Anacortes City Council

Municipal Building Council Chambers
904 6th Street

November 26, 2018
6:00 p.m.

PRELIMINARY AGENDA

1. **Call to Order**

2. **Pledge of Allegiance**

3. **Announcements and Committee Reports**

4. **Public Comment**

5. **Consent Agenda (Action)**
   a. Approval of Claims in the amount of: $946,135.23
   b. Contract Award: Library Generator Electrical 18-096-FAC-002
   c. Contract Award: Library Boilers Replacement 18-173-FAC-001
   d. Interlocal Agreement C20170106 Amendment 1 with Skagit County

6. **Public Hearings**

7. **Other Business**
   a. * Sewer Rate Discussion - FCS Group (Discussion)

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 December 3, 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.

December 3, 2018

•Ordinance 3032: Adopting the 2019/2020 Biennial Budget

•Contract Award: Commercial Avenue LED Lighting Project - PSE

•Waste Management Anacortes Recycling Presentation (Discussion)

•Resolution 2027: 2019 Lodging Tax Funding Awards (Discussion/Possible Action)

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December 10, 2018

•Contract Modification: Update Zoning, Development and Design Standards for Anacortes Municipal Code 16-081-IDS-001

•Fire Impact Fee Presentation from Berk and Associates (Discussion)

•Ordinance 3030: Fire Impact Fees (Discussion/Possible Action)

•Ordinance 3033: Adopting the 2019-2024 Capital Facilites Plan (Discussion)

•Sewer System Assessment & HDR Contract (Discussion/Action)

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December 17, 2018

•Ordinance ____: 4th Quarter Amendment of the 2017/2018 Biennial Budget (Action)

•EDASC 2019 Work Plan Presentation (Discussion)

•Ordinance 3033: Adopting the 2019-2024 Capital Facilites Plan (Action)

•Year End Finance Update (Discussion)

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December 24, 2018 - CANCELLED

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January 7, 2019

•City of Anacortes Legislative Priorities (Discussion)

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January 14, 2019

•WA Cities Insurance Authority 1-Hour Elected Official Training Regarding Liability Exposures and Recommended Risk Controls (Discussion)

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January 22, 2019

****

January 28, 2019

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Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

•Finance, Wednesday, Nov 28, 2018, 5:00 PM, Main Conference Room, City Hall

•Public Works, Monday, Dec 3, 2018, 5:00 PM, Main Conference Room, City Hall

•Port/City Liaison , Tuesday, Dec 4, 2018, 8:30 AM, City Hall

•Public Safety, Tuesday, Dec 4, 2018, 10:00 AM, Mayor's Office, City Hall

•Housing Affordability & Community Services, Thursday, Dec 6, 2018, 1:30 PM, City Council Chambers, City Hall

•Planning, Monday, Dec 10, 2018, 5:00 PM, Main Conference Room, City Hall

•Skagit County Law & Justice Council, Wednesday, Dec 12, 2018, 8:15 AM, Mount Vernon

•Finance, Wednesday, Dec 12, 2018, 5:00 PM, Main Conference Room, City Hall

•Public Works, Monday, Dec 17, 2018, 5:00 PM, Main Conference Room, City Hall

Our mission is to maintain and improve the quality of life reflecting community expectations through a focus on public participation and employees-mayor-council teamwork.

Anacortes City Council

Municipal Building Council Chambers
904 Sixth Street

November 26, 2018
6:00 p.m.

PUBLIC COMMENT SIGN IN SHEET

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. These rules are intended to promote an orderly system of holding a public hearing or meeting, to give every person who wishes to speak an opportunity to be heard, and to ensure that no individual is embarrassed by exercising his or her right to free speech.

Please print your name legibly so we can recognize you correctly in the minutes. Thank you!

Name	Topic

Continue on back of sheet as needed

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 November 26, 2018 City Council meeting:

Download this file in OpenDocument spreadsheet format.

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
240932	7/20/2018	21897	SHIFT CALENDARS	BALANCE ON SHIFT CALENDARS	$ 18.98	medic
240942	8/24/2018	IN1256996	MUNICIPAL EMERGENCY SERVICES	EXTRICATION SYSTEM: CUTTER, MACH III OUTLAW, HOSES	$ 27,843.20	medic
240967	8/24/2018	IN1256994	MUNICIPAL EMERGENCY SERVICES	TWO SPREADER, TWO BRACKETS	$ 19,461.78	medic
240875	9/10/2018	SI-12802	FOURTH CORNER NURSERIES	SHRUBBERY FOR GCT	$ 170.89	parks
240867	9/10/2018	3209524	INTERNATIONAL CODE COUNCIL,INC	ICC MEMBERSHIP DM	$ 170.00	plan
240971	9/13/2018	P155060225	SKAGIT RADIOLOGY INC	NEW HIRE XRAY READING: LUCAS	$ 40.00	medic
241131	9/19/2018	844191	GUARDIAN SECURITY SYSTEMS INC	FIRE ALARM REPAIR	$ 554.83	dwtp
240781	9/26/2018	1809	BREKKE DESIGN	DEPOT PERFORMANCE STAGE AND MADRONA GROVE ACCESS 8/28/18-9/26/18	$ 1,330.00	parks
241077	9/30/2018	1364	SKAGIT COUNCIL OF GOVERNMENTS	STAFFING SERVICES FOR GROWTH MANAGEMENT ACT SUPPORT IN SKAGIT COUNTY	$ 298.34	plan
241100	10/12/2018	503497	FRONTIER BUILDING SUPPLY	CITY HALL USE ITEMS	$ 428.62	finance
240879	10/18/2018	10/18/2018	FIDALGO CLEANING	HERITAGE CLEANING	$ 25.00	museum
241132	10/18/2018	37007620	INGRAM LIBRARY SERVICES, LLC	BOOKS - ADULT	$ 267.42	publib
241135	10/18/2018	37007619	INGRAM LIBRARY SERVICES, LLC	BOOKS - ADULT	$ 107.92	publib
240972	10/18/2018	883026-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - WW L/S #18	$ 1,055.71	pw1
240976	10/18/2018	883025-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - WW L/S #20	$ 773.61	pw1
240980	10/18/2018	883021-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - WW L/S #14	$ 1,055.71	pw1
240984	10/18/2018	883002-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - CASTILLEJA BLUFF PS	$ 943.95	pw1
240985	10/18/2018	883001-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - 3MG RESERVOIR	$ 1,336.72	pw1
240986	10/18/2018	882997-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - ROCK RIDGE PS	$ 943.95	pw1
240988	10/18/2018	882995-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - WW L/S #21	$ 730.21	pw1
240565	10/19/2018	177940F-5	BIRCH EQUIPMENT CO., INC	CONTAINER RENTAL	$ 151.90	parks
240977	10/19/2018	883024-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - WW L/S #4	$ 730.21	pw1
240979	10/19/2018	883022-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - WWTP	$ 730.21	pw1
240981	10/19/2018	883020-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - WW L/S #12	$ 730.21	pw1

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
240983	10/19/2018	883005-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - WW L/S #5	$ 773.61	pw1
239408	10/19/2018	KT559030	UNIVAR USA INC	SODIUM HYDROXIDE (CAUSTIC)	$ 6,594.88	dwtp
240804	10/22/2018	10151	HOW IT WORKS, INC	WONDERLAND WALK BOOKMARK	$ 113.93	parks
241099	10/23/2018	786818	BAYSHORE OFFICE PRODUCTS INC	OFFICE SUPPLY	$ 27.13	pwfac
240989	10/23/2018	882991-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - WWTP	$ 2,909.64	pw1
240990	10/23/2018	882990-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - POLICE DEPT	$ 1,055.71	pw1
241134	10/24/2018	37083656	INGRAM LIBRARY SERVICES, LLC	BOOKS - ADULT	$ 264.46	publib
241137	10/24/2018	37083658	INGRAM LIBRARY SERVICES, LLC	BOOKS - ADULT	$ 57.98	publib
241139	10/24/2018	37083657	INGRAM LIBRARY SERVICES, LLC	BOOKS - YS	$ 13.01	publib
240991	10/28/2018	39876	GEO-TEST SERVICES, INC	WTP CHLORINATION SYSTEM CONVERSION PROJECT - INSPECTION & TESTING	$ 1,140.80	pw1
240995	10/29/2018	ReimbStorewick	STOREWICK, RICHARD	REIMBURSEMENT: CLUTCH FOR ANTIQUE ENGINE	$ 240.89	medic
241136	10/30/2018	608811	MISTER T'S AWARDS &	PRIDE IN SERVICE AWARDS - MUGS - 1 YEAR	$ 146.48	hr
240856	10/31/2018	222	BOYS & GIRLS CLUBS	OCT - LUNCH PROGRAM SERVICE PROVISION	$ 540.00	finance
240854	10/31/2018	150	BUBBA SUDZ CAR WASH, INC.	OCTOBER CAR WASHES- 8	$ 72.00	dshop
241093	10/31/2018	857429	GUARDIAN SECURITY SYSTEMS INC	WTP ANNUAL FIRE ALARM CONFIDENCE TESTING	$ 132.00	pwfac
241094	10/31/2018	857426	GUARDIAN SECURITY SYSTEMS INC	WTP ANNUAL FIRE ALARM CONFIDENCE TESTING	$ 122.00	pwfac
241095	10/31/2018	857428	GUARDIAN SECURITY SYSTEMS INC	WTP FERRY TERMINAL ANNUAL FIRE ALARM INSPECTION	$ 117.00	pwfac
241112	10/31/2018	857423	GUARDIAN SECURITY SYSTEMS INC	ANNUAL FIRE EXTINGUISHER INSPECTION AT	$ 365.00	dshop
240987	10/31/2018	882996-00	PACIFIC POWER GROUP, LLC	ANNUAL GENERATOR SET INSPECTION & PM 2018 - WW L/S #16	$ 773.61	pw1
241109	10/31/2018	10172	PETEK PH D, THOMAS C	PRE-EMPLOYMENT EVALUATION	$ 300.00	hr
240860	10/31/2018	0173	SKAGIT COUNTY SOLID WASTE FUND	OCTOBER TONNAGE HAULED	$ 74,737.74	dshop
241101	10/31/2018	601217	SKIDMORE PHARMACY INC.	OCTOBER LEOFF1 PHARMACY COPAYS	$ 29.55	hr
241106	10/31/2018	601218	SKIDMORE PHARMACY INC.	OCTOBER, LEOFF1 PHARMACY COPAYS	$ 10.44	hr
240953	10/31/2018	13091	SPUNSTRAND, INC	FRP CHEMICAL TANKS	$ 75,058.13	pw1
240749	10/31/2018	114-7592695	UNITED SITE SERVICES, INC	Portable toilet rental - Thompson Trail	$ 27.58	parks
240750	10/31/2018	114-7592612	UNITED SITE SERVICES, INC	TOILET RENTAL - FIDALGO ELEMENTARY -	$ 82.73	parks
240751	10/31/2018	114-7592497	UNITED SITE SERVICES, INC	TOILET RENTAL - DANIELS FIELD - SOCCER	$ 82.73	parks
240564	10/31/2018	12292708	WILBUR-ELLIS COMPANY, LLC	FERTILIZER - GVT	$ 66.73	parks
240999	11/1/2018	83025049	BOUND TREE MEDICAL, LLC	PHARMACEUTICALS	$ 29.37	medic
241119	11/1/2018	1790899037	CASCADE DENTAL, LLC	DENTAL SERVICES LEOFF1	$ 472.00	hr
241001	11/1/2018	WAANA109278	FASTENAL COMPANY	MACHINE STOCK: BATTERIES, EYEWEAR,	$ 467.64	medic

