contract shall be performed. The Contractor shall fully cooperate with such other contractors and COA'S employees and carefully fit their work with the other work consistent with orderly and expeditious performance and completion of the project as a whole.

GC-24 INSURANCE

Modify articles E through G to read:

E. The insurance policies shall specifically name the City of Anacortes, it's elected or appointed officials, officers, employees, and volunteers as insured with regard to damages and defense of claims arising from (1) activities performed by or on half of the Contractor; or (2) Products and completed operations of the Contractor; or (3) premises owned, leased, or used by the Contractor.

F. The insurance policies (1) shall state that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; (2) shall be primary insurance with regard to COA; and (3) shall state that COA will be given at least 30 days' prior written notice of any cancellation, suspension or material change in coverage.

G. Before commencing work and services, Contractor shall provide to COA a Certificate of Insurance evidencing the required insurance accompanied by endorsements as are necessary to comply with the requirements of this paragraph. COA reserves the right to request and receive a certified copy of all required insurance policies.

GC-25 JOB SAFETY/HOUSEKEEPING

Modify this section to read:

All work done shall be done in a manner that minimizes interruptions or inconvenience to the public and/or COA staff. All work shall be carried on with due regard for the safety of the public, and Contractor shall maintain strict compliance with the appropriate provisions relating to control of traffic and pedestrians through work areas as set forth in the Manual on Uniform Traffic and Control Devices (current edition) as adopted by the Washington State Department of Transportation. Property and streets adjacent to the Project site shall be kept free and clear at all times from accumulations of mud, dirt, gravel, rock, and other matter.

Contractor will be responsible for daily and final clean up and disposal of refuse, waste and debris produced by its operation. Refuse shall not be permitted to accumulate to the extent that it interferes with free access to the Project site. Should COA determine Contractor is not fulfilling its obligation in this regard, COA reserves the right to take such action as may be necessary, and to charge

Contractor with any costs that may be incurred in such remedial action.

GC-27 PRE-WORK CONFERENCE

Modify this section to read:

The Contractor, upon notification by COA, may be required to attend a pre-work conference prior to starting any work. The purpose of the conference is to discuss, among other considerations, the responsibility of the Contractor and their Subcontractors in the execution and progress of the work. The conference, if any, shall be held on a date mutually agreed upon by the Contractor and the COA Representative.

GC-29 PROGRESS MEETINGS

Modify this section to read:

Progress review meetings shall be held at regular intervals as deemed necessary by the COA Representative. Progress meetings shall be utilized to review the work schedule and discuss any delays, unusual conditions, or critical items which have affected or could affect the progress of the work.

Time is of the essence of any COA Project. If at any time during the progress of work, the Contractor's actual progress, in the opinion of a COA Representative, is inadequate to meet the Contract completion dates, COA may issue a written notice of noncompliance to the Contractor who shall thereupon take such steps as may be necessary to improve its progress. If within a reasonable period as determined by the COA Representative, the Contractor does not improve performance to meet the work schedule, COA may direct the Contractor to accelerate the work through an increase in the Contractor's labor force, the number of shifts, overtime operations, additional days of work per week and/or an increase in the amount of plant; all without additional cost to COA. Neither such notice by COA nor COA'S failure to issue such notice shall relieve the Contractor of its obligation to achieve the quality of work and rate of progress required by the Contract and NoaNet Bid Document.

Failure of the Contractor to comply with the instructions of COA may be grounds for determination by COA that the Contractor is not prosecuting its work with such diligence as shall assure completion within the times specified. Upon such determination, COA may terminate the Contractor's right to proceed with the performance of the Contract, or any separable part thereof in accordance with GC-9.

GC-31 PAYMENT OF LABOR

Modify this section to read:

The Contractor, and its Subcontractors shall fully comply with all applicable provisions of RCW Chapter 39.12, concerning payment of prevailing wages, including the filing and payment of fees for all required statements and affidavits, and shall pay and provide wages and benefits to their employees employed in the performance of this Contract which are not less than those fixed by the Washington Department of Labor and Industries for work of like character. It shall be the responsibility of the Contractor to ensure that the appropriate classification of work and prevailing wage rate is paid for the county in which the Work is performed. The State of Washington prevailing wage rates applicable to- Public Projects may be found at the following website address of the Department of Labor and Industries: <https://fortress.wa.gov/lni/wagelookup/prvWagelookup.aspx> Questions regarding Prevailing Wage should be directed to the Prevailing Wage section of the Department of Labor & Industries, ESAC Division, P.O. Box 44540, Olympia, Washington 98504-4540 by calling (360) 902-5335 or on their web site at: <http://lni.wa.gov/Tradeslicensing/PrevWage/WageRates/default.asp>. It is the Contractor's responsibility to ensure with the Washington Department of Labor and Industries prior to bid opening that the most current version of the prevailing wage rates are utilized in the preparation of its Bid. COA does not guarantee that labor can be procured for the minimum wages shown on the referenced schedules. The rates listed are minimum only, below which the Contractor cannot pay. The Contractor may be required to furnish to COA at any time acceptable evidence of wage rates paid by it or its Subcontractors.

For contracts in excess of \$10,000, the contractor must post in a conspicuous place at the job site, a

copy of the statement of Intent to Pay Prevailing Wages approved by the Department of Labor and Industries and the address and phone number of the Industrial Statistician where complaints or inquires may be made. Any dispute between the Contractor or any of its Subcontractors and COA over the appropriate wage rate under this provision or RCW 39.12 shall be subject to arbitration pursuant to RCW 39.12.060.

GC-32 DELAYS AND EXTENSIONS OF TIME

Modify this section to read:

If the Contractor is delayed at any time in the progress of work by any unforeseeable causes beyond the control of the Contractor, except for shortages in materials and labor, the Contract time shall be extended for such reasonable time as COA shall determine.

The Contractor agrees to complete the work within the Contract and NoaNet Bid Document time as thus extended. Such extensions shall postpone the beginning of period for payment of liquidated damages but they and the events producing them shall not be grounds for claim by the Contractor of damages or for additional costs, expenses, overhead or profit or other compensation. Except for delays caused by the acts or omissions of COA or persons acting for it, extensions of time granted by a COA Representative to the Contractor shall be the Contractor's sole and exclusive remedy for any delays due to causes beyond the control of the Contractor.

All claims for extension of time shall be made in writing to COA no more than 3 days after the Contractor knows or by reasonable diligence should know of the event causing or likely to cause the delay; otherwise, they shall be waived. In the case of a continuing cause of delay only one claim is necessary. Contractor's failure to give such notice promptly and within such time limit shall be deemed sufficient reason by COA for denial of any time extension request.

Avoidable delays in the execution or completion of the work, for which no time extension shall be granted, shall include all delays which in the opinion of COA could have been avoided by the exercise of care, prudence, foresight and diligence on the part of the Contractor or their Subcontractors. All changes of the time or changes of the schedule shall be made by Change Orders to the Contract.

GC-33 COMPLETION DEADLINE/LIQUIDATED DAMAGES

Modify this section to read:

Contractor shall commence work under this Contract upon receipt of notice to proceed from COA. If the COA Project is not completed by such date as set forth in the Contract Document, then the contractor shall pay COA \$1,000.00 for each calendar day that the work remains incomplete after expiration of the specified completion date, unless otherwise specified in the NoaNet Bid Document. The sum of the Liquidated damages shall not exceed fifteen percent of the Contact Price.

GC-37 The title is modified to say "PERFORMANCE BOND AND PAYMENT BOND"

Modify this section to read:

Contractor shall provide a separate performance bond and payment bond each for 100% of the contract price on COA provided forms, for the faithful performance and payment of all its obligations under this Contract and in accordance with RCW 39.08.010. The payment bond will be released either 45 days after final acceptance of the project or upon receipt of releases from the Department of Revenue, Department of Employment Security and the Department of Labor and Industries, whichever is later. Release is contingent on the fact that no claims against the bond have been filed prior to the 45 day mark. If claims have been filed against the bond, it will not be released until the claims have been resolved. The performance bond shall remain in effect to guarantee the repair and replacement of defective equipment, materials, and workmanship and payment of damages sustained by COA on account of such defects, discovered within one (1) year after final acceptance by COA. If this Contract is for less than \$150,000, Contractor authorizes COA, in lieu of a bond, to retain 10% of the Contract amount for a period of thirty days after the date of final acceptance, or until receipt of all necessary releases from the department of revenue and the department of labor and industries and settlement of any liens filed under chapter 60.28 RCW, whichever is later: PROVIDED FURTHER, that for contracts of one hundred fifty thousand dollars or less, the public entity may accept a full

payment and performance bond from an individual surety or sureties: AND PROVIDED FURTHER, that the surety must agree to be bound by the laws of the state of Washington and subjected to the jurisdiction of the state of Washington as provided for under RCW 39.08.010.

GC-38 GENERAL PROVISIONS

Modify articles A, B, E, and H to read:

- A. Notices. Any notice or demand desired or required to be given under this Contract shall be in writing and deemed given when personally delivered, sent by facsimile machine, or deposited in the United States Mail (or with an express courier), postage prepaid, sent certified or registered mail, and addressed to the parties as set forth below or to such other address as either party shall have previously designated by such a notice:

City of Anacortes
PO Box 547
Anacortes, WA 98221
Attn: Tiffany Matson

Contractor: Robinson Bros. Constr., Inc.
6150 NE 137th Ave.
Vancouver, WA 98682
Attn: Toland Severson

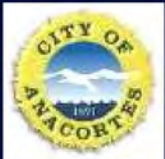
- B. Entire Agreement. This Contract and its attachments contain the entire understanding between COA and Contractor relating to the Project which is the subject of this Contract. This Contract supersedes all prior discussions, negotiations, letters of understanding or other promises whether oral or in writing. Subsequent modification or amendment of this Contract shall be in writing and signed by the parties to this Contract.
- E. Assignment. Neither party shall assign, transfer or otherwise dispose of this Contract in whole or in part to any individual, firm or corporation without the prior written consent of the other party. Subject to the provisions of the preceding sentence, this Contract shall be binding upon and endure to the benefit of the respective successors and assigns of the parties hereto: This Contract is made only for the benefit of COA and the Contractor and successors in interest and no third party or person shall have any rights hereunder whether by agency or as a third party beneficiary.
- H. Jurisdiction/Law. This Contract shall be governed by and construed in accordance with the laws of the State of Washington. Any suit to enforce or relating to this Contract shall be brought in Skagit County Superior Court, Skagit County, Washington.

Water Treatment Plant

Intake Pumps 3 & 4 Replacement

Contract #18-098-WTR-001

CITY OF ANACORTES
PUBLIC WORKS



Vertical turbine pumps

- The Anacortes Water Treatment Plant uses four vertical turbine pumps in a wet well at its intake station.
- The pumps pull raw water from the Skagit River and send it to the plant's treatment facility before distribution to its City of Anacortes and regional customers.