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240996	11/1/2018	AFD 18	ISLAND HOSPITAL	OCTOBER AMBULANCE SUPPLIES	$ 1,434.44	medic
240993	11/1/2018	1050	MIN-NS	NOVEMBER SUBSCRIPTION	$ 130.20	medic
240882	11/1/2018	201810	MORROW MARINE	INVOICE FOR RIB BOAT USE OCTOBER 2018	$ 500.00	pkrec
240864	11/1/2018	1255426	SURETY PEST CONTROL	OPS- MONTHLY PEST MAINTENANCE	$ 65.10	dshop
240873	11/2/2018	AN 761749	CENTRAL WELDING SUPPLY CO, INC	PARTS- VEH #213	$ 70.90	dshop
241133	11/2/2018	37215984	INGRAM LIBRARY SERVICES, LLC	BOOKS - ADULT	$ 691.94	publib
241138	11/2/2018	37215983	INGRAM LIBRARY SERVICES, LLC	BOOKS - ADULT	$ 35.83	publib
240859	11/2/2018	1677530	MILES SAND & GRAVEL CO.	ECOLOGY BLOCKS	$ 227.85	wdist
241055	11/5/2018	WAANA109338	FASTENAL COMPANY	OPERATING SUPPLIES- SOLID WASTE	$ 13.68	dshop
240805	11/5/2018	10260	HOW IT WORKS, INC	WONDERLAND BOOKMARKS W/ ADDED LOGO	$ 24.77	parks
241140	11/5/2018	37247539	INGRAM LIBRARY SERVICES, LLC	BOOKS - JUVENILE	$ 516.62	publib
240998	11/5/2018	885519	LIFE ASSIST, INC	CASES OF MEGAMOVERS	$ 408.83	medic
240588	11/5/2018	041426	SEBO'S DO-IT CENTER	MAINTENANCE SUPPLIES	$ 8.01	museum
240566	11/6/2018	ForestEdu2018	FRIENDS OF THE FOREST	2018 FOREST EDUCATION PROGRAM SERVICES	$ 6,000.00	parks
240855	11/6/2018	220013297498	PUGET SOUND ENERGY INC	CASINO DR UNDER TWIN BRIDGES: 10/6-11/5/18	$ 75.94	dshop
240973	11/7/2018	1990969571	ARAMARK	STA 3 MAT SERVICE: 11/7	$ 21.70	medic
241121	11/7/2018	788739	BAYSHORE OFFICE PRODUCTS INC	PANELS FOR CITY HALL	$ 5,329.77	pwfac
240798	11/7/2018	1133829	SKAGIT PUBLISHING LLC	PUBLISH AA-1832562	$ 203.00	finance
240982	11/8/2018	1990971639	ARAMARK	STA 2 MAT SERVICE: 11/8	$ 21.70	medic
240992	11/8/2018	1990971640	ARAMARK	STA 1 MAT SERVICE: 11/8	$ 21.70	medic
240862	11/8/2018	788883	BAYSHORE OFFICE PRODUCTS INC	REPLACEMENT CLOCK FOR COURT ROOM	$ 41.11	court
240965	11/8/2018	1633-24	MAKERS ARCHITECTURE	ZONING, DEV & DESIGN STDS - OCTOBER 2018	$ 7,238.75	plan
240587	11/8/2018	11/08/2018	STASCH M.S., VICKI	CONSULTANT SERVICES	$ 375.00	museum
240963	11/9/2018	Pay App 1	AWARD CONSTRUCTION, INC.	CHLORINATION CONVERSION PROJECT - CONSTRUCTION	$ 106,199.80	pw1
240803	11/9/2018	789250	BAYSHORE OFFICE PRODUCTS INC	2 POCKET FOLDERS FOR BOYS BASKETBALL LEAGUE	$ 11.07	parks
241104	11/9/2018	789076	BAYSHORE OFFICE PRODUCTS INC	LEGAL STORAGE BOXES	$ 85.00	pwfac
241105	11/9/2018	B788739-1	BAYSHORE OFFICE PRODUCTS INC	PANELS FOR USE @ CITY HALL	$ 626.37	pwfac
240938	11/9/2018	978 800 0000 1	CASCADE NATURAL GAS CORP.	STA 3: 10/13 - 11/7	$ 57.94	medic
241063	11/9/2018	20499	COMMERCIAL ALARM & DETECTION	ASAC DOOR PROGRAMMING	$ 141.05	pwfac
240747	11/9/2018	10147678	COOLEY, BEATRICE	CAMPING REFUND	$ 27.00	parks
240801	11/9/2018	11353	DALCO INC	#9-905 PRESSURE WASHER REPAIRS AT OPS	$ 1,718.63	dshop
241113	11/9/2018	WAANA109303	FASTENAL COMPANY	BATTERIES, EXTRICATION GLOVES, STRUCTURE FIRE GLOVES	$ 1,497.08	medic
240853	11/9/2018	41600292804	LES SCHWAB TIRE CENTERS	FLAT REPAIR- VEH #610	$ 40.15	dshop
240943	11/9/2018	360954	PROFORCE LAW ENFORCEMENT	PATROL EQUP; RIFLES	$ 5,825.06	apd

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240865	11/9/2018	L127935	STATE AUDITOR'S OFFICE	ACCOUNTABILITY AUDIT 17-17	$ 1,201.75	finance
241067	11/10/2018	440 400 0000 0	CASCADE NATURAL GAS CORP.	FIDALGO CENTER 10/19-11/16/18	$ 391.19	hr
240852	11/10/2018	84000219033	LES SCHWAB TIRE CENTERS	SERVICE- VEH #100	$ 94.00	dshop
240933	11/11/2018	50739	MT BAKER OVERHEAD DOORS INC	SERVICE- SHOP GARAGE DOORS	$ 124.78	dshop
241070	11/11/2018	50723	MT BAKER OVERHEAD DOORS INC	REPLACE BROEN CABLES ON SALLY PORT SOUTH DOOR	$ 124.78	pwfac
240878	11/12/2018	789189	BAYSHORE OFFICE PRODUCTS INC	OFFICE SUPPLIES	$ 32.82	museum
241102	11/12/2018	789354	BAYSHORE OFFICE PRODUCTS INC	FACILITY USE ITEMS	$ 64.61	pwfac
240940	11/12/2018	AR117665	ELECTRONIC BUSINESS MACHINES	COPIER CHARGES: 8/12 - 11/11	$ 104.04	medic
241066	11/12/2018	18443.04-2	GRAY & OSBORNE INC	ON-CALL STORMWATER ENGINEERING SERVICES - ANACORTES FAMILY CENTER	$ 366.69	plan
240974	11/12/2018	361089	PROFORCE LAW ENFORCEMENT	PATROL EQUIP; SIGHTS FOR RIFLES	$ 2,406.72	apd
241000	11/12/2018	300000290019	PUGET SOUND ENERGY INC	ALL STATIONS: 9/5 - 11/1	$ 1,423.44	medic
241059	11/12/2018	300000290035	PUGET SOUND ENERGY INC	MUSEUM 9/6-10/4/18	$ 349.67	museum
241075	11/12/2018	300000305007	PUGET SOUND ENERGY INC	SKYLINE ST LIGHTS, ANACORTES 8/31-10/1/18	$ 879.20	dshop
241122	11/12/2018	300000290027	PUGET SOUND ENERGY INC	WTP RESERVOIR & PUMP STATION 10/6/18-11/5/18	$ 3,094.55	dwtp
240949	11/12/2018	101360480	RICOH USA, INC	S/N C32029555 CITY HALL COPIER 3RD 11/1-11/30/18	$ 377.30	finance
241103	11/13/2018	789240	BAYSHORE OFFICE PRODUCTS INC	FACILITY USE ITEMS	$ 531.82	pwfac
240857	11/13/2018	J749080	CORE & MAIN LP	ELECTRONIC FUSE COUPLING	$ 1,541.23	wdistcc
240858	11/13/2018	J794019	CORE & MAIN LP	ELECTROFUSION SCRAPER RITMO, GENERATOR	$ 1,885.95	wdist
240861	11/13/2018	WAANA109624	FASTENAL COMPANY	STREET DEPT - FASTENERS	$ 32.88	dshop
241142	11/13/2018	130399	PACIFIC TIRE COMPANY, INC	SERVICE- VEH #303	$ 43.94	dshop
240964	11/13/2018	P1712-6	QCC QUALITY CONTROLS CORP.	TELEMETRY UPGRADES PHASE C - LIFT	$ 27,125.00	pw1
240959	11/13/2018	28546	REICHHARDT & EBE ENGINEERING	MARCH PT RD SHOULDER WIDENING CONSTRUCTION CONSULTING SVCS - 3/9/18-11/9/18	$ 10,482.42	pw1
240799	11/13/2018	9237-7	SHERWIN WILLIAMS	INTERIOR PAINT FOR OPS REMODEL	$ 1,096.28	dshop
240800	11/13/2018	9238-5	SHERWIN WILLIAMS	TYVEK PAINTERS COVERALL / SUITS OPS	$ 48.84	dshop
241123	11/13/2018	1134818	SKAGIT PUBLISHING LLC	POSITION AD, PT LIBRARY ASSISTANT II	$ 577.01	hr
240776	11/13/2018	soccerrefs	SKAGIT VALLEY SOCCER	2018 COUNTY LEAGUE SOCCER REFS	$ 1,568.98	pkrec
240955	11/13/2018	PR016	STELLAR J CORPORATION	BLUE HERON CIRCLE RESERVOIRS PROJECT - CONSTRUCTION - OCTOBER 2018	$ 57,505.00	pw1
240946	11/14/2018	70953	APS INC.	OFFICE EQUIPMENT REPAIR	$ 1,610.57	finance
240961	11/14/2018	1810073C	CH MURPHY/CLARK-ULLMAN, INC	WWTP INCINERATOR REPAIR PROJECT	$ 71,652.15	pw1
240962	11/14/2018	1810102C	CH MURPHY/CLARK-ULLMAN, INC	WWTP INCINERATOR REPAIR PROJECT	$ 343,073.09	pw1
240802	11/14/2018	cpls	DEPARTMENT OF LICENSING	CPLS TO D.O.L.; OCTOBER 2018	$ 330.00	apd
241096	11/14/2018	AR118150	ELECTRONIC BUSINESS MACHINES	OPERATIONS COPIER CHARGES: 08/14- 11/13/18	$ 193.30	dshop

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240947	11/14/2018	011248443	GALLS, LLC.	PATROL EQUIP; PEPPER/OC SPRAY	$ 249.55	apd
240966	11/14/2018	9307225268	GRAYBAR ELECTRIC COMPANY, INC	FIBER BUILD CBD - MATERIALS - 1 EACH OF ITEMS 200 & 300	$ 292.74	pw1
240968	11/14/2018	9307225269	GRAYBAR ELECTRIC COMPANY, INC	FIBER BUILD CBD - MATERIALS - 8 OF ITEM 100	$ 811.49	pw1
240934	11/14/2018	1135035	SKAGIT PUBLISHING LLC	PUBLISH AA-1833946 AA-1834189	$ 194.88	finance
241065	11/14/2018	1252740	SURETY PEST CONTROL	PEST CONTROL FOR ASAC	$ 92.23	pwfac
241118	11/14/2018	1255554	SURETY PEST CONTROL	PEST CONTROL	$ 44.49	museum
240957	11/14/2018	Pay App 3	TRINITY CONTRACTORS, INC	2018-2019 STORM POND MAINTENANCE	$ 23,330.34	pw1
241125	11/14/2018	331 0432926	UNIFIRST CORPORATION	WTP LAUNDRY SERVICE	$ 55.71	dwtp
241126	11/14/2018	331 0432943	UNIFIRST CORPORATION	WTP LAUNDRY SERVICE FOR INTERN TH	$ 6.19	dwtp
240874	11/15/2018	1990981837	ARAMARK	OPS & PARKS LAUNDRY SVC FOR	$ 62.20	finance
240945	11/15/2018	1990981829	ARAMARK	APD NYLON MATS CLEANED	$ 16.28	apd
241072	11/15/2018	86620^	BLYTHE PLUMBING & HEATING, INC	PUBLIC SAFETY BOILER VENTING	$ 2,007.25	pw1
241128	11/15/2018	0000530	BURLINGTON, CITY OF	FIREFIGHTER MEALS, HIRING PROCESS	$ 133.72	hr
240868	11/15/2018	6773	DEPARTMENT OF ECOLOGY	WW OPERATOR CERTIFICATION - FLORES	$ 30.00	dwwtp
240869	11/15/2018	5384	DEPARTMENT OF ECOLOGY	WW OPERATOR CERTIFICATION - FOX	$ 30.00	dwwtp
240870	11/15/2018	3924	DEPARTMENT OF ECOLOGY	WW OPERATOR CERTIFICATION - LINDBO	$ 30.00	dwwtp
240871	11/15/2018	6812	DEPARTMENT OF ECOLOGY	WW OPERATOR CERTIFICATION - WHYTE	$ 30.00	dwwtp
240880	11/15/2018	11/15/2018	FIDALGO CLEANING	MUSEUM CLEANING	$ 100.00	museum
240931	11/15/2018	ReimbOliver	OLIVER, QBEN	SUBSISTENCE: FIRE OFFICER 2 TESTING	$ 76.00	medic
241073	11/15/2018	18-1115	PACIFIC NORTHWEST SCALE	2018 WWTP SOLIDS HANDLING SCALE CALIBRATION	$ 775.78	pw1
241108	11/15/2018	1252756	SURETY PEST CONTROL	NOVEMBER SERVICE: 29-2	$ 44.49	medic
240876	11/15/2018	181386	T-SHIRTS BY DESIGN	GIRL'S BB SHIRTS	$ 19.53	parks
240863	11/15/2018	113623	WALTON BEVERAGE COMPANY, INC	OPS- BREAK ROOM SUPPLIES	$ 140.00	dshop
240872	11/15/2018	113622	WALTON BEVERAGE COMPANY, INC	CITY HALL BREAK ROOM SUPPLIES	$ 157.50	finance
240935	11/15/2018	113621	WALTON BEVERAGE COMPANY, INC	AFD BREAKROOM SUPPLIES	$ 105.00	medic
241124	11/15/2018	113624	WALTON BEVERAGE COMPANY, INC	BREAKROOM SUPPLIES	$ 87.50	dwtp
241115	11/15/2018	1154635597	WILSON DDS, NICHOLAS J	DENTAL SERVICES	$ 17.30	hr
240948	11/16/2018	011265056	GALLS, LLC.	UNIFORM VEST EXTERNAL CARRIER; KELLINGTON	$ 320.08	apd
240970	11/16/2018	30423683-001	HERC RENTALS, INC	FLOOR SCRUBBING MACHINE RENTAL	$ 304.62	dshop
241060	11/16/2018	23354857	PARTS MASTER	PART- SHOP SUPPLY	$ 184.58	dshop
240939	11/16/2018	001-418822	PISTON SERVICE OF ANACORTES	PART- #160	$ 14.00	dshop
240941	11/16/2018	001-418818	PISTON SERVICE OF ANACORTES	BATTERY- VEH #050	$ 235.39	dshop
241056	11/16/2018	001-418844	PISTON SERVICE OF ANACORTES	PARTS- VEH #050	$ 123.99	dshop
241057	11/16/2018	001-418894	PISTON SERVICE OF ANACORTES	PARTS- VEH #013	$ 9.29	dshop
241120	11/16/2018	53613	VAN WYCK, SETH	REIMBURSE: COMMERCIAL DRIVER MEDICAL CERTIFICATION SVW	$ 92.00	dwtp
241061	11/17/2018	8498 30 017 0543538	COMCAST	DEPOT 611 R AVENUE - 11/22-12/21/18	$ 186.12	finance

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
240944	11/17/2018	1475	WASHINGTON ASSOCIATION OF	2019 ANNUAL MEMBERSHIP WAPRO; REC SVC MNGR INGRAM	$ 25.00	apd
241097	11/18/2018	5778	VALLEY CABINETS & MORE INC	LIBRARY CUSTOM CABINETS AND INSTALLATION	$ 4,432.82	publib
240951	11/19/2018	1420-V03	BLYTHE PLUMBING & HEATING, INC	WTP HVAC PREVENTATIVE MAINTENANCE - MARCH 2018	$ 3,805.10	pw1
241062	11/19/2018	710 300 0000 5	CASCADE NATURAL GAS CORP.	OPERATIONS: 10/19 - 11/16/18	$ 589.49	dshop
241069	11/19/2018	795 700 0000 4	CASCADE NATURAL GAS CORP.	CITY HALL 10/19-11/16/18	$ 664.36	finance
241071	11/19/2018	038 200 0000 2	CASCADE NATURAL GAS CORP.	APD 10/19-11/16/18	$ 498.35	apd
241110	11/19/2018	674 400 0000 7	CASCADE NATURAL GAS CORP.	STA 1: 10/19 - 11/16	$ 76.55	medic
241111	11/19/2018	169 400 0000 9	CASCADE NATURAL GAS CORP.	STA 2: 10/19 - 11/16	$ 79.37	medic
241116	11/19/2018	199 800 0000 4	CASCADE NATURAL GAS CORP.	MUSEUM 10/19-11/16/18	$ 18.68	museum
241117	11/19/2018	912 800 0000 0	CASCADE NATURAL GAS CORP.	MUSEUM 10/19-11/16/18	$ 208.52	museum
241130	11/19/2018	154 700 0000 9	CASCADE NATURAL GAS CORP.	LIBRARY 10/19 - 11/16/18	$ 643.17	publib
241054	11/19/2018	201131476	CRIMINAL JUSTICE TRAINING	BLEA - POLICE ACADEMY; NEW EMP	$ 3,187.00	apd
241003	11/19/2018	001-419068	PISTON SERVICE OF ANACORTES	ICE SCRAPER, WIPER BLADES -2901	$ 9.58	medic
241058	11/19/2018	001-419011	PISTON SERVICE OF ANACORTES	SUPPLIES- VEH #050	$ 15.07	dshop
241079	11/20/2018	1029	CAMPBELL LAW FIRM	00435-SEP18 PUB DEF CONFL	$ 26.00	court
241080	11/20/2018	1028	CAMPBELL LAW FIRM	00470-SEP18 PUB DEF CONFL	$ 45.50	court
241081	11/20/2018	1027	CAMPBELL LAW FIRM	00475-SEP18 PUB DEF CONFL	$ 117.00	court
241082	11/20/2018	1026	CAMPBELL LAW FIRM	00437-SEP18 PUB DEF CONFL	$ 39.00	court
241083	11/20/2018	1025	CAMPBELL LAW FIRM	00365-SEP18 PUB DEF CONFL	$ 19.50	court
241084	11/20/2018	1024	CAMPBELL LAW FIRM	00463-SEP18 PUB DEF CONFL	$ 13.00	court
241085	11/20/2018	1023	CAMPBELL LAW FIRM	00462-SEP18 PUB DEF CONFL	$ 26.00	court
241086	11/20/2018	1036	CAMPBELL LAW FIRM	00498-OCT18 PUB DEF CONFL	$ 19.50	court
241087	11/20/2018	1035	CAMPBELL LAW FIRM	00435-OCT18 PUB DEF CONFL	$ 19.50	court
241088	11/20/2018	1034	CAMPBELL LAW FIRM	00454-OCT18 PUB DEF CONFL	$ 32.50	court
241089	11/20/2018	1033	CAMPBELL LAW FIRM	00414-OCT18 PUB DEF CONFL	$ 39.00	court
241090	11/20/2018	1032	CAMPBELL LAW FIRM	00470-OCT18 PUB DEF CONFL	$ 39.00	court
241091	11/20/2018	1031	CAMPBELL LAW FIRM	00475-OCT18 PUB DEF CONFL	$ 19.50	court
241092	11/20/2018	1030	CAMPBELL LAW FIRM	00240-OCT18 PUB DEF CONFL	$ 32.50	court
241114	11/20/2018	3729150	CARDINAL HEALTH 110, INC.	PHARMACEUTICALS	$ 76.19	medic
241129	11/20/2018	ReimbKing	KING, MICHAEL L	LEOFF1 RETIREE, PHARMACY COPAYS	$ 300.11	hr
241074	11/20/2018	2956	NW CLEANERS	WTP JANITORIAL SERVICES - NOVEMBER	$ 988.00	pw1
241076	11/20/2018	2981	NW CLEANERS	LIBRARY JANITORIAL SERVICES - NOVEMBER	$ 2,388.00	publib
241107	11/20/2018	2985	NW CLEANERS	AFD NOVEMBER WEEKLY CLEANING - 29-1	$ 488.00	medic