Original Worthington 150-hp pumps

- Commissioned in October 1969
- Rebuilt multiple times
- Pump 1 replaced in 2013 with Ruhrpumpen pump equipped with GE 200-hp motor from PumpTech Inc.
- Pump 2 replaced in 2015 with Goulds pump equipped with US Electric 200-hp motor from Beckwith & Kuffel Inc.
- Both newer pumps have capacity to pump ~ 11,500 gallons per minute
- Older pumps, 3 and 4, have capacity to pump only ~9,000 gpm
- Pumps 3 and 4 also showing signs of failure and in need of replacement



Goulds pump model VIT-FIFM

- Staff proposes replacing pumps 3 and 4 with same Goulds pump as was installed in 2015
- The installation of the Goulds pump was seamless and has had great success in operation
- Upgrading all pumps to 200-hp units will allow plant to meet long-term water system demand

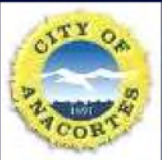


Contract 18-098-WTR-001

- Council approved designating Beckwith & Kuffel Inc. a single source supplier for Goulds pumps at June 18, 2018 meeting
- Total contract price for two new Goulds pumps including sales tax is \$526,526.63
- Contractor shall complete work by February 28, 2019

Questions?

CITY OF ANACORTES PUBLIC WORKS





City Council Contract Agenda Bill

Meeting Date: 7/9/2018 **Agenda Item:** 7c

Subject: Contract Award - WTP Intake Pumps 3 & 4 #18-098-WTR-001

Staff Contact: Fred Buckenmeyer

Approved for Submittal to Council by:
Darcy Swetnam, City Attorney

Action Type: Contract Award

Summary Statement: City staff seeks City Council consent to award a contract in the amount of \$526,526.63 to Beckwith & Kuffel, Inc. to provide and install the WTP Intake Pumps 3 & 4. The project provides for the materials, equipment and labor to install two (2) Goulds pumps, #ZZ-18-01587, at the Water Treatment Plant Intake Station, 14301 Avon Allen Rd, Mount Vernon, WA 98273.

Background:

1. **History:** The Anacortes Water Treatment Plant uses four vertical turbine pumps in a wet well at its Intake Station that pull raw water from the Skagit River and sends it to the plant's treatment facility before distribution to the City of Anacortes and regional customers.

The four original Worthington 150-hp pumps installed at the intake station during its construction were commissioned in October 1969 and had been rebuilt multiple times. Pump 1 was replaced in 2013 with a Ruhrpumpen pump equipped with a GE 200-hp motor from PumpTech Inc. Pump 2 was replaced in 2015 with a Goulds pump equipped with a US Electric 200-hp motor from Beckwith & Kuffel, Inc. The two newer pumps have the capacity of pumping approximately 11,500 gallons per minute. The older pumps with 150-hp motors have a capacity of pumping approximately 9,000 gpm. Pumps 3 and 4 are also showing signs of failure and are in need of replacement.

Upgrading all the pumps from 150-hp to 200-hp units will allow the plant to meet long-term water system demand. Staff is proposing replacing pumps 3 and 4 with the same Goulds pump, model VIT-FUFM, as was installed in 2015, which was installed seamlessly and has had great success in operation.

2. **Key Terms:**
 - Total contract price of \$526,526.63 which includes \$41,248.63 in sales tax.
 - The Contractor shall complete the work by February 28, 2019.
3. **Competitive Bidding:** At the June 18, 2018 Council meeting Resolution 2016 was approved designating Beckwith & Kuffel, Inc. as a single source supplier for two Goulds pumps to be purchased and installed at the Water Treatment Plant's Intake Station.

Previous Council/Committee Action: Single source [Resolution 2016](#) was approved on [6/18/18](#).

Competing Viewpoints Considered: N/A

Recommended Motion: I move that City Council authorize the Mayor to sign a contract 18-098-WTR-001 with Beckwith & Kuffel, Inc. in the amount of \$526,526.63 to perform the WTP Intake Pumps 3 & 4 project.

Alternative Actions: N/A

Attachments: Contract 18-098-WTR-001

Contractor	Beckwith & Kuffel, Inc.
Contract Amount	\$526,526.63
Earmarked Funds	
BARS #	401.000.594.34.63
Budget Amendment Required?	No
Start Date	Inception
End Date	2/28/2019



CONTRACT 18-098-WTR-001

AGREEMENT WITH

Beckwith & Kuffel, Inc.

This Contract is between the City of Anacortes, Washington, a Municipal Corporation (herein after referred to as "City") and Beckwith & Kuffel, Inc. a private contractor at 1313 S. 96th St., Seattle, WA 98108 (herein after referred to as "Contractor").

PROJECT

WTP Intake Pumps 3 & 4

1. Scope of Work: Contractor shall furnish all materials, equipment and labor to install two (2) Goulds pumps, #ZZ-18-01587, at the Water Treatment Plant Intake Station, 14301 Avon Allen Rd, Mount Vernon, WA 98273.

Pump specs:

Goulds 30BHC/1-Stage VIT-FUFM, 521.75"TPL, 200HP
Goulds Vertical Turbine Pump & Motor Assembly
CI/BF Construction, 521.75" Total Pump Length
Chesterton Mech Seal, TNEMEC Coating, 200HP, 900RPM
Rated For: 11,500GPM @ 55'TDH

2. Contract Price: The work under this Agreement shall be performed for a total fixed price of **Five Hundred Twenty-Six Thousand Five Hundred Twenty-Six Dollars and Sixty-Three Cents (\$526,526.63)** which includes \$41,248.63 in sales tax. This includes all labor and materials for the project including pumps, motors, labor, installation, crane, mechanical seal piping, start-up & commission, and freight. Before any payment is made by the City of Anacortes of sums under this contract, the contractor must provide a copy of the statement of *Intent to Pay Prevailing Wage* approved by the Department of Labor and Industries. Pursuant to RCW Chapter 60.28, a sum of five percent (5%) of the monies earned by the contractor will be retained.

3. Bonds: Pursuant to RCW 39.08.010, the Contractor shall provide the City a performance bond and payment bond each for the full contract amount to be in effect as detailed in the incorporated General Provisions. The City may at its option release the bonds once all the conditions of RCW 39.08.010-1a have been discharged.

4. Time of Completion: The Contractor shall complete the work by February 28, 2019.

5. Job Safety: Contractor shall comply with all Department of L&I and City of Anacortes safety standards.

6. Contract Requirements: Contractor must have a contractor license number, insurance, and City of Anacortes business license. **Prevailing Wage Law Applies.**

Forms Needed: 1) Proof of Insurance with Additional Insured Endorsements

2) Intent to Pay Prevailing Wage 3) Affidavit of Wages Paid 4) Performance Bond
5) Payment Bond 6) Certification of Compliance with Wage Payment Statutes

7. Contract Documents: The attached General Provisions are included in this Contract Agreement.

The Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, in respect of all covenants, agreements, and obligations contained in the Contract Documents.

In Witness Whereof, Owner and Contractor have signed two (2) copies of this Contract Agreement. All portions of the Contract Agreement have been signed or identified by the Owner and Contractor.

Owner:

City of Anacortes

Mayor

Date

Contractor:

Beckwith & Kuffel, Inc.

Signature

Printed Name

Date

Contractor License #

1. **Delivery.** Advance coordination of the work shall be made with the Project Manager Jeff Marrs, 360-428-1598.

The Contractor shall:

- a. Deliver the items specified on the Contract to the designated "FOB Point", within the time specified by the City. Timely delivery is of the essence to this Contract.
- b. When shipping item(s) to the City, Contractor shall obtain shipping insurance for the value of the item(s) through the shipping carrier with pre-approval of and at the cost of the City.
- c. Ensure all deliveries are made on a business day, during business hours (Monday through Friday, except City Council designated holidays, from 8:00 am, to 5:00 pm).
- d. Provide, at no additional charge, any equipment, labor, packaging, crating or padding necessary to load, tie down and unload the item(s) to be delivered, so that they may be transported in a normal, safe manner without damage.
- e. Be liable for all risks for the item(s) until accepted by the City. The Contractor is responsible for any freight charges incurred in delivering the item(s) to the "FOB Point." A representative of the City will sign the Contractor's delivery ticket to acknowledge receipt of the item(s) by the City. Unless the Contractor receives such signature, the City shall not be responsible for the receipt of the item(s). The City retains the right to inspect the delivered item(s) prior to acceptance, and shall not accept item(s) that do not conform to the requirements of this Contract.

2. **Subcontracts.** The Contractor shall give notice reasonably in advance of placing any subcontract; preferably the Contractor shall identify subcontracts before subcontracted work begins. "Subcontract" means any contract entered into by a Sub-Contractor to furnish supplies or services for performance of the prime Contractor or a Sub-Contractor. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders. The following information shall be included (i) a description of the supplies or services to be subcontracted, (ii) identification of the type of subcontract to be used (iii) identification of the proposed Sub-Contractor, (iv) proposed subcontract price. Unless consent or approval specifically provides otherwise, consent by the City shall not constitute a determination

- (1) of the acceptability of any subcontract terms or conditions;
- (2) Of the allowability of any cost under this contract, or
- (3) To relieve the Contractor of any responsibility for performing this Contract.

The Contractor shall give immediate written notice per Clause Notices of any action or suit filed and prompt notice of any claim made against the Contractor by any Sub-Contractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the City.

3. **Taxes.** The City will pay sales and use taxes imposed on goods or services acquired hereunder as required by law. The Contractor must pay all other taxes including, but not limited to: Business and Occupation Tax, taxes based on the Contractor's gross or net income, or personal property to which the City does not hold title. The City is exempt from Federal Excise Tax. Where applicable the City shall furnish a Federal Excise Tax Exemption certificate.

4. **Invoicing.** All invoices shall include: Company Name, Invoice Date, Due Date (30 days), Invoice Number, Invoice Period, Project Title, Agreement Number and Price, or Amended Price. The Contractor must invoice **MONTHLY** for quantities delivered during the invoice period. Invoices may be sent by US mail to City of Anacortes, Accounts Payable, PO Box 547, Anacortes, WA 98221, or by email to accountspayable@cityofanacortes.org. Contractors may complete a City furnished ACH/EFT form to receive electronic payments directly to their financial institution.

The City shall notify the Contractor within fifteen (15) calendar days from receipt of invoice if there are any objections or disputes with the invoice. The Contractor shall then resubmit a new invoice less the disputed amount and payment shall be made within 30 calendar days. Any disputed amounts may be submitted under the Disputes clause contained herein.

5. **Withholding Payment.** In the event the City determines that the Contractor has failed to perform any obligation under this Contract within the times set forth in this Contract, then the City may withhold from amounts otherwise due and payable to Contractor the amount determined by the City as necessary to cure the default, until the Contracting Officer determines that such failure to perform has been cured. Withholding under this clause shall not be deemed a breach entitling Contractor to terminate or damages, provided that the City promptly gives notice in writing to the Contractor of the nature of the default or failure to perform, and in no case more than 8 days after it determines to withhold amounts otherwise due. A determination of the Public Works Director set forth in such notice to the Contractor of the action required and/or the amount required to cure any alleged failure to perform shall be deemed conclusive, except to the extent that the Contractor acts within the times and in strict accord with the provisions of the Disputes clause of this Contract. The City may act in accordance with any determination of the Public Works Director which has become conclusive under this clause, without prejudice to any other remedy under the Contract, to take all or any of the following actions: (1) cure any failure or default, (2) to pay any amount so

required to be paid and to charge the same to the account of the Contractor, (3) to set off any amount so paid or incurred from amounts due to become due the Contractor. In the event the Contractor obtains relief upon a claim under the Disputes clause, no penalty or damages shall accrue to Contractor by reason of good faith withholding by the City under this clause.