Total **$946,135.23**

City Council Contract Agenda Bill

Meeting Date: 11/26/2018 **Agenda Item**: 5b

Subject: Contract Award - Library Generator Electrical #18-096-FAC-002

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 $55,259.05 to VECA Electric & Technologies, LLC to perform the Library Generator Electrical project. The project provides for the materials, equipment and labor to install all necessary electrical for the Cummins commercial generator located at the Anacortes Public Library.

Background:

1. History: The library is an essential facility within the City of Anacortes and the need for an emergency generator has been on our long range plan for a number of years. The City server network is now housed at the library as well as the fiber optic telemetry system. In addition the library will be used during an emergency event as a city wide meeting and gathering place.
2. Key Terms:
   - Total contract price of $55,259.05 which includes $4,329.05 in sales tax.
   - The Contractor shall complete the work by December 14, 2018.
3. Competitive Bidding: In accordance with competitive bid requirements set forth under RCW 39.04.155 - Small Works Roster Contract Procedures, on November 7, 2018 an Invitation to Bid was sent to all contractors in the appropriate small works roster category. There were no bids received by the 11/19/18 2:00pm deadline. Because there was no response from our solicitation, RCW 35.23.352(1) allows us to enter into a contact without re-bidding. The Project Manager and evaluated the options and selected VECA Electric & Technologies, LLC to perform the project.

Previous Council/Committee Action: The award of the Cummins contract for the purchase of the generator was approved at the 9/17/18 meeting.

Competing Viewpoints Considered: N/A

Recommended Motion: I move that City Council authorize the Mayor to sign a contract 18-096-FAC-002 with VECA Electric & Technologies, LLC in the amount of $55,259.05 to perform the Library Generator Electrical project.

Alternative Actions: Cancel the project which would leave the generator inoperable.

Attachments: Scope of Work, Contract 18-096-FAC-002

Contractor	VECA Electric & Technologies, LLC
Contract Amount	$55,259.05
Earmarked Funds	None
BARS #	356.440.594.72.64
Budget Amendment Required?	No
Start Date	Inception
End Date	12/14/18

SCOPE OF WORK

All work to be performed between the hours of 7:00am and 4:30pm Monday-Friday excluding and City observed holidays. All work must conform to building and electrical codes and bidder is responsible for any and all permits that may be required.

Contractor shall furnish all materials, equipment and labor to install all necessary electrical for the Cummins commercial generator located at the Anacortes Public Library, 1220 10th St, Anacortes, WA 98221, all in accordance with the attached drawings and specifications, and the Contract Provisions.

The scope of work includes the following:

1. All electrical required for the operation of the Cummins commercial generator as detailed in Exhibit C.
2. Installation of a transfer switch.
3. Estimated quantity of 960' of electrical for the 2-1/2" conduit.
4. Estimated quantity of 160' of electrical for 1 of the 1" conduits.
5. Estimated quantity of 400' data cable for 2 of the 1" conduits.
6. All conduit extended into the building, which will require core drilling.

CONTRACT 18-096-FAC-002
AGREEMENT WITH
VECA ELECTRIC & TECHNOLOGIES, LLC

This Contract is between the City of Anacortes, Washington, a Municipal Corporation (herein after referred to as "City") and VECA Electric & Technologies, LLC a private contractor at 3950 Hammer Dr, Suite 109, Bellingham, WA 98226 (herein after referred to as "Contractor").

Library Generator Electrical

1. **Scope of Work:** Contractor shall furnish all materials, equipment and labor to install all necessary electrical for the Cummins commercial generator located at the Anacortes Public Library, 1220 10th St, Anacortes, WA 98221. Work shall be in accordance with and as described in the City of Anacortes document entitled "Library Generator Electrical 18-096-FAC-002", which is hereby incorporated by reference and made a part hereof.

2. **Contract Price:** The Contractor will do the scope of work above for a total fixed price of **Fifty-Five Thousand Two Hundred Fifty-Nine Dollars and Five Cents ($55,259.05),** which includes $4,329.05 in tax. This includes all labor, materials, and standard freight 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 contactor 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 December 14, 2018.

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 attached General Provisions and referenced Invitation to Bid 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.

The parties acknowledge that there has been an opportunity to negotiate the terms and conditions of this Agreement and agree to be bound accordingly;

Owner:	**Contractor:**
City of Anacortes	VECA Electric & Technologies, LLC
____________________	____________________
Mayor	Signature
____________________	____________________
Date	Printed Name
	____________________
	Date

1. Delivery. Advance coordination of the work shall be made with the Project Manager Mac Jackson, 360-299-1961.

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 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 at least **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. 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 Contactor'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. <u>Discrimination Prohibited</u>. During the performance of this Agreement, the Contractor and subcontractors shall not discriminate in violation of any applicable federal, state and/or local law or regulation on the basis of age, sex, race, creed, religion, color, national origin, marital status, disability, honorably discharged veteran or military status, pregnancy, sexual orientation, gender identity, or any other classification protected under federal, state, or local law. This provision shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training, and the provision of services under this Agreement. Contractor agrees to comply with the applicable provisions of State and Federal Equal Employment Opportunity and Nondiscrimination statutes and regulations.

14. <u>Contractor is an Independent Contractor</u>. 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. <u>The City's Right to Terminate Agreement.</u>

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. <u>Changes/Additional Work</u>. 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. <u>Non-waiver</u>. 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. <u>Covenant Against Contingent Fees</u>. 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. <u>Disputes</u>

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; Governing Law; Defense & Indemnity Agreement; Disputes.

25. <u>Performance and Payment Bonds.</u> 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. <u>Retainage.</u> 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. <u>WASHINGTON STATE PREVAILING WAGES</u>

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 11/19/2018. 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.

City Council Contract Agenda Bill

Meeting Date: 11/26/2018 **Agenda Item**: 5c

Subject: Contract Award - Library Boilers Replacement #18-173-FAC-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 $101,295.60 to The Plumbing Guys, Inc. to perform the Library Boilers Replacement project. The project provides for the materials, equipment and labor to remove and dispose of the old boilers, and furnish and install three new condensing boilers and accessories at the Anacortes Public Library.

Background:

1. History: There are 3 A O Smith boilers at the Library. Boiler 1 has been out of order for over a year and our service provider cannot get parts to fix it. Boiler 2 is out of service at this time and boiler 3 is working. Since the Library open in 2003 these 3 boilers have had maintenance issues throughout their lifespan, during that time it was a rarity for all three boilers to be operating efficiently. We looked at just changing two of the boilers out and keeping boiler #3 and piping the two new ones with the old one, but it was less expensive to buy three new ones.
2. Key Terms:
   - Total contract price of $101,295.60 which includes $7,935.60 in sales tax.
   - The Contractor shall complete the work by December 31, 2018.
3. Competitive Bidding: In accordance with competitive bid requirements set forth under RCW 39.04.155 - Small Works Roster Contract Procedures, on November 7, 2018 an Invitation to Bid was sent to all contractors in the appropriate small works roster category. Three bids were received by the deadline on 11/19/18 at 2:00pm, and The Plumbing Guys, Inc. was determined to be the lowest responsible bidder. The bid tabulation is attached.

Previous Council/Committee Action: N/A

Competing Viewpoints Considered: N/A

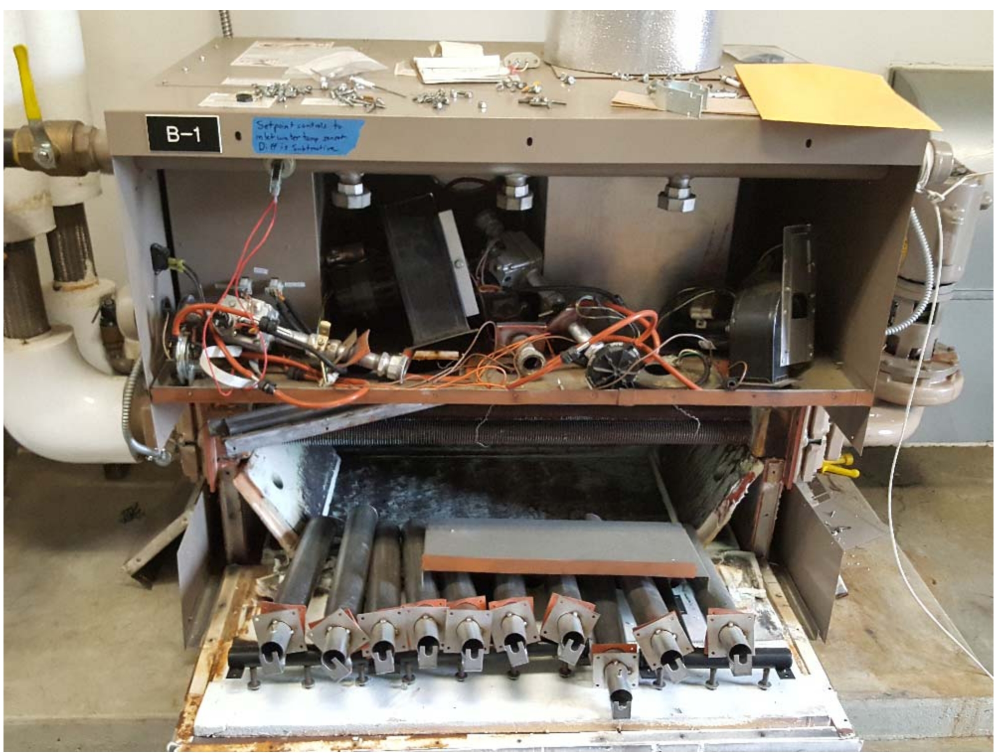
Recommended Motion: I move that City Council authorize the Mayor to sign a contract 18-173-FAC-001 with The Plumbing Guys, Inc. in the amount of $101,295.60 to perform the Library Boilers Replacement project.

Alternative Actions: Cancel the project which would leave the library vulnerable with only one working boiler.

Attachments: Bid tabulation, Scope of Work, Contract 18-173-FAC-001

Contractor	The Plumbing Guys, Inc.
Contract Amount	$101,295.60
Earmarked Funds	None
BARS #	001.713.594.53.62
Budget Amendment Required?	No
Start Date	Inception
End Date	12/31/18

Boiler 1 in its current state



SCOPE OF WORK

All work to be performed between the hours of 7:00am and 4:30pm Monday-Friday excluding and City observed holidays. All work must conform to building and electrical codes and bidder is responsible for any and all permits that may be required.

Contractor shall furnish all materials, equipment and labor to install three new condensing boilers and accessories at the Anacortes Public Library, 1220 10th St, Anacortes, WA 98221, all in accordance with the specifications and Contract Provisions.

The scope of work includes the following:

1. Provide hoisting to remove the old boilers and raise the new boilers
2. Disconnect the existing boilers and accessories, remove and dispose of them
3. Install three (3) — Thermal Solutions Apex, 97% APX525C thermal efficiency, condensing boilers
4. Install three (3) — Heating water pumps at the boilers
5. Replace all (6) heating water isolation valves at the boilers
6. Install heating water pipe connections at the boiler
7. Install insulation on new pipes
8. Gas pipe connection with necessary accessories
9. Install boiler relief pipes to the floor drain
10. Install boiler condensate drain pipe to the floor drain
11. Install combustion vent pipe and combustion air intake pipe
12. Line voltage wiring disconnect and reconnect for the new boilers / pumps
13. Low voltage wiring and controls, into the existing Siemens program
14. Install pipe labels and boiler ID tags
15. Refill the system with city water

CITY OF ANACORTES TABULATION OF BIDS - Small Works Roster

Bid Item: Library Boilers Replacement 18-173-FAC-001

Department: Facilities

Date: 11/19/2018 **Time:** 2:00pm

	DATE/TIME IN	COMPANY	BID AMOUNT
1.	11/19/18 - 9:59am	Apex Mechanical	$213,265.43
2.	11/19/18 - 12:42pm	Triple C Fab	$106,606.70
3.	11/19/18 - 1:50pm	The Plumbing Guys	$101,295.60

Library Boilers Replacement 18-173-FAC-001
EXHIBIT A – Bid Proposal

Company Name: The Plumbing Guys, Inc.

Email: brian @ theplumbing Guys, Inc.

Date: 11·16·2018

Address of Bidder: 2901 T Ave, Suite 2 Anacortes, WA 98221

Telephone No.: (360) 293·1878

Labor and Industries Account No.: 105,588-0 PLUMBGI961NJ

Having carefully examined all specifications prepared by the City of Anacortes, as well as the premises and conditions affecting the work, the Undersigned proposes to furnish all labor, equipment, and materials and perform all work, in accordance with the terms and conditions and prevailing wage requirements, which price is hereby designated as to the total proposal price for all necessary work.

Bidders are required to submit price in Lump Sum. The lowest responsive, responsible Bid will be determined following Bid Opening. Prices shall be unconditional and remain firm for a period not less than 60 days from the date of bid opening. Upon request, successful Bidder shall furnish a price breakdown for the Lump Sum amount.

Line	Qty	Description	Cost
1	1	Library Boilers Replacement as detailed in the Invitation to Bid 18-173-FAC-001	$ 93,360.00
		8.5% Sales Tax:	$ 7935.60
		Total:	$ 101,295.60

ADDENDA: Bidder acknowledges review of all Addenda through No. None

COMPLIANCE WITH SPECIFICATIONS

The proposed equipment must fully comply with the Scope of Work to qualify as a responsive bid. Bidder must attach additional information or pages listing all deviations and substitutions or proposed "as equal" component to the specifications which are included with this Bid. A completed list of proposed deviations and substitutions will be required to enable the Owner to evaluate whether the proposed items comply with the requirements of the specifications, to be determined by the Owner in the Owner's sole discretion.

AUTHORIZATION

I, Brian Hobbs Brian Hobbs (sign and print name) authorize the above bid and I have the authority to enter into contracts on behalf of the business or other entity I represent.

CONTRACT 18-173-FAC-001
AGREEMENT WITH
THE PLUMBING GUYS, INC.

This Contract is between the City of Anacortes, Washington, a Municipal Corporation (herein after referred to as "City") and The Plumbing Guys, Inc. a private contractor at 2901 T Ave, Suite 2, Anacortes, WA 98221 (herein after referred to as "Contractor").

Library Boilers Replacement

1. **Scope of Work:** Contractor shall furnish all materials, equipment and labor to install three new condensing boilers and accessories at the Anacortes Public Library, 1220 10th St, Anacortes, WA 98221. Work shall be in accordance with and as described in the City of Anacortes document entitled "Library Boilers Replacement 18-173-FAC-001", which is hereby incorporated by reference and made a part hereof.

2. **Contract Price:** The Contractor will do the scope of work above for a total fixed price of **ONE HUNDRED ONE THOUSAND TWO HUNDRED NINETY-FIVE DOLLARS AND SIXTY CENTS ($101,295.60),** which includes $7,935.60 in tax. This includes all labor, materials, and standard freight 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 contactor 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 December 31, 2018.

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 attached General Provisions and referenced Invitation to Bid 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.

The parties acknowledge that there has been an opportunity to negotiate the terms and conditions of this Agreement and agree to be bound accordingly;

Owner:	**Contractor:**
City of Anacortes	The Plumbing Guys, Inc.
______________________	______________________
Mayor	Signature
______________________	______________________
Date	Printed Name
	______________________
	Date

1. <u>Delivery</u>. Advance coordination of the work shall be made with the Project Manager Mac Jackson, 360-299-1961.

2. <u>Subcontracts</u>. 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 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. <u>Taxes.</u> 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. <u>Invoicing.</u> 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 at least **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 <u>Disputes</u> clause contained herein.

5. <u>Withholding Payment.</u> 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. <u>Final Payment: Waiver Of Claim</u> 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. <u>Inspection.</u>

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. 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 Contactor'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, invoice, 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. <u>Discrimination Prohibited</u>. During the performance of this Agreement, the Contractor and subcontractors shall not discriminate in violation of any applicable federal, state and/or local law or regulation on the basis of age, sex, race, creed, religion, color, national origin, marital status, disability, honorably discharged veteran or military status, pregnancy, sexual orientation, gender identity, or any other classification protected under federal, state, or local law. This provision shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training, and the provision of services under this Agreement. Contractor agrees to comply with the applicable provisions of State and Federal Equal Employment Opportunity and Nondiscrimination statutes and regulations.

14. <u>Contractor is an Independent Contractor</u>. 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. <u>The City's Right to Terminate Agreement.</u>

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. <u>Changes/Additional Work</u>. 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. <u>Non-waiver</u>. 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. <u>Covenant Against Contingent Fees</u>. 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. <u>Disputes</u>

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; 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 11/19/2018. 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.

City Council Contract Agenda Bill

Meeting Date: 11/26/2018 **Agenda Item**: 5d

Subject: Amendment #1 to Interlocal Agreement C20170106 with Skagit County

Staff Contact: Chief John Small

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

Action Type: Interlocal Agreement

Summary Statement: City staff seeks City Council consent to execute Amendment #1 to Interlocal Agreement C20170106 with Skagit County. This amendment is a result of a triennial audit of the Police Department and ensures that the City has a say in who can and can't work on or around the systems that house and store our Criminal Justice Information and that we will comply with all the CJIS rules and regulations. It also adds that the City and the Skagit County Sheriff's office will work together if there is an issue or conflict, but that if the conflict or issue can't be resolved either party can terminate the agreement.

Background: Skagit County Information Services administers the Spillman Records Management System for law enforcement, Fire, EMS, and Skagit 911. Interlocal Agreement C20170106 provides for the technical assistance, system maintenance, licensing fees, CJIS compliance for mobile data terminal software as well as the reporting software by Skagit County Information Services for the City. The City has had agreements for this service dating back to 2008.

Key Terms:

- No increase in cost or term.
- Provides for City control over personnel who may work on or around the systems that house and store our Criminal Justice Information.
- The City is agreeing to work with the Skagit County Sheriff's office if there is an issue or conflict, but that if the conflict or issue can't be resolved either party can terminate the agreement.

Previous Council/Committee Action: Interlocal Agreement C20170106 approved at the 12/19/16 council meeting.

Competing Viewpoints Considered: N/A

Recommended Motion: I move that City Council authorize the Mayor to execute Amendment #1 to Interlocal Agreement C20170106 between City of Anacortes and Skagit County.

Alternative Actions: N/A

Attachments: C20170106 Amendment #1

Amendment #1 to Contract C20170106

1 Purpose of Amendment

This amendment establishes a Management Control Agreement ("MCA") with the City of Anacortes ("Agency") as required by the Criminal Justice Information System (CJIS) Security Policy.