6. Final Payment: Waiver Of Claim The contractor's acceptance of final payment (excluding withheld retainage) shall constitute a waiver of claims, except those previously and properly made and identified by the contractor as unsettled at the time request for final payment is made.

7. Inspection.

A. Of the Work

All materials furnished and work done shall be subject to inspection. The City Project Manager administering the Contract shall at all times have access to the work wherever it is in progress or being performed, and the Contractor shall provide proper facilities for such access and inspection. Such inspection shall not relieve the Contractor of the responsibility of performing the work correctly, utilizing the best labor and materials in strict accordance with the Specifications of the Contract. All material or work approved and later found to be defective shall be replaced without cost to the City.

B. Project Manager's Authority

The Project Manager shall have power to reject materials or workmanship which do not fulfill the requirements of these Specifications, but in case of dispute the Contractor may appeal to the City Attorney whose decision shall be final. The Contract shall be carried out under the general control of the representative of the City administering the Contract, who may exercise such control over the conduct of the work as may be necessary, in his or her opinion, to safeguard the interest of the City. The Contractor shall comply with any and all orders and instructions given by the representative of the particular Department administering the Contract in accordance with the terms of the Contract. Nothing herein contained, however, shall be taken to relieve the Contractor of his/her obligations or responsibilities under the Contract.

8. Warranty. All materials or equipment provided shall be new, unused, of the latest model or design and of recent manufacture. The Contractor shall return to the project and repair or replace all defects in workmanship and material discovered within one year after Final Acceptance of the Work, including any necessary labor and materials. The Contractor shall start work to remedy any such defects within 7 calendar days of receiving City's written notice of a defect, and shall complete such work within the time stated in the City's notice. In case of an emergency, where damage may result from delay or where loss of services may result, such corrections may be made by the City's own forces or another contractor, in which case the cost of corrections shall be paid by the Contractor. In the event the Contractor does not accomplish corrections within the time specified, the work will be otherwise accomplished and the cost of same shall be paid by the Contractor. When corrections of defects are made, the Contractor shall then be responsible for correcting all defects in workmanship and materials in the corrected work for one year after acceptance of the corrections by City. In addition, the Contractor shall obtain and submit to the City any necessary documentation to secure any extended manufacturer's warranty and warranty terms. This guarantee is supplemental to and does not limit or affect the requirements that the Contractor's work comply with the requirements of the Contract or any other legal rights or remedies of the City.

9. Defense and Indemnity Agreement. The Contractor shall defend, indemnify and hold the City, its appointed and elective officers, officials, employees and volunteers harmless from any and all claims, injuries, including death at any time resulting there from, damages, losses or suits including attorney fees, to the extent caused by negligent acts, errors or omissions of the Contractor in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this Clause shall survive the expiration or termination of this Agreement.

10. Insurance.

A. Insurance Term

The Contractor shall procure and maintain insurance, as required in this Section, without interruption from commencement of the Contractor's work through the term of the contract and for thirty (30) days after the Physical Completion date, unless otherwise indicated herein.

B. No Limitation

The Contractor's maintenance of insurance, its scope of coverage and limits as required herein shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

C. Minimum Scope of Insurance

The Contractor's required insurance shall be of the types and coverage as stated below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be at least as broad as Insurance Services Office (ISO) form CA 00 01.
2. Commercial General Liability insurance shall be as least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide a per project general aggregate limit using ISO form CG 25 03 05 09 or an equivalent endorsement. There shall be no exclusion for liability arising from explosion, collapse or underground property damage. **The City of Anacortes and its officers, elected officials, employees, agents, and volunteers shall be named as an additional insured** under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing at least as broad coverage.
3. Worker's Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

D. Minimum Amounts of Insurance

The Contractor shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and \$2,000,000 products-completed operations aggregate limit.

E. Public Entity Full Availability of Contractor Limits

If the Contractor maintains higher insurance limits than the minimums shown above, the Public Entity shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Contractor, irrespective of whether such limits maintained by the Contractor are greater than those required by this contract or whether any certificate of insurance furnished to the Public Entity evidences limits of liability lower than those maintained by the Contractor.

F. Other Insurance Provision

The Contractor's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

G. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

H. Verification of Coverage

The Contractor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsements, evidencing the insurance requirements of the Contractor before commencement of the work. Upon request by the City, the Contractor shall furnish certified copies of all required insurance policies, including endorsements, required in this contract and evidence of all subcontractors' coverage.

I. Subcontractors' Insurance

The Contractor shall cause each and every Subcontractor to provide insurance coverage that complies with all applicable requirements of the Contractor-provided insurance as set forth herein, except the Contractor shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. The Contractor shall ensure that the City is an additional insured on each and every Subcontractor's Commercial General liability insurance policy using an endorsement at least as broad as ISO CG 20 10 10 01 for ongoing operations and CG 20 37 10 01 for completed operations.

J. Notice of Cancellation

The Contractor shall provide the City and all Additional Insureds for this work with written notice of any policy cancellation within two (2) business days of their receipt of such notice.

K. Failure to Maintain Insurance

Failure on the part of the Contractor to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days notice to the Contractor to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Contractor from the City.

11. Acceptance. Contractor acknowledges and agrees that these General Provisions are incorporated in, and are a part of, each purchase order or other agreement relating to the provision of goods and/or related services by Contractor. These General Provisions supersede all conflicting or additional terms pre-printed on any purchase order, quote, or otherwise set forth on any release, acknowledgement, confirmation, requisition, work order, shipping instruction, specification and similar document or communication.

12. Registered or Licensed Contractor. The City is prohibited by RCW 39.06.010 from executing an Agreement with a Contractor who is not registered or licensed as required by the laws of the state. In addition, the City will require persons doing business with the City to possess a business license.

13. Discrimination Prohibited. Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin or physical handicap.

14. Contractor is an Independent Contractor. The parties intend that an independent Contractor relationship will be created by this Agreement. No agent, employee or representative of the Contractor shall be deemed to be an agent, employee or representative of the City for any purpose. Contractor shall be solely responsible for all acts of its agents, employees, representatives and Sub-Contractors during the performance of this Agreement.

15. The City's Right to Terminate Agreement.**A. Termination for Default**

If the Contractor defaults by failing to perform any of the obligations of the Agreement or becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, the City may, by depositing written notice to the Contractor in the U.S. mail, postage prepaid, terminate the Agreement, and at the City's option, obtain performance of the work elsewhere. If the Agreement is terminated for default, the Contractor shall not be entitled to receive any further payments under the Agreement until the Scope of Services under this Agreement has been fully performed. Any extra cost or damage to the City resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor shall bear any extra expenses incurred by the City in completing the work, including all increased costs for completing the work, and all damage sustained, or which may be sustained by the City by reason of such default. If a notice of termination for default has been issued and it is later determined for any reason that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the Termination for Public Convenience paragraph hereof.

B. Termination for Public Convenience

The City may terminate the Agreement in whole or in part whenever the City determines, in its sole discretion that such termination is in the best interests of the City. Whenever the Agreement is terminated in accordance with this paragraph, the Contractor shall be entitled to payment for actual work performed at unit Agreement prices for completed items of work through the date of termination. An equitable adjustment in the Agreement price for partially completed items of work will be made, but such adjustment shall not include provision for loss of anticipated profit on deleted or uncompleted work. Termination of this Agreement by the City at any time during the term, whether for default or convenience, shall not constitute a breach of Agreement by the City.

16. Changes/Additional Work. The City may engage Contractor to perform services in addition to those listed in this Agreement, and Contractor will be entitled to additional compensation for authorized additional services or materials. The City shall not be liable for additional compensation until and unless any and all additional work and compensation is approved in advance in writing and signed by both parties to this Agreement. If conditions are encountered which are not anticipated in the Scope of Services, the City understands that a revision to the Scope of Services and fees may be required. Provided, however, that nothing in this paragraph shall be interpreted to obligate the Contractor to render or the City to pay for services rendered in excess of the Scope of Services unless or until a modification to this Agreement is approved in writing by both parties.

17. Non-waiver. Waiver by the City of any provision of this Agreement or any time limitation provided for in this Agreement shall not constitute a waiver of any other provision.

18. Covenant Against Contingent Fees. The Contractor warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for the Contractor, to solicit or secure this Agreement, and that he has not paid or agreed to pay any company or person, other than a bona fide employee

working solely for the Contractor, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award of making of this Agreement. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability or, in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

19. Disputes

A. General

Differences between the Contractor and the City, arising under and by virtue of this Agreement shall be brought to the attention of the City at the earliest possible time in order that such matters may be settled or other appropriate action promptly taken. The provisions of this Clause shall survive the expiration or termination of this Agreement.

B. Notice of Potential Claims

The Contractor shall not be entitled to additional compensation which otherwise may be payable, or to extension of time for (1) any act or failure to act by the City, or (2) the happening of any event or occurrence, unless the Contractor has given the City a written Notice of Potential Claim within 10 days of the commencement of the act, failure, or event giving rise to the claim, and before final payment by the City. The written Notice of Potential Claim shall set forth the reasons for which the Contractor believes additional compensation or extension of time is due, the nature of the cost involved, and insofar as possible, the amount of the potential claim. Contractor shall keep full and complete daily records of the Work performed, labor and all costs and additional time claimed to be additional.

C. Detailed Claim

The Contractor shall not be entitled to claim any such additional compensation, or extension of time, unless within 30 days of the accomplishment of the portion of the work from which the claim arose, and before final payment by the City, the Contractor has given the City a detailed written statement of each element of cost or other compensation requested and of all elements of additional time required, and copies of any supporting documents evidencing the amount or the extension of time claimed to be due.

D. Dispute Resolution

In the event of a dispute between the City and the Contractor arising out of this Agreement, or any obligation hereunder the dispute shall first be referred to the representatives designated by the City and the Contractor to have oversight over the administration of this Agreement. Said representatives shall meet within thirty (30) calendar days of receipt of detailed claim, and the parties shall make a good faith effort to achieve a resolution of the dispute.

In the event the parties are unable to resolve the dispute under the procedure set forth above, then the parties hereby agree that the matter shall be referred to mediation. The parties shall mutually agree upon a mediator to assist them in resolving their differences. Any expenses incidental to mediation shall be borne equally by the parties. If either party is dissatisfied with the outcome of the mediation, that party may then pursue any available judicial remedies.

20. Force Majeure. Definition: Except for payment of sums due, neither party shall be liable to the other or deemed in default under this Agreement if and to the extent that such party's performance of this Agreement is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and could not have been avoided by exercising reasonable diligence. Force majeure shall include acts of God, war, riots, strikes, fire, floods, epidemics, or other similar occurrences. Notification: If either party is delayed by force majeure, said party shall provide written notification within forty-eight (48) hours. The notification shall provide evidence of the force majeure to the satisfaction of the other party. Such delay shall cease as soon as practicable and written notification of same shall be provided. The time of completion shall be extended by Agreement modification for a period of time equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this Agreement. Rights Reserved: The City reserves the right to cancel the Agreement and/or purchase materials, equipment or services from the best available source during the time of force majeure, and Contractor shall have no recourse against the City.

21. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Washington. Any action brought under the Agreement or relating to the Project shall be brought in the Superior Court of the State of Washington in Skagit County Washington.

22. Compliance with Laws. The Contractor in the performance of this Agreement shall comply with all applicable Federal, State or local laws and ordinances, including regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in the Agreement to assure quality of services. Contractor will follow all applicable laws and requirements for excavation and disposal of material.

23. Severability. If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Agreement are declared severable.

24. Survival of Contract Termination. The provisions of the following paragraphs, the provisions of the non collusion affidavit, and the liability of the Contractor for default during the term of the Contract shall survive, notwithstanding the termination or invalidity of this Contract for any reason: Taxes; Warranty; The City's Right to Terminate Contract; Governing Law; Defense & Indemnity Agreement; Disputes.

25. Performance and Payment Bonds. The City is required by RCW 39.08.010, with limited exceptions, to obtain both a Performance and a Payment bond for each public works project. The City requires separate Performance and Payment bonds for 100% of the contract amount furnished on bond forms standardized by the City Attorney's office. The bonds must meet the following provisions:

- Be for the full amount of the project, including tax.
- Name City of Anacortes as the obligee.
- List the correct Project Name and Project Number.
- Be signed by both the surety (the Attorney in Fact) and the Contractor.
- Be issued by a surety authorized to do business in the State of Washington (listed on the Insurance Commissioners website) and which meets the AM Best Rating required in the Contract Documents. If no requirement exists, a minimum of AM Best Rating A-7 or better will be required.

Release of Bonds

Bonds will not be released until the project has been completed and finally accepted.

Performance Bonds – Performance Bonds will be released at the end of the warranty period or six months after the date of final acceptance, whichever is later. The City may at its option release the bond once all the conditions of RCW 39.08.010-1a have been discharged.

Payment Bonds – Payment Bonds will be released either 45 days after final acceptance of the project or upon receipt of releases from the Department of Revenue, Department of Employment Security and the Department of Labor and Industries, whichever is later. Release is contingent on the fact that no claims against the bond have been filed prior to the 45 day mark. If claims have been filed against the bond, it will not be released until the claims have been resolved.

26. Retainage. Pursuant to RCW Chapter 60.28, a sum of five percent (5%) of the monies earned by the Contractor will be retained. The Contractor may elect to execute a Retainage Bond. The bond must be furnished on a bond form standardized by the City Attorney's office and issued by a surety currently authorized by the State Insurance Commissioner to do business in Washington State.

Retainage will be released **45 days after final acceptance**, provided that the following has occurred:

- 1) All liens placed against the project have been released. For projects over \$35,000, releases from the Department of Labor and Industries, Department of Employment Security and the Department of Revenue will also be required.
- 2) Affidavits of Wages paid for the final correct contract amount are approved and on file for the Contractor and any subcontractors.
- 3) Worker's Compensation Premiums for the Contractor and any subcontractors are current.

27. WASHINGTON STATE PREVAILING WAGES

Washington State Prevailing Wages apply to all Work. The Contractor and any of its Subcontractors are required to pay their laborers and mechanics minimum wage in compliance with Washington State Prevailing Wage Laws. The applicable provisions are as follows:

Before any payment is made by the City of Anacortes of any sums under this contract, the contractor and each subcontractor must provide the City with a copy of the statement of *Intent to Pay Prevailing Wages* approved by the Washington State Department of Labor and Industries (L&I).

Following contract completion, the City will not release any funds retained, according to the provisions of RCW 60.28.010, until the contractor and each subcontractor has provided the City a copy of the *Affidavit of Wages Paid* approved by L&I. L&I provides the wage forms. Payment by the contractor or subcontractor of any fees are incidental to the project and all costs shall be included in other pay items of the project.

For contracts in excess of \$10,000, the contractor must post in a conspicuous place at the job site, a copy of the statement of *Intent to Pay Prevailing Wages* approved by L&I and the address and phone number of the Industrial

Statistician where complaints or inquires may be made. The City will refer any dispute regarding the prevailing rate of wage to L&I for arbitration.

The State of Washington prevailing wage rates applicable for this public works project, which is located in Skagit County, may be found at the following website address of the Department of Labor and Industries: <https://fortress.wa.gov/lni/wagelookup/prvwagelookup.aspx>. The prevailing wage schedule in effect for the work under the contract will be the one in effect upon the date of execution of the contract. A copy of the applicable prevailing wage rates are also available for viewing at the office of the Owner, located at 904 6th Street, Anacortes, WA. Upon request, the Owner will mail a hard copy of the applicable prevailing wages for this project.

CONTRACT MODIFICATION TO COMPULINK MANAGEMENT CENTER, INC. (LASERFICHE) AGREEMENT

JULY 9, 2018

DISCUSSION OVERVIEW

- PART ONE: Contract modification
- PART TWO: Laserfiche update and demonstration



LASERFICHE CONTRACT



ORIGINAL CONTRACT

- Purchase of Laserfiche Rio
 - 35 User Licenses
 - Includes WebLink (public portal) and Forms essentials
 - 25 floating public licenses
- 60 hours of implementation support and training
- Contract price: Not to exceed \$89,903.10
- We have expended 74% of contractor hours in original contract
- We have completed approximately 80% of the original scope of work

CONTRACT MODIFICATION

- Staff and Cities Digital determined the City needs Laserfiche Connector utility to allow Laserfiche to integrate with Eden accounting software
- Laserfiche Connector will also allow interface with other SQL-based and web-based applications (e.g. ARC GIS)
- No extension to contract term

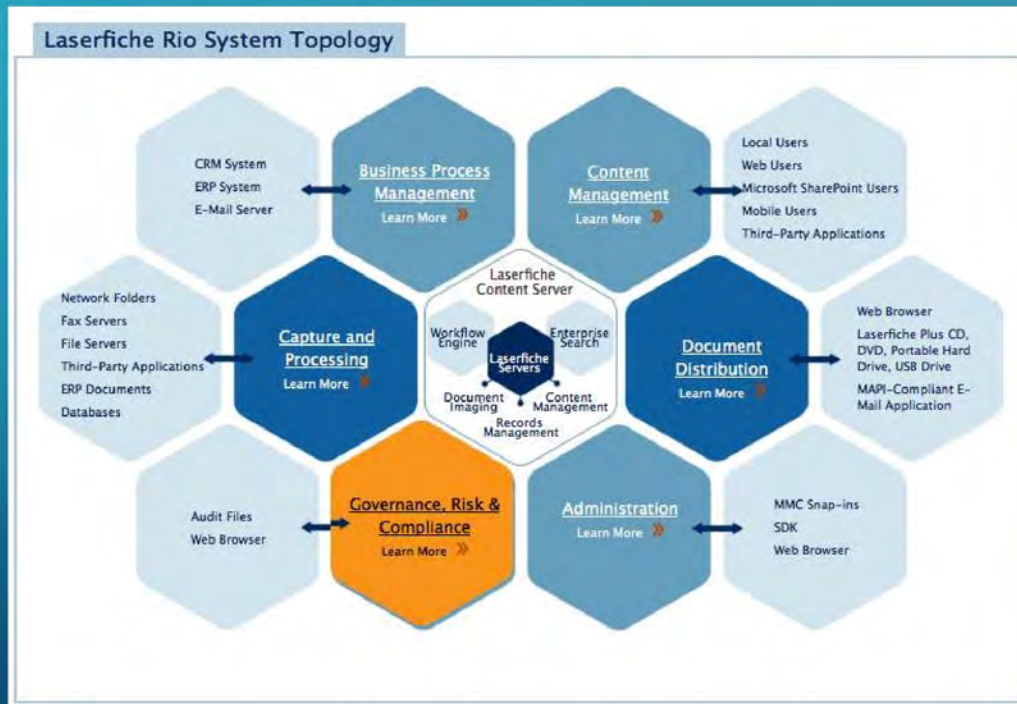
BUDGET IMPACT OF MODIFICATION

- Purchase of hardware and software:
 - Approved in 2017-2018 biennial budget for 2018
 - 001.220.518.80.41: \$108,500 to purchase Electronic Records Management System
- Original Contract price: \$89,903.10
- Modification Amount: \$1,965.44
- Total with Modification: \$91,868.54
- Amount already paid on Contract: \$80,112.06

LASERFICHE UPDATE



WHAT IS LASERFICHE AGAIN?



- Software to more efficiently manage records and information
- Allows structured information to be easily defined and shared across multiple teams
- Will provide the City:
 - Enterprise content management
 - Business process automation
 - Productivity-boosting analytics

WHY IS LASERFICHE A GOOD IDEA?

- Easily capture and digitize City records
- Legal compliance
- Standardize storage and location of records
- Full-text search and retrieval of content
- Web portal access to records
- Develop and automate business processes
- Track details about records to meet new legal requirements
- Security and auditing features on a granular level

ORIGINAL IMPLEMENTATION STRATEGY

- Implementation team leads:
 - Marcia Hunt, Legal
 - Jessica Lewallen, IT
- Phased Approach:
 - Implement one Department at a time
 - Begin with City Clerk, Legal, HR, Finance
 - Purchase only 35 licenses initially to cover first year of implementation
 - Purchase approx. 35 additional licenses in the '19-'20 budget for full implementation
- Build separate server and repository for Departments with CJIS information (Police, Prosecutor, PD, Courts) and HIPAA covered data (EMS)
- Focus on current records moving forward
- Evaluate incorporation of past records on a case-by-case basis

WHERE ARE WE NOW?



IMPLEMENTATION UPDATE: SOFTWARE

- Software installed, configured and tested
 - Laserfiche components distributed across six City servers
 - Citywide document repository established
 - CJIS/HIPAA secure repository will follow in 2019
 - Redundant backup verified
 - User permissions established and verified
 - Automated OCR and table update processes established and verified
 - Key user training complete

IMPLEMENTATION UPDATE: RETENTION SCHEDULES

- Local Government Records Retention Schedules Established and Activated
 - Installed from Cities Digital
 - CORE (Common Records Retention)
 - Land Use Planning and Permitting
 - Law Enforcement
 - Built by Team LF
 - Animal Services
 - Fire and Emergency Medical Records
 - Parks and Recreation
 - Utility Services



Office of the Secretary of State
Washington State Archives

Local Government Common Records Retention Schedule (CORE)
Version 4.0 (May 2017)

1.8 LEGAL AFFAIRS

The activity of providing legal counsel and managing litigation for the local government agency. Includes internal and outside counsel.

IMPORTANT: Criminal and civil cases filed on behalf of "the People of" the cities, counties, or the State of Washington, are covered in the [Prosecuting Attorney Records Retention Schedule](#).