2 CRIMINAL JUSTICE INFORMATION SYSTEM MANAGEMENT CONTROL AGREEMENT

Public Safety Services that contain Criminal Justice Information (CJI) are provided to Agency as part of the scope of this agreement as defined in Exhibit B. Delivery of services as provided by the Skagit County Central Services Department that contain CJI are required to have a Management Control Agreement as required Criminal Justice Information System Security Policy.

For the purposes of this section, the Criminal Justice Agency (CJA) shall be the Agency.

Pursuant to the CJIS Security Policy, it is agreed that with respect to administration of that portion of computer systems and network infrastructure interfacing directly or indirectly with A Central Computerized Enforcement Service System (ACCESS) for the interstate exchange of criminal history/criminal justice information, the Criminal Justice Agency shall have the authority, via managed control, to set and enforce:

(1) Priorities
(2) Standards for the selection, supervision, and elimination of access to personnel who may be tasked with working on or interfacing with any of the telecommunication systems or criminal justice systems/computers enumerated in paragraph three below.
(3) Policy governing operation of justice systems, computers, access devices, circuits, hubs, routers, firewalls, and any other components, including encryption, that comprise and support a telecommunications network and related criminal justice systems to include but not limited to criminal history record/criminal justice information, insofar as the equipment is used to process or transmit criminal justice systems information guaranteeing the priority, integrity, and availability of service needed by the criminal justice community.
(4) Restriction of unauthorized personnel from access or use of equipment accessing the State network.
(5) Compliance with all rules and regulations of the criminal justice agency policies and CJIS Security Policy in the operation of all information received.

Responsibility for management control of the criminal justice function remains solely with Agency, as required by the CJIS Security Policy.

This agreement covers the overall supervision of all criminal justice agency systems, applications, equipment, systems design, programming, and operational procedures associated with the development, implementation, and maintenance of any criminal justice agency system to include NCIC Programs that may be subsequently designed and/or implemented within the criminal justice agency.

The Agency agrees to work with the Skagit County Sheriff's office in the event of conflict of the MCA and services provided by Skagit County. This agreement may be terminated by Agency or the County in the event that a conflict in the implementation of the MCA is not resolved.

City of Anacortes

____
Signature & Title of Signatory

(Date ___________)

Laurie Gere
Print Name of Signatory

____
Police Chief, Approving Management Control Agreement

ORI: WA0290100

DATED this _____ day of _______________, 2018.

BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON

____
Kenneth A. Dahlstedt, Chair

____
Lisa Janicki, Commissioner

____
Ron Wesen, Commissioner

Attest:

____
Clerk of the Board

For contracts under $5,000:

Authorization per Resolution R20030146

____
County Administrator

____
Skagit County Sheriff

____
Central Services Director, Tim Holloran
Approving Management Control Agreement

____
Information Services

Approved as to form:

____
Civil Deputy Prosecuting Attorney

Approved as to indemnification:

____
Risk Manager

Approved as to budget:

____
Budget & Finance Director

City Council Agenda Bill

Meeting Date: 11/26/2018 **Agenda Item**: 7a

Subject: Sewer Rate Presentation by FCS group

Staff Contact: Fred Buckenmeyer, Steve Hoglund

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

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

Summary Statement: Financial Consulting Services (FCS) was contracted to review and make recommendations on the City's Waste Water rates.

Background: The City's long term Waste Water revenue and expenditure projections showed diverging paths starting in the coming biennium. FCS was contracted to review the City's existing rates against the upcoming operating and capital needs. This review does not include a cost of service analysis of existing rate payers; it looks at rate recommendations of the existing rate structure.

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: N/A

Competing Viewpoints Considered: N/A

Recommended Motion: N/A, informational presentation only

Alternative Actions: N/A

Attachments (listed in order presented): PowerPoint presentation prepared by FCS

City of Anacortes

Wastewater Utility: Revenue Requirement

Gordon Wilson, Sr. Program Manager
Tage Aaker, Project Manager
November 26, 2018

FCS GROUP
Solutions-Oriented Consulting

Agenda

- **Scope of this study**
- **Introduction, fiscal policies, and assumptions**
- **Capital facilities plan (CFP)**
- **Revenue requirements**
  - Are existing rates sufficient to cover operating and capital expenditures?
- **Rate comparison to other jurisdictions**

Scope of this Study

Phase I: 2018 Revenue Requirement	Phase II: 2019 Comprehensive Rate Study
• Review and recommend fiscal policies • Wastewater revenue requirement analysis: 2018-24	• Wastewater cost of service analysis: equity among customer classes • Wastewater rate design • Update Water/Wastewater General Facilities Charges (GFCs)

- This presentation is for Phase 1 – the overall revenue requirement
  - How much money do you need to run the system?
- In 2019 the focus will be on who pays how much

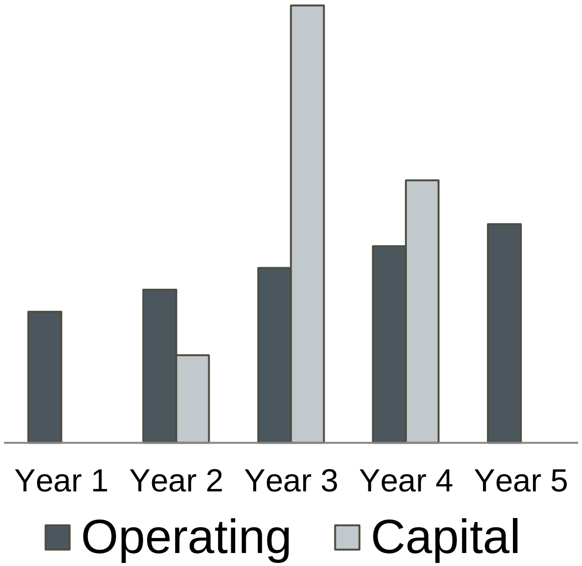
Introduction, Fiscal Policies, & Assumptions

Introduction to Utility Rate Making

- **Utility rates are set to recover cost of providing service**

- **Operating costs (regular / ongoing)**
  - Employee salaries and benefits
  - Routine inspections
  - Utilities / power
  - Asset repair and maintenance

- **Capital costs (irregular / periodic)**
  - Infrastructure replacement
  - Facility expansions and upgrades



Revenue Requirement Forecast

Fiscal Policies: Reserves & Debt

+

2019-24 Capital Facilities Plan:

Cash or New Debt?

+

Forecast of Ongoing Costs

Revenue Requirement Forecast

Study Data Sources

Basic Data for Forecast	
Operating Costs	2018-20 Budget
Operating Revenues	2017 Actual Revenues + 2018 Rate Increase & Growth
Fund Balances	2017 Year-End
Capital Expenditures	2018 YTD; 2019-24 Capital Facilities Plan
Debt	City has no wastewater debt at this time Any new debt assumed to be 20-year revenue bond; 4% interest

Tax Assumptions

State Tax Assumptions	
Public Utility Tax	Collection of sewage: 3.852% tax rate – Applies to approximately 30% of revenues
Business & Occupation Tax	Transmission, treatment, and disposal of sewage: 1.5% tax rate – Applies to approximately 70% of revenues
City Utility Tax	Applied on customer bills; acts as pass-through

Forecast Assumptions

	Basic Assumptions for Forecast	
Expenditures	General Cost Inflation	Consumer Price Index for Seattle Tacoma Bremerton: 3.0% (consistent with Washington State Economic Forecast)
Expenditures	Combined Labor + Benefits Cost Inflation	Based on City Staff Projections: 5.5%
Revenues	Customer Growth	Historical + Future Population / Employment: 0.5% (consistent with water forecast)
Revenues	Interest Earnings	Local Government Investment Pool (LGIP): 2.0%

Fiscal Policies

Fiscal Policy Assumptions	
Operating Reserve	45-60 (12%-16%) Days of Operating & Maintenance Cost ($575,000 – $775,000 based on 2019 budget)
Capital Reserve	1% of Original Cost of Fixed Assets ($625,000 based on fixed asset inventory, non-depreciated)
Combined Reserve Assuming 60 Days of O&M	$1.4 million and growing each year as costs increase; assets are constructed then booked

– Current Sewer Fund policy is to maintain 20% of the budgeted expenses for the year in the Restricted Emergency Reserve
– Combined operating / capital recommended reserve equivalent to 30%

Fund Balance Assumptions Beginning 2018

- **City currently has $5.5 million in Wastewater Fund 440**
  - FCS GROUP splits into two reserves for analysis; helps track sources and uses by operating or capital nature
  - First allocated to operating reserve, then to capital reserve
  - $5.5 million includes restricted emergency cash; this overlaps with recommended minimum reserves