DISPOSITION AUTHORITY NUMBER (DAN)	DESCRIPTION OF RECORDS	RETENTION AND DISPOSITION ACTION	DESIGNATION
G552-07-03 Rev. 1	Legal Advice, Analysis, and Opinions – Development Records relating to the development of legal advice and analysis of the law. Includes, but is not limited to: • Preliminary drafts; • Comments on preliminary drafts; • Related correspondence/communications.	Retain until issuance of advice/opinion then Destroy.	NON-ARCHIVAL NON-ESSENTIAL OFM
G553-02-03 Rev. 2	Legal Advice, Analysis, and Opinions – Official Records relating to the provision of legal advice, opinions and interpretations in the process of acting as legal counsel for the agency or any of its departments/offices, where the advice/analysis/opinions are <u>not</u> retained and dispositioned with other agency records to which they relate. Excludes records covered by Legal Advice, Analysis and Opinions – Development (DAN G552-07-03).	Retain for 10 years after issuance of advice/opinion then Transfer to Washington State Archives for appraisal and selective retention.	ARCHIVAL (Appraisal Required) NON-ESSENTIAL OPR
G553-02-05 Rev. 1	Legal Advice, Analysis, and Opinions – Secondary Copies Records relating to the provision of legal advice, opinions and interpretations in the process of acting as legal counsel for the agency or any of its departments/offices, where the advice/analysis/opinions <u>are</u> retained and dispositioned with the agency records to which they relate. Excludes records covered by Legal Advice, Analysis and Opinions – Development (DAN G552-07-03).	Retain until no longer needed for agency business then Destroy.	NON-ARCHIVAL NON-ESSENTIAL OFM

IMPLEMENTATION UPDATE: REAL TIME USE

- Real time business processes migrated to Laserfiche
 - City Clerk
 - City Council meeting documents
 - Planning Commission meeting documents
 - City Council legislation
 - Public Notices
 - Legal Department
 - Contracts
 - Claims
 - Public Records Requests
 - Information Systems



IMPLEMENTATION: RECORD MIGRATION

- Record migration for archival documents and documents with significant retention periods
 - Ordinances – 3024 total spanning years 1890 - 2018
 - Resolutions – 2149 spanning years 1901 - 2018
 - City Council meeting packets and minutes
 - Planning Commission meeting packets and minutes
 - Contracts – 460 contract files migrated to date



IMPLEMENTATION UPDATE: NEXT STEPS

- **Electronic contract routing**, approval and signature in July
 - Significant savings of time, cost, and resources
- Continue development of real time processing and migration of archival documents for **HR**
- Begin implementing real time processing and migration of archival documents for **Finance Department** (with Laserfiche Connector)
- Apply for **Local Records grant** to support scanning of engineering archives

ROI IS REAL!

- Records are scanned once, stored once, easy to locate, and filed from inception according to state records retention requirements
- Growing document repository is available 24/7 from any location
 - Web-based repository access for staff goes live in July
 - Search for and view city records from the field subject to permissions
 - Public Portal previewing now at docs.cityofanacortes.org!
 - Transparent public access to designated records *automatically*
 - No staff time spent separately posting and updating documents to the website

QUESTIONS?





City Council Contract Agenda Bill

Meeting Date: 7/9/2018 **Agenda Item:** 7d

Subject: Contract Modification – Laserfiche Contract 2017-013-WA011

Staff Contact: Darcy Swetnam

Approved for Submittal to Council by:
Darcy Swetnam, City Attorney

Action Type: Contract Modification

Summary Statement: City staff seeks Council consent to issue a contract modification to Compulink Management Center, Inc., dba Laserfiche, in the amount of \$1,965.44, increasing the total contract price to \$91,868.54, to purchase additional products within the scope of the Technology Solution Contract, specifically the Laserfiche Connector utility which will integrate Laserfiche with the Agency's existing Eden accounting software as well as other line of business applications. The connector utility will allow the City's Laserfiche implementation to proceed in the Finance Department.

Background:

1. **Reason for Contract Change:** The Laserfiche Connector utility which will integrate Laserfiche with the Agency's existing Eden accounting software as well as other line of business applications. The connector utility will allow the City's Laserfiche implementation to proceed in the Finance Department.
2. **History:** After nearly two years of exploring and researching enterprise content management solutions to improve the City's management of public records and work processes the City selected the Laserfiche enterprise content management solution with Compulink Management Center, Inc. The project has been spearheaded by the City Attorney's Office in conjunction with the Public Records Committee.
3. **Key Terms:** Increase of \$1,965.44, no addition to the term of agreement
4. **Competitive Bidding:** Compulink Management Center, Inc. holds a master contract with the Washington State Department of Enterprise Services (DES) (Master Contract Number 07814-001). The City has a Master Contracts Usage Agreement with DES, which allows the City to piggyback on state master contracts. Therefore, the City may contract directly with Compulink Management Center with no further competitive bidding requirements.

Previous Council/Committee Action: City Council awarded the [original contract](#) on [January 22, 2018](#).

Competing Viewpoints Considered: N/A

Recommended Motion: I move that City Council authorize the Mayor to sign a contract modification with Compulink Management Center, Inc., dba Laserfiche, in the amount of \$1,965.44, increasing the total contract price to \$91,868.54, under contract 2017-013-WA011.

Alternative Actions: N/A

Attachments: Contract 2017-013-WA011 Modification 01

Consultant	Compulink Management Center, Inc., dba Laserfiche
Original Agreement Amount	\$89,903.10
Current Agreement Amount	\$89,903.10
Change Per this Modification	\$ 1,965.44
Total After Modification	\$91,868.54
Earmarked Funds	\$108,500.00
BARS #	001.220.518.80.41
Paid on Contract as of 7/2/18	\$80,112.06
Budget Amendment Required?	No
Start Date	Inception
End Date	1/26/2021



Technology Solution Contract Number 2017-013-WA011
MODIFICATION 01

Date July 10, 2018

Page 1 of 1 Page

Project Title **Technology Solution Contract: Laserfiche**

Prime Contractor **Compulink Management Center, Inc. dba Laserfiche**

BACKGROUND

In accordance with paragraph 1, Term, and paragraph 6, Modifications, of the referenced Contract, the City of Anacortes (Agency) wishes to purchase additional products within the scope of the Technology Solution Contract, specifically the Laserfiche Connector utility which will integrate Laserfiche with the Agency's existing Eden accounting software as well as other line of business applications. Accordingly, the contract price is increased from \$89,903.10 by \$1,965.44 to \$91,868.54.

Accordingly, the following changes are incorporated under this contract:

Article 2. Price Schedule and Fees, change the first sentence of the first paragraph to read:

"Total compensation payable to Contractor for products purchased for Phase 1 shall not exceed ninety-one thousand eight hundred sixty-eight dollars and fifty-four cents (\$91,868.54) as shown in Schedules A and C."

Article 2. Price Schedule and Fees, insert the following third paragraph:

"The Contractor's Estimate No. 7152 dated 5/31/2018 shall be attached and incorporated herein as Schedule C."

All other terms of the contract remain unchanged.

CITY OF ANACORTES

**COMPULINK MANAGEMENT CENTER, INC.
DBA LASERFICHE**

By _____
Laurie Gere, Mayor

By _____
Peter Wayman, Vice President

Date _____

Date _____

Original Agreement Amount	\$89,903.10	Original Contract Completion Date	1/26/21
Current Agreement Amount	\$89,903.10	Current Contract Completion Date	1/26/21
Change Per this Modification	\$ 1,965.44	Net Change	0
Total After Modification	\$91,868.54	Contract Completion Date After Change	1/26/21



CITIES DIGITAL
TAKE INFORMATION FURTHER

2000 O'Neil Road Suite 150
Hudson, WI 54016

Technology Solution Contract Number 2017-013-WA011, Schedule C

Estimate

Date	Estimate #
5/31/2018	7152

Name / Address

City of Anacortes
P.O. Box 410
Anacortes, WA 98221

Cities Digital, Inc.
2000 O'Neil Road Suite 150
Hudson, WI 54016

P.855.714.2800
F.866.592.7343
E.sales@citiesdigital.com

				Rep
				PW
Item	Description	Qty	Cost	Total
ECNC	SOFTWARE Laserfiche RIO Connector (5% add-on)	35	45.00	1,575.00T
ECNCB	ANNUAL MAINTENANCE Laserfiche RIO Connector Annual Maintenance (5% add-on)	26.2739	9.00	236.47T

Subtotal	\$1,811.47
Sales Tax (8.5%)	\$153.97
Total	\$1,965.44

RESOLUTION 2017: TBD .02% SALES TAX INITIATIVE

July 9, 2018



BACKGROUND

- Council considered potential .02% sales tax initiative at June 4, 2018 Council meeting
 - Council expressed general support for moving forward with voter initiative on .02% sales tax
 - No consensus was reached on funding priorities or mechanisms for pavement management plan
- Council Finance Committee considered options at June 6, 2018 meeting
- CFC directed staff to prepare two resolutions
 - Resolution 2017: TBD Resolution providing for a ballot proposition to authorize .02% sales and use tax
 - Resolution 2018: Adopting new policy concerning budget allocations for street improvement projects and repealing \$20 TBD car tab fee

PAVEMENT MANAGEMENT FUNDING TIMELINE

July 9, 2018: Discuss and adopt Res 2017 authorizing .02% sales tax initiative

July 9, 2018: Discuss Res 2018 on revenue sources and pavement management in annual budget

July 16, 2018: Finalize and authorize Res 2018

August 7, 2018: Due date for Res 2017 to County Elections Supervisor

November 15, 2018: General Election on .02% sales tax initiative

January 1, 2019: If approved, .02% sales tax goes into effect

March 1, 2019: \$20 TBD license fee repealed *

March 30, 2019: If approved, first .02% sales tax receipted *

RESOLUTION 2017

- City Council is the governing body of the Anacortes Transportation Benefit District
- RCW 36.73.040(3)(a) authorizes
 - TBDs to impose sales and use tax
 - Not to exceed 0.2%
 - For 10 years
 - Upon favorable vote of qualified electors
- Transportation improvements must be in
 - Pavement management program;
 - 6-year CIP; OR
 - Transportation element of comp plan
- Ballot Proposition with language to be included in ballot

Additional Considerations

- Adoption of Resolution 2017 can happen before adoption of Resolution 2018
- RCW 42.17A.555 prohibits use of public resources to support or oppose a ballot measure or election campaign
 - Broadly-interpreted prohibition includes staff time, equipment, facilities, publications, supplies, etc.
 - Limited exceptions apply

Questions?

Thank you!



Hunt, Marcia

From: Hoglund, Steve
Sent: Monday, July 9, 2018 8:36 AM
To: Hunt, Marcia
Subject: FW: Resolution 2017 and 2018 at July 9 Council Meeting

Steve
360-293-1906

From: Dennis Clark <dennisbclark@hotmail.com>
Sent: Sunday, July 8, 2018 6:03 PM
To: Walters, Ryan (Anacortes City Council) <ryanw@cityofanacortes.org>; Adams, Brad <brada@cityofanacortes.org>; Johnson, Eric <ericj@cityofanacortes.org>; Miller, Matt <mattm@cityofanacortes.org>; McDougall, Bruce <BruceM@cityofanacortes.org>; Lovelett, Liz <lovelettl@cityofanacortes.org>; Young, Anthony <anthony@cityofanacortes.org>
Cc: Gere, Laurie <laurieg@cityofanacortes.org>; Hoglund, Steve <steveh@cityofanacortes.org>; Buckenmeyer, Fred <fredb@cityofanacortes.org>
Subject: Resolution 2017 and 2018 at July 9 Council Meeting

I cannot attend the July 9 council meeting and am submitting these comments in lieu of public testimony. Two points:

- 1) I strongly support improving the condition of city streets. Proper maintenance was slashed during the Great Recession. It is critical to make the "catch up" investment to restore this critical city infrastructure. I believe that the current study showing that \$1.1 million annually is insufficient in the long run is probably correct. Moreover, I think that the \$1.1 million per year since 2014 has been well-spent; the City has my confidence that a further \$500,000 will be well-spent as well. **Therefore, I support the intent of Resolution 2018 to increase funding to \$1.6 million per year.**
- 2) I have concerns about how you are proposing to pay for the necessary increased investment in our streets.

Good streets are the classic "public good": everyone benefits from them directly and indirectly and it's hard to charge the user for individual use/impact. Good roads are more like public safety and fire protection than water/sewer/garbage. For that reason, they *largely* should be paid for with general revenue funds as opposed to user fees. Car tabs are a fairly inequitable user fee: the \$20 fee is charged to all vehicle owners regardless of miles driven or weight impacts on pavement. They also exclude visitors/commuters. Nonetheless, in 2016, I supported the \$20 car tab because the funding shortfall was so substantial and because it supplemented – but was not the majority – of the funding needed.

Providing good streets to meet the majority of the community's transportation needs is a city government responsibility and, in my view, among the most important. By proposing to fund over half – 56% – of city street maintenance with a voter-approved sales tax increase says that you believe that a big part of the task of maintaining city streets is no longer as important as other things we pay for

collectively. Before the Great Recession, as far as I can tell, Anacortes streets were maintained without recourse to voter-approved sources of revenue. Now, however, you are proposing to fund only 44% of the need with existing resources: general revenue (\$200,000), REET (\$250,000), and utility tax (\$283,000). Going with a ballot initiative says, in effect, “We think there’s nothing less important in the \$61 million biennial budget that we could forego to make up the difference.”

In my view, good streets are a better use of our tax dollars than “nice-to-have” amenities such as new recreational trails, a community center, a city-port conference center, or new pool(s) (the latter, admittedly, not on the city’s “to do” list but still a big claim on public resources). I am concerned that if we voters approve the sales tax increase for streets that a year or two hence, the council will suddenly find sufficient general revenue funds for one of these new initiatives and, even worse, zero out the rather paltry \$200,000 (just 12.5% of \$1.6 million) now proposed for the general fund contribution to street maintenance. I observed the City of Seattle perfect this approach of using general fund revenues for “nice-to-have” amenities and interest group pet projects and instead rely on ballot initiatives to fund essential city services such as maintaining critical bridges and replacing fire stations. This is not a model of good government that Anacortes should follow.

Put another way, I trust my elected representatives to make careful decisions about using our shared resources to pay for *essential* public services that benefit the *entire community*, as streets do. Ballot measures (direct democracy) should be used only to ask the public to contribute *additional* tax dollars to pay for truly *optional* amenities, particularly those that benefit the few rather than the many.

Based on the foregoing, I would ask the Council to consider an approach that relies on a 0.1% sales tax increase instead of the proposed 0.2% and makes up the difference (\$470,000) with budget cuts/revenue growth in the general fund.

I commend the City leadership for remaining focused on the street maintenance issue since 2014 and city staff for getting the job done, literally, “on the ground.”

Thank you for your service.

Dennis Clark
3805 M Avenue
Anacortes



City Council Agenda Bill

Meeting Date: 7/9/2018

Agenda Item: 7e

Subject: Resolution 2017 – TBD 0.2% Sales Tax Resolution

Staff Contact: Steve Hoglund, Darcy Swetnam, Eric Shjarback

Approved for Submittal to Council by	
x	Laurie Gere, Mayor
x	Steve Hoglund, Finance Director
x	Darcy Swetnam, City Attorney

Action Type	
	Ordinance No.
	Code Revision?
x	Resolution No. 2017
	Contract
	Public Hearing
	Staff Report

Summary Statement: Attached is the proposed resolution to get the 0.2% sales tax for TBD funding on the November 7, 2018 general election ballot.

Background: City Council considered options for funding the pavement management program at the June 4, 2018 City Council meeting. Staff provided information on two main funding models: 1) increase the TBD local car tab fee from \$20 to \$40 or 2) submit to the voters an initiative to establish a 0.2% sales tax to fund the TBD. City Council asked staff to proceed with a resolution to get the 0.2% sales tax on the November general election ballot.

Budget Impact	
Amount Budgeted	
Budget Account (BARS)	
Proposed Expenditure	
Budget Amendment Required?	
Revenue Source	

Proposed Contract	
Contractor	
Amount	
Start Date	
End Date	

Previous Council/Committee Action: [June 4, 2018](#)

Competing Viewpoints Considered: 1) Proceed with increasing the car tab from \$20 to \$40 annually to fund the TBD. 2) Find other funding mechanisms to support the pavement management program.

Recommended Motion: I move we adopt Resolution 2017, a resolution of the Anacortes Transportation Benefit District providing for a ballot proposition to be submitted to the voters in the November 2018 general election to authorize a sales and use tax in the TBD in the amount of 0.2% for financing transportation improvement within the district.

Alternative Actions: 1) Increase the car tab from \$20 to \$40. 2) Do nothing at this time and consider additional options.

Attachments (listed in order presented): Proposed Resolution 2017

RESOLUTION NO. 2017

A RESOLUTION OF THE ANACORTES TRANSPORTATION BENEFIT DISTRICT CALLING FOR A SPECIAL ELECTION AND PROVIDING FOR A BALLOT PROPOSITION TO BE SUBMITTED TO THE QUALIFIED ELECTORS OF THE DISTRICT ON NOVEMBER 6, 2018, TO AUTHORIZE A SALES AND USE TAX TO BE IMPOSED WITHIN THE BOUNDARIES OF THE DISTRICT UPON ALL TAXABLE RETAIL SALES AND USES IN THE AMOUNT OF TWO-TENTHS OF ONE PERCENT (0.2%) FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COSTS ASSOCIATED WITH TRANSPORTATION IMPROVEMENTS IN THE DISTRICT IDENTIFIED HEREIN FOR A PERIOD OF TEN YEARS.

WHEREAS, RCW 35.21.225 authorizes cities to establish transportation benefit districts subject to the provisions of RCW 36.73; and

WHEREAS, the City of Anacortes (the “City”) approved Ordinance Number 2926 on July 21, 2014, establishing the City of Anacortes Transportation Benefit District (the “District”); and

WHEREAS, Ordinance Number 2926 in conjunction with Resolution 1985 adopted on July 21, 2014, establish a policy for funding and prioritizing pavement maintenance and overlay projects and provided that funds generated by the District shall be used for transportation improvements that preserve, maintain, and operate the planned and existing transportation infrastructure of the City or District, consistent with the requirements of RCW 36.73; and

WHEREAS, the City approved Ordinance Number 2967 on January 4, 2016 to provide that the City Council would thereafter assume the rights, powers, functions and obligations of the governing board of the District, thereby abolishing the board; and

WHEREAS, RCW 36.73.040(3)(a) authorizes transportation benefit districts to impose a sales and use tax in accordance with RCW 82.14.0455 in an amount not to exceed two-tenths of one percent (0.2%) for a period of ten years upon a favorable vote of the qualified electors within the District for the purpose of financing certain transportation improvements; and

WHEREAS, the City of Anacortes identified a sales and use tax imposed in accordance with RCW 82.14.0455, as well as any other lawful funding sources available to the District pursuant to RCW 36.73.040, as funding sources available to the Anacortes Transportation Benefit District; and

WHEREAS, if approved by the voters, the sales and use tax will apply to persons who shop and thereby use the roads in the City and not just to City residents; and

WHEREAS, if approved by the voters, revenues from a sales and use tax would be used entirely to fund transportation improvements in the District as identified in the Transportation Element of the City's Comprehensive Plan and in the City's Six Year Capital Improvement Plan ("CIP") which includes the preservation, maintenance, operation and/or improvement of existing transportation infrastructure of the City; and

WHEREAS, the City Council considered this matter at a regular City Council meeting, has given this matter careful review and consideration, and find that good government and the best interests of the District will be served by passage of this resolution.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Anacortes, Washington, as follows:

Section 1. Findings. The City Council, as the governing board of the Anacortes Transportation Benefit District, finds that it is in the best interests of the District to submit to the qualified voters of the District, at a general election to be held on November 6, 2018, a proposition authorizing the District to impose a sales and use tax of two-tenths of one percent (0.2%) pursuant to RCW 36.73.040(3)(a), 36.73.065(1) and 82.14.0455 for the purpose of raising revenue to acquire, invest in, construct, improve, provide, operate, secure right-of-way or easement for transportation related facilities, preserve, maintain and/or fund transportation improvements in the District, and to impose such sales and use tax if approved by an affirmative vote of a majority of the district voters voting in the election.

Section 2. Description of transportation improvements. The transportation improvements carried out with the sales and use tax revenues must be projects or programs contained in the City's pavement management program, the City of Anacortes's Six Year Capital Improvement Plan and/or the City of Anacortes's Transportation Element of the Comprehensive Plan, all associated maintenance, operation, labor, material, and equipment required for these projects and programs, and include the preservation, maintenance, operation and/or improvement of existing transportation infrastructure of the City.

The cost of all construction, maintenance, preservation, operation, design, engineering, construction management, financial, legal, and other consulting services, inspection and testing, administrative and relocation expenses, and other costs incurred in connection with the foregoing described transportation improvement projects shall be deemed to be a part of the transportation improvements.

Section 3. Ballot Proposition. The Skagit County Auditor as ex officio supervisor of elections in Skagit County, Washington is hereby requested to call and conduct such election to be held within the District on November 6, 2018 and to submit to the qualified electors of the District for their approval or rejection a proposition to impose a sales and use tax to be levied in the amount

of two-tenth of one percent (0.2%) of the selling price in the case of a sales tax or value of the article used in the case of the use tax. The sales and use tax authorized by this section is in addition to any other taxes authorized by law and shall be collected from those persons who are taxable by the State of Washington under Chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the boundaries of the District and shall be imposed for a period of not more than ten years from its first date of collection. Upon approval of the voters of the proposition hereinafter set forth the District may use proceeds of such sales and use tax for the purposes described in this resolution. The Finance Director, acting as the City Clerk, is hereby authorized and directed to certify no later than August 7, 2018, to the Elections Supervisor a copy of this resolution and following proposition to be submitted to the qualified electors at that election, in substantially the following form:

ANACORTES TRANSPORTATION BENEFIT DISTRICT

ANACORTES, WASHINGTON

SALES AND USE TAX FOR TRANSPORTATION IMPROVEMENTS

The City Council of Anacortes, Washington adopted Resolution Number 2017 concerning a sales and use tax to fund transportation improvements within the Anacortes Transportation Benefit District. The proposition would authorize a sales and use tax of two-tenths of one percent (0.2%) of all taxable retail sales within the Anacortes Transportation Benefit District, in accordance with RCW 82.14.0455, for a period of ten years. Such revenues would fund the following transportation improvements: street preservation and maintenance, including: repaving and repairing streets; and improvement projects further identified in the City's Capital Improvement Plan and/or Transportation Element of the Comprehensive Plan.