- **Minimum operating reserve $0.75 million**
  - 60 days of O&M

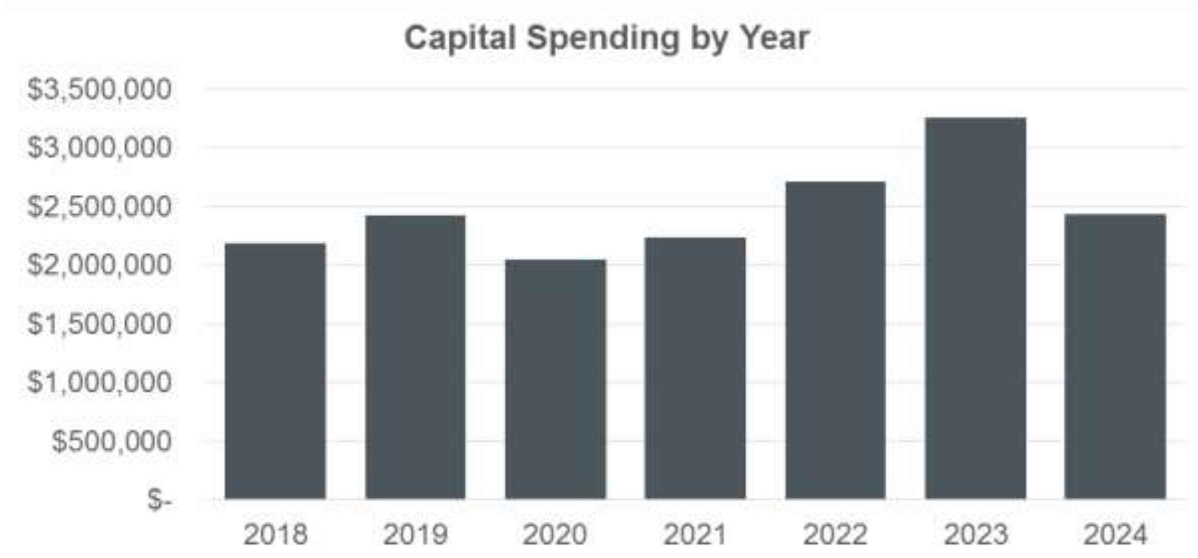
- **Capital reserve $4.80 million**

Capital Facilities Plan & Funding Options

Capital Facilities Plan

Capital Expenditures	2018	2019	2020	2021	2022	2023	2024
Sanitary Sewer Collection System: System Maintenance/inflow and Infiltration Reduction	-	759,000	1,000,000	1,250,000	1,500,000	1,500,000	1,500,000
Sanitary Sewer Collection System: Pump Station Upgrades	-	225,000	231,000	238,000	245,000	252,000	260,000
WWTP: Septage Handling Facility Upgrade	-	-	90,000	-	-	-	-
WWTP: Replace Bar Screens and upgrade grit handling system	-	-	-	-	-	1,150,000	-
WWTP: Influent Pumping Upgrade	-	240,000	-	-	-	-	-
WWTP: Effluent Pump Station Upgrade	-	500,000	-	-	-	-	-
WWTP: Nutrient Removal Upgrade	-	-	-	-	115,000	-	-
WWTP: Basin Rehabilitation	-	-	-	400,000	-	-	-
WWTP: Incinerator Preheat Unit	-	-	-	-	-	-	300,000
Telemetry Upgrades	-	400,000	-	-	-	-	-
WWTP: Solids Handling/Dewatering Facility	-	-	400,000	-	-	-	-
Sanitary Sewer Collection System: Pump Station 16 Upgrade	-	-	-	-	500,000	-	-
Various Maintenance and Repair Projects	-	300,000	325,000	350,000	350,000	350,000	375,000
Capital Expenditures/Expenses: Other Improvements	1,077,000	-	-	-	-	-	-
Capital Expenditures/Expenses: Machinery & Equipment	309,000	-	-	-	-	-	-
Other Capital to Account for 2018 YTD	800,000	-	-	-	-	-	-
Total Capital Expenditures	**$ 2,186,000**	**$ 2,424,000**	**$ 2,046,000**	**$ 2,238,000**	**$ 2,710,000**	**$ 3,252,000**	**$ 2,435,000**

Capital Expenditures Forecast ($2.5m / yr.)



- **2018 capital spending: Estimated at $2.2 million**
- **CIP contained in 2019-24 Capital Facilities Plan: $15.1 million**
  - System Maintenance / Inflow and Infiltration Reduction: $7.5 million
  - Sanitary Sewer Collection System: Pump Station Upgrades: $2.0 million
  - Wastewater Treatment Plant Projects $3.6 million
  - Various Maintenance and Repair Projects: $2.0 million

Sewer Infrastructure and Maintenance

- **City's sewer system needs routine maintenance**

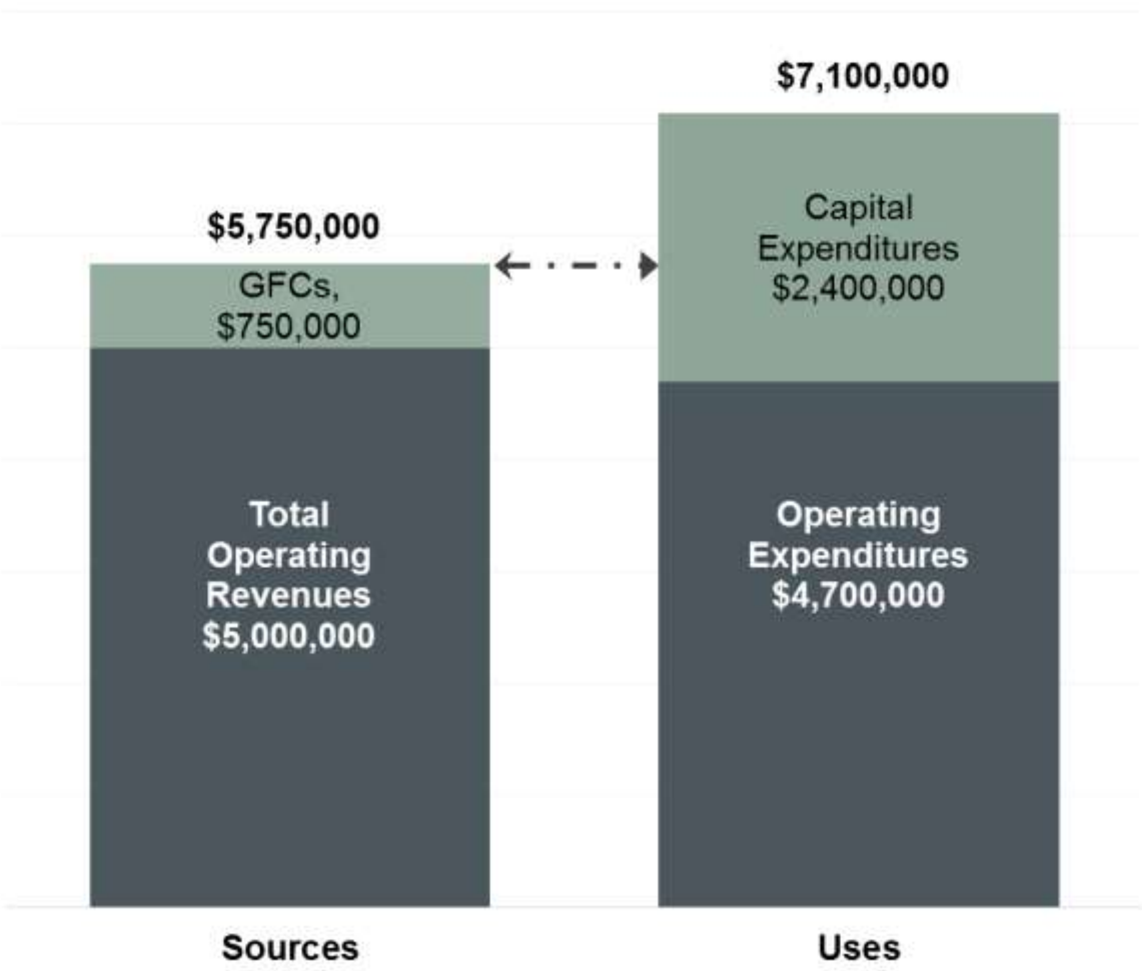
Project Successes

- **Corrected issues help protect water quality**

Project Successes

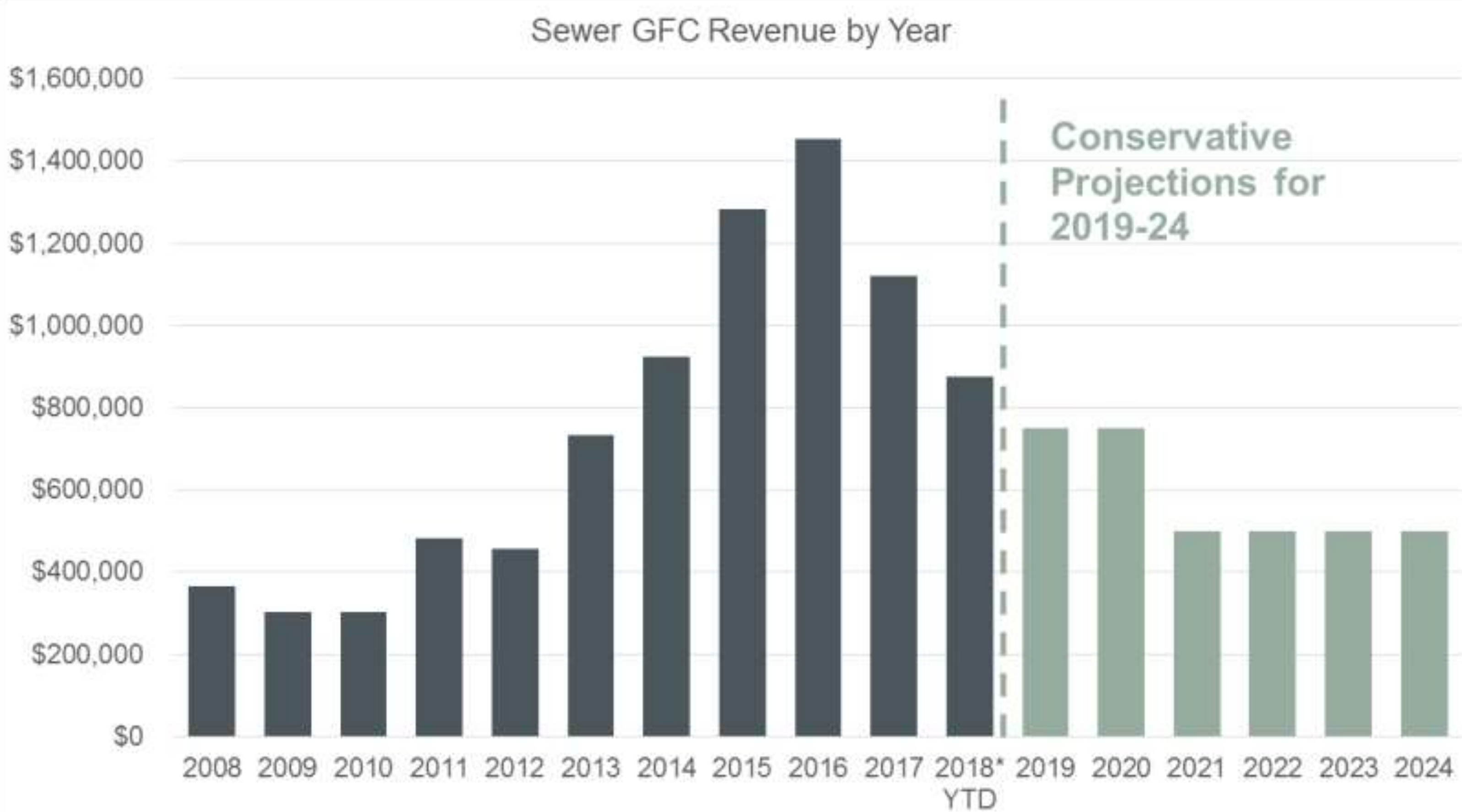
- Updated drives & equipment rebuilds at the treatment plant