Should this proposition be approved?

YES.....☐

NO.....☐

For purposes of receiving notice of the exact language of the ballot proposition required by RCW 29A.36.080, the City Council hereby designates: (a) the Finance Director; and (b) the City Attorney, as the individuals to whom such notice should be provided. The Finance Director and

City Attorney are each authorized individually to approve changes to the ballot title, if any, deemed necessary by the Director of Elections.

The Finance Director is authorized to make necessary clerical corrections to this resolution including but not limited to, the correction of scrivener's or clerical errors, references, resolution numbering, section/subsection numbers, and any reference thereto.

The proper Transportation Benefit District officials are authorized to perform such duties as are necessary or required by law to submit the question of whether the sales and use tax shall be imposed, as provided in this resolution, to the electors of the District at the November 6, 2018 election.

Section 4. Severability. If any provision of this resolution shall be declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be separable from the remaining provisions and shall in no way affect the validity of the other provisions, or of the imposition or collection of the tax authorized herein.

INTRODUCED, PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ANACORTES on this ____ day of _____, 2018.

LAURIE M. GERE, MAYOR

Approved as to form and legality:

Darcy Swetnam, WSBA #40530
City Attorney

ATTEST:

Steve D. Hoglund, City Clerk Treasurer

PAVEMENT MANAGEMENT TIMELINE

July 9 - Adopt resolution 2017 authorizing a .002 sales tax.

July 9 - Start discussion on resolution 2018 identifying revenue sources and pavement management amount of annual budget.

July 16 - Finalize and authorize resolution 2018.

August 7 - resolution 2017 due to County Auditors.

November 15 - General election when .002 will be voted on

January 1, 2019 - .002 sales tax will go into effect.

March 30, 2019 - First .002 sales tax installment will be receipted.

March 1, 2019 - \$20 TBD license fee will be repealed.

Pavement Management

Resolution 1895 did 3 things:

- Endorsed establishing a Transportation benefit district
 - Established on July 21, 2014 by Council Ordinance 2926
 - Authorized \$20 vehicle license fee, generates about \$330,000 annually
- Established a Pavement Management Program
 - Set a \$1.1M annual spending level for street overlays
 - Identified 5 revenue streams to be pay for the program
- Set a priority list of street projects
 - 10 projects were identified



Pavement Management

Resolution 2018 proposes the following:

- Updates revenue sources
- Updates Pavement Spending amount from 1.1M to 1.8M
- Eliminates \$20 vehicle license fee “once the new sales tax revenue stream is meeting the funding requirement”.
 - That is, the same month the 2/10ths sales tax revenue is received, the vehicle licensing fee will be eliminated.
 - There wont be an overlap of sales tax and vehicle license fees collected in the same month.
- Establishes that funding shortfalls be made up by the General Fund.

Pavement Management Funding Sources

Resolution 1895 Pavement Management Program Funding Sources

	<u>Estimates:</u>	<u>FY 2018 Budget:</u>	<u>Difference</u>
TBD Fees:	300,000	320,000	20,000
Prilled Sulfur:	150,000	0	(150,000)
Solid Waste Utility Tax:	200,000	283,000	83,000
Real Estate Excise Tax:	250,000	512,000	262,000
General Revenues:	<u>200,000</u>	<u>0</u>	<u>(200,000)</u>
Total:	1,100,000	1,115,000	15,000

The additional 15,000 is for on call services related to overlay projects

Pavement Management Funding Sources

Resolution 2018 Pavement Management Program Funding Sources

	<u>Estimates:</u>	<u>FY 2018 Budget:</u>	<u>Difference</u>
TBD Tax:	938,435	320,000	618,435
Prilled Sulfur:	0	0	0
Solid Waste Utility Tax:	283,000	283,000	0
Real Estate Excise Tax:	250,000	512,000	(262,000)
General Revenues:	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total:	1,671,435	1,115,000	566,435

Potential Questions

- ▶ Resolution 2018 revenue projections need an additional \$128,565 to meet spending goal.
- ▶ Resolution directs shortfalls be made out of General Fund, limiting the potential use of other revenue sources, such as Real Estate Excise Tax.
 - ▶ More flexibility in budgeting funding sources may be appreciated in the future.
- ▶ Engineering estimates another Engineer may be necessary to support the 1.8M in contracted overlays. That staff cost is not included in Resolution 2018, and would fall to General revenues.



RESOLUTION NO. _____

A Resolution Repealing Prior Resolutions Regarding the Funding of Pavement Management or Street Overlay Spending and Adopting a Non-Binding Policy Concerning Budget Allocations for Pavement Management.

WHEREAS, on July 21, 2014, the City Council adopted Ordinance 2926 establishing a Transportation Benefit District within the City of Anacortes;

WHEREAS the City Council, as the governing board of the Transportation Benefit District, adopted a \$20 vehicle license fee as allowed by RCW 82.80.140 for all vehicles registered within the City of Anacortes, for the exclusive use of the Transportation Benefit District and the City's pavement management program;

WHEREAS, on July 21, 2014, the City Council adopted resolution 1895 that set an annual target of \$1.1 million for pavement management and identified a number of revenue sources to pay for pavement management projects, including an increase in solid waste utility tax from 6% to 12%, the additional 6% to be used exclusively for pavement management;

WHEREAS, since resolution 1895 was adopted, various funding sources have changed, including Prilled Sulfur fees from the Port of Anacortes, which at this time is recognized to be unfunded because of the interlocal with the Port of Anacortes dated October 20, 2017 outlining its use of Pier 2, with funding potentially available in 2023, at which time any Prilled Sulfur revenues will be spent directly on overlays;

WHEREAS other sources, such as Transportation Benefit District fees and Solid Waste Utility tax have changed materially from original estimates, as have the needs of other City programs that rely on general tax revenues to fund ongoing operations, all of which have bearing on how the pavement management is budgeted;

WHEREAS the City has completed a number of substantial paving projects since 2014, but subsequent pavement studies have shown that the \$1.1 million funding target set by resolution 1895 will not make the desired progress in City street improvements that the City Council desires;

WHEREAS the City Council has placed a 2/10ths percent sales tax measure on the ballot for the November 6, 2018, General Election;

WHEREAS the revenue generated will generate a net increase in funding of \$611,180 based on 2016 actual sales tax Transportation Benefit District revenues;

WHEREAS, if the funding formula in the resolution 1895 were updated to current levels and a 2/10ths sales tax added the total funding would be as follows:

	Updated Figures	Old Figures (Resolution 1895)
TBD fees:	938,435	300,000
Prilled Sulfur:	0	150,000
SW Utility tax:	283,000	200,000
REET:	250,000	250,000
General revenues:	<u>200,000</u>	<u>200,000</u>
Total:	1,661,435	1,100,000

WHEREAS in order to further improve the City's Pavement Condition Index it is necessary to increase funding to an amount higher than what is identified here;

WHEREAS an annual funding amount of \$1.8 million would allow for the City to raise the Pavement Condition Index of minor arterial and collector streets to 85, and residential streets to 70;

WHEREAS other allowable sources, such as REET and general revenues such as property tax and General fund transfers, may be used to increase the overlay spending to an amount City Council deems appropriate through the City's budget process;

NOW THEREFORE BE IT RESOLVED THAT:

1. Resolution 1895, setting initial pavement management funding targets, is repealed.
2. The City Council adopts a target expenditure amount of \$1.8 million annually for pavement management projects, to be spent exclusively on professional services for overlays, similar pavement management work, and other work necessary to implement pavement management projects. This amount may be an average over several years.
3. The City Council intends that a portion of the annual pavement management be spent on upgrades to the worst residential streets.
4. If the 2/10ths Transportation Benefit District sales tax increase is approved by city voters in November 2018, the City Council will repeal the \$20 vehicle license fee currently in place once the new sales tax revenue stream is meeting the pavement management funding requirement.
5. If the vote for a .02 sales tax increase fails, City Council will consider increasing the vehicle licensing fee to \$40, which it may do without voter approval per RCW 82.80.140(2)(a)(ii).
6. As the City Council considers adoption of the annual or biennial budget, it will consider using the following revenue sources to fund the pavement management program in descending order of priority:
 - a. Transportation Benefit District revenue
 - b. Prilled sulfur revenue (currently unfunded through 2022)
 - c. Solid Waste Utility Tax (one-half (6%) of the full assessed amount (12%))

- d. Real Estate Excise Tax (spending all REET eligible for pavement management projects)
7. The City Council intends to use general revenue to make up any projected shortfalls in this funding program.

CITY OF ANACORTES, WASHINGTON

RESOLUTION NO. _____

A Resolution ~~Of The City Of Anacortes, Removing And Repealing Any Reference To Prior Resolutions Regarding the Funding of Pavement Management or Street Overlay Spending In The City Of Anacortes, and Adopting a Non-Binding Policy Concerning Budget Allocations for Street Improvement Projects Pavement Management,~~

WHEREAS, on July 21, 2014, the City Council adopted Ordinance 2926 establishing a Transportation Benefit District within the City of Anacortes;

WHEREAS the City Council, as the governing board of the Transportation Benefit District, adopted a \$20 vehicle license fee as allowed by RCW 82.80.140 for all vehicles registered within the City of Anacortes, for the exclusive use of the Transportation Benefit District and the City's pavement management program;

WHEREAS, on July 21st, 2014, the City Council ~~of the City of Anacortes~~ adopted resolution 1895 that set an annual target of \$1.1 million for pavement management and did three things: identified sources of funding to allocate towards pavement management on an annual basis, endorsed the creation of a Transportation Benefit District (TBD), and identified a number of revenue sources to pay for pavement management projects, including an increase in solid waste utility tax from 6% to 12%, the additional 6% to be used exclusively for pavement management, ~~and;~~

WHEREAS, since resolution 1895 was adopted, various funding sources have changed, including Prilled Sulfur fees from the Port of Anacortes, which at this time is recognized to be unfunded because of the interlocal with the Port of Anacortes dated October 20, 2017 outlining its use of Pier 2, with funding potentially available in 2023, at which time any Prilled Sulfur revenues will be spent directly on overlays, ~~and;~~

WHEREAS, other sources, such as ~~TBD-Transportation Benefit District~~ fees and Solid Waste Utility tax have changed materially from original estimates, as have the needs of other City programs that rely on general tax revenues to fund ongoing operations, all of which have bearing on how the pavement management is budgeted, ~~and;~~

WHEREAS, the City has completed a number of substantial paving projects since 2014, but Council previously resolved to subsequently dedicate \$1,100,000 annually to the overlay budget, however pavement studies have shown that amount the \$1.1 million of funding target set by resolution 1895 will not make the desired progress in City street improvements that the City Council desires, ~~and therefore wants to increase the amount of funding allocated towards pavement management, and;~~

WHEREAS, if the City Council has placed a 2/10ths percent sales tax measure on the ballot for increase is approved by City Voters in the November 6, 2018, General Election;

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WHEREAS the revenue generated will ~~only be used toward the City's pavement management program;~~
~~thereby generating~~ generate a net increase in funding of \$611,180 based on 2016 actual sales tax ~~TBD~~
Transportation Benefit District revenues; and;

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WHEREAS, if the funding formula in the ~~original pavement management resolution 1895 is were~~ updated to current levels and a 2/10ths sales tax added the total funding would be as follows:

	Updated Figures	Old Figures (Resolution 1895)
TBD fees:	938,435	300,000
Prilled Sulfur:	0	150,000
SW Utility tax:	283,000	200,000
REET:	250,000	250,000
General revenues:	<u>200,000</u>	<u>200,000</u>
Total:	1,661,435	1,100,000

~~WHEREAS~~**However,** in order to further improve the City's Pavement Condition Index it is necessary to increase funding to an amount higher than what is identified here, ~~and;~~

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WHEREAS an annual funding amount of \$1.8 million would allow for the City to raise the Pavement Condition Index of minor arterial and collector streets to 85, and residential streets to 70;

WHEREAS, other allowable sources, such as REET and general revenues such as property tax and General fund transfers, may be used to increase the overlay spending to an amount City Council deems appropriate through the City's budget process;

NOW THEREFORE BE IT RESOLVED THAT:

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~~however the existing revenue sources will be expended on pavement management in the following order:~~

~~Transportation Benefit District fees or sales tax~~

~~Prilled Sulfur (currently unfunded through the year 2022)~~

~~Solid Waste Utility Tax~~

~~Real Estate Excise Tax~~

~~General revenues (will be used to make up Pavement Management resource shortfalls if necessary as identified in the City budget process).~~

1. Resolution 1895, setting initial pavement management funding targets, is repealed.
2. ~~The City Council adopts a target expenditure amount of \$1.8 million annually for pavement management projects, to be spent exclusively on professional services for overlays, similar pavement management work, and other work necessary to implement pavement management projects.~~ This amount may be an average over several years.
3. ~~The City Council intends that a portion of the annual pavement management~~ be spent on upgrades to the worst residential streets.
2. ~~WHEREAS, if the 2/10ths Transportation Benefit District sales tax increase is approved by City Voters in November of 2018, the City Council will repeal the \$20 vehicle license fee currently in place once the new sales tax revenue stream is meeting the Ppavement Mmanagement funding requirement, and;~~

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4.

5. ~~WHEREAS, if~~ the vote for a .02 sales tax increase fails, City Council will consider increasing the vehicle licensing fee to \$40, which it may do without voter approval per RCW 82.80.140(2)(a)(ii).

6. As the City Council considers adoption of the annual or biennial budget, it will consider using the following revenue sources to fund the pavement management program in descending order of priority:

- a. Transportation Benefit District revenue ~~NOW, THEREFORE, THE ANACORTES CITY COUNCIL DOES RESOLVE:~~
- b. Prilled sulfur revenue (currently unfunded through 2022)
- ~~e.~~ Solid Waste Utility Tax (
- ~~d.~~ ~~c.~~ one-half (6%) of the full assessed amount (12%))
- ~~e.~~ ~~d.~~ Real Estate Excise Tax (spending all REET eligible for pavement management projects)

~~3-7.~~ The City Council intends to use general revenue to make up any projected shortfalls in this funding program.

~~To ensure the pavement management overlay budget is funded through the budget process by the means listed in this resolution to sufficiently meet City Council and public expectations for satisfactory street condition.~~

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City Council Agenda Bill

Meeting Date: 7/9/2018

Agenda Item: 7f

Subject: Pavement Management Funding Sources

Staff Contact: Steve Hoglund

Approved for Submittal to Council by	
	Laurie Gere, Mayor
x	Steve Hoglund, Finance Director
	Darcy Swetnam, City Attorney

Action Type	
	Ordinance No.
	Code Revision?
	Resolution No. 2018
	Contract
	Public Hearing
	Staff Report

Summary Statement: Resolution 2018 identifies sources to provide \$1.6M in funding for annual street overlays. The resolution also suggests the City budget process be used to ensure sufficient funding is allocated to overlays every year. What is not discussed in the resolution is the potential need for additional staffing. The \$1.6M identified here is to be spent on asphalt, not staff. Additional funding may need to be identified through the budget process to support an additional staff member to keep up with the increased workload the additional funding would generate.

Background: In 2014 a pavement management plan was implemented that implemented several funding sources to generate \$1.1M to pay for the annual overlay budget, and since then a number of those revenues have changed, and will change further if the .02 sales tax is approved by voters.

2019 Projected sources (assumes .02)

TBD sales tax: 938,435

Utility tax: 283,000

REET: 250,000

General revenues: 200,000

Total: 1,661,435

This would be an increase of \$561,435 over the 2014 plan.

Previous Council/Committee Action: [Resolution 1895](#) adopted [7/21/14](#)

Competing Viewpoints Considered: The pavement management plan in place is sufficient, and no additional taxes or spending needs to be implemented.

Recommended Motion: I move to adopt Resolution 2018 concerning budget allocations for street improvements.

Alternative Actions: Don't move forward on the .02 sales tax, continue the pavement management plan with the resources currently in place.

Attachments (listed in order presented): Draft Resolution 2018

RESOLUTION NO. 2018

A RESOLUTION OF THE CITY OF ANACORTES, REMOVING AND REPEALING ANY REFERENCE TO PRIOR RESOLUTIONS REGARDING THE FUNDING OF PAVEMENT MANAGEMENT OR STREET OVERLAY SPENDING IN THE CITY OF ANACORTES, AND ADOPTING A NON-BINDING POLICY CONCERNING BUDGET ALLOCATIONS FOR STREET IMPROVEMENT PROJECTS

WHEREAS, on July 21, 2014 the City Council of the City of Anacortes adopted Resolution 1895 that did three things: identified sources of funding to allocate towards pavement management on an annual basis, endorsed the creation of a Transportation Benefit District (TBD), and identified a number of revenue sources to pay for pavement management projects, including an increase in solid waste utility tax from 6% to 12% with the additional 6% to be used exclusively for pavement management, and

WHEREAS, since the original pavement management plan was put in place, some of the funding sources have materially changed, including Prilled Sulfur fees from the Port of Anacortes, which at this time is recognized to be unfunded per interlocal with the Port of Anacortes dated October 20, 2017 regarding the Use and Operation of the Pier 2 Terminal for Prilled Sulfur, with funding potentially available in 2023, at which time any Prilled Sulfur revenues will be spent directly on overlays, and

WHEREAS, other sources, such as TBD fees and Solid Waste Utility tax have changed from original estimates, as have the needs of other City programs that rely on general tax revenues to fund ongoing operations, all of which have bearing on how the pavement management is budgeted, and

WHEREAS, Council previously resolved to dedicate \$1,100,000 annually to the overlay budget, however pavement studies have shown that amount of funding will not make the desired progress in City street improvements that Council desires, and therefore Council wants to increase the amount of funding allocated towards pavement management, and

WHEREAS, if a 2/10ths sales tax increase is approved by City Voters in the November 6, 2018 General Election the revenue generated will only be used toward the City's pavement management program, thereby generating a net increase in funding of \$611,180 based on 2016 actual sales tax TBD revenues, and

WHEREAS, if the funding formula in the original pavement management resolution is updated to current levels and a 2/10ths sales tax added, the total funding would be as follows:

	<u>Updated Figures</u>	<u>Old Figures (Resolution 1895)</u>
TBD fees:	938,435	300,000
Prilled Sulfur:	0	150,000
SW Utility tax:	283,000	200,000
REET:	250,000	250,000
General revenues:	<u>200,000</u>	<u>200,000</u>
Total:	1,661,435	1,100,000

However, in order to improve the City's road PCI rating it may be necessary to increase funding to an amount higher than what is identified here, and

WHEREAS, other allowable sources, such as REET and general revenues such as property tax and General fund transfers, may be used to increase the overlay spending to an amount City Council deems appropriate through the City's budget process, however the existing revenue sources will be expended on pavement management in the following order:

1. Transportation Benefit District fees or sales tax
2. Prilled Sulfur (currently unfunded through the year 2022)
3. Solid Waste Utility Tax
4. Real Estate Excise Tax
5. General revenues (will be used to make up Pavement Management resource shortfalls if necessary as identified in the City budget process)

WHEREAS, if a 2/10ths sales tax increase to generate funds for the overlay budget is approved by City Voters in November of 2018 City Council will repeal the \$20 vehicle license fee currently in place once the new .02 revenue stream is in place sufficiently to meet the Pavement Management funding requirement, and

WHEREAS, if the vote for a .02 sales tax increase fails, City Council will consider increasing the vehicle licensing fee to \$40 through councilmanic action.

NOW, THEREFORE, THE ANACORTES CITY COUNCIL DOES RESOLVE:

To ensure the pavement management overlay budget is funded through the budget process by the means listed in this resolution to sufficiently meet City Council and public expectations for satisfactory street condition.

PASSED AND APPROVED by the City Council this 9th day of July, 2018.

CITY OF ANACORTES

Laurie Gere, Mayor

Approved as to form and legality:

Darcy Swetnam, WSBA #40530
City Attorney

Attest:

Steven D. Hoglund, City Clerk/Treasurer



Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning July 16, 2018

Subjects listed below have been tentatively suggested for consideration by the Anacortes City Council on the dates indicated. Items may be added to, removed from or rearranged on this list. Routine business such as approval of minutes and vouchers are not included. The complete Preliminary Agenda for each meeting is published at 3:00 on the Wednesday prior to the meeting. Published Agendas are subject to change and may be updated following the posting period. For additional information on agenda topics, please contact the City Clerk's office at 360-299-1960 to be directed to the sponsoring staff member.

July 16, 2018

- Closed Record Decision Hearing, Port of Anacortes "A" Dock Replacement & Reconfiguration, SDP-2018-0002
- 2019/2020 Biennial Budget: Budget Categories (Discussion)
- Ordinance 3026: Amending the 2017/2018 Budget (Discussion/Possible Action)
- Ordinance 3025: Adopting a Speed Limit Reduction on L Avenue for the Bicycle Boulevard/Greenway (Discussion/Possible Action)

July 23, 2018

August 6, 2018

August 13, 2018

August 20, 2018

August 27, 2018

September 4, 2018

September 10, 2018

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Planning, Monday, Jul 9, 2018, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Jul 11, 2018, 5:00 PM, Main Conference Room, City Hall
- Public Works, Monday, Jul 16, 2018, 5:00 PM, Public Works Director's Office, City Hall
- Planning, Monday, Jul 23, 2018, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Jul 25, 2018, 5:00 PM, Main Conference Room, City Hall