2019 Sources vs. Uses



GFC Revenue Unpredictable

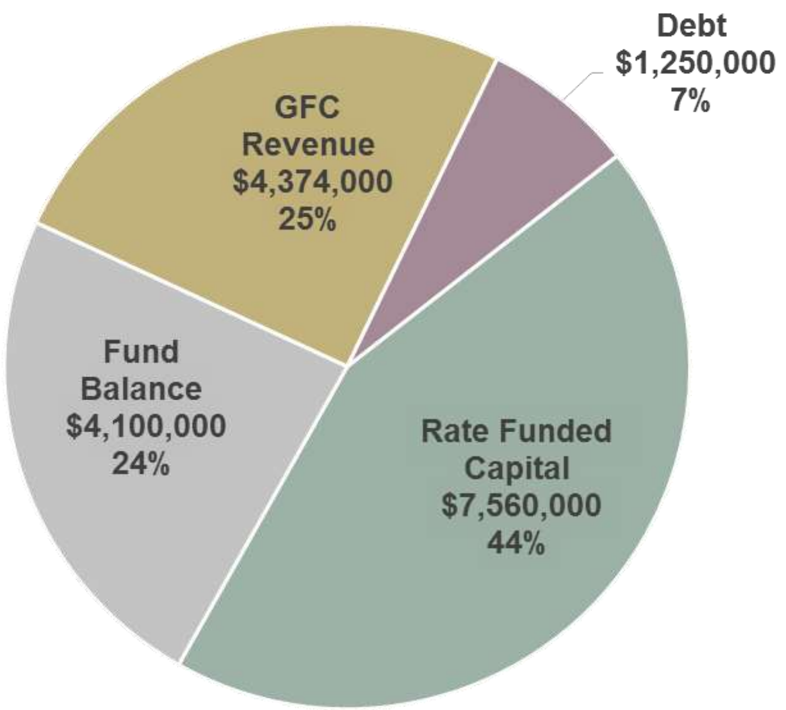
- **GFC revenue has been strong lately, but revenue can drop if development slows**



Revenue Requirement Forecast

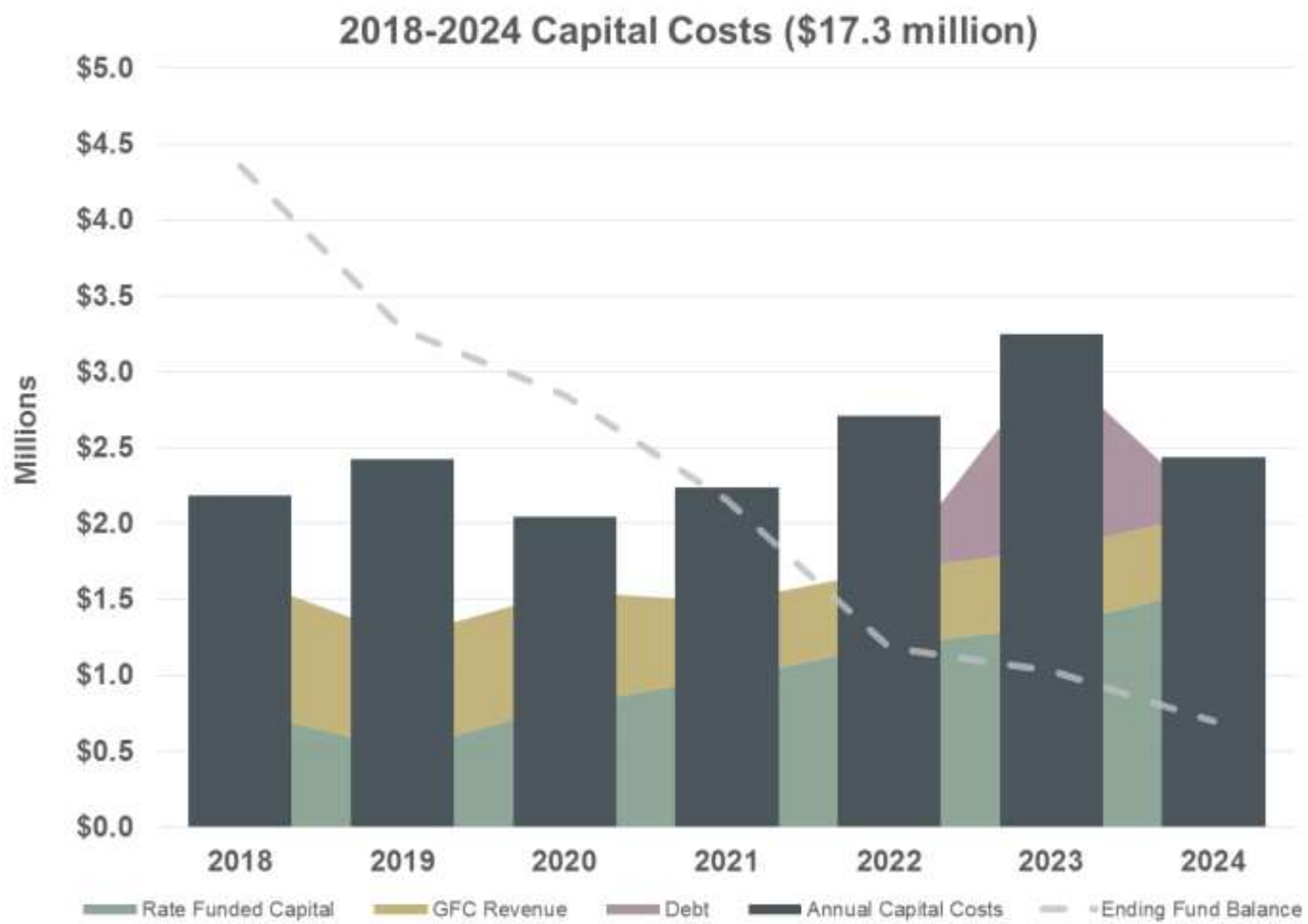
2018-2024 Capital Costs ($17.3 million)

- Pie-chart represents cumulative funding strategy seven years 2018-2024
- Debt accounts for 7% of planned capital funding
- Fund balance—a one time resource—accounts for 24% of funding



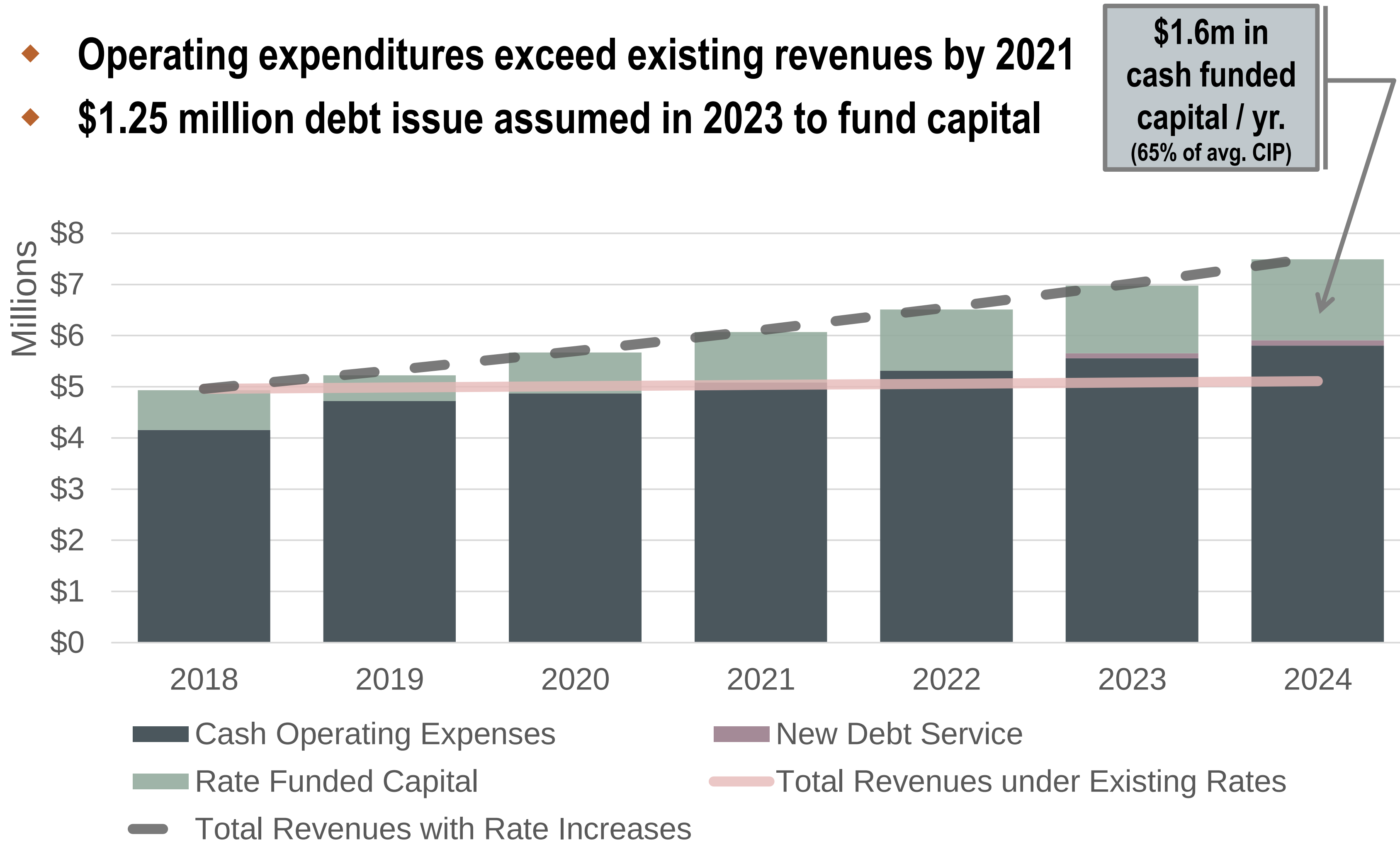
Capital Funding Strategy

- Fund balance drawn down to about $0.7 million by 2024



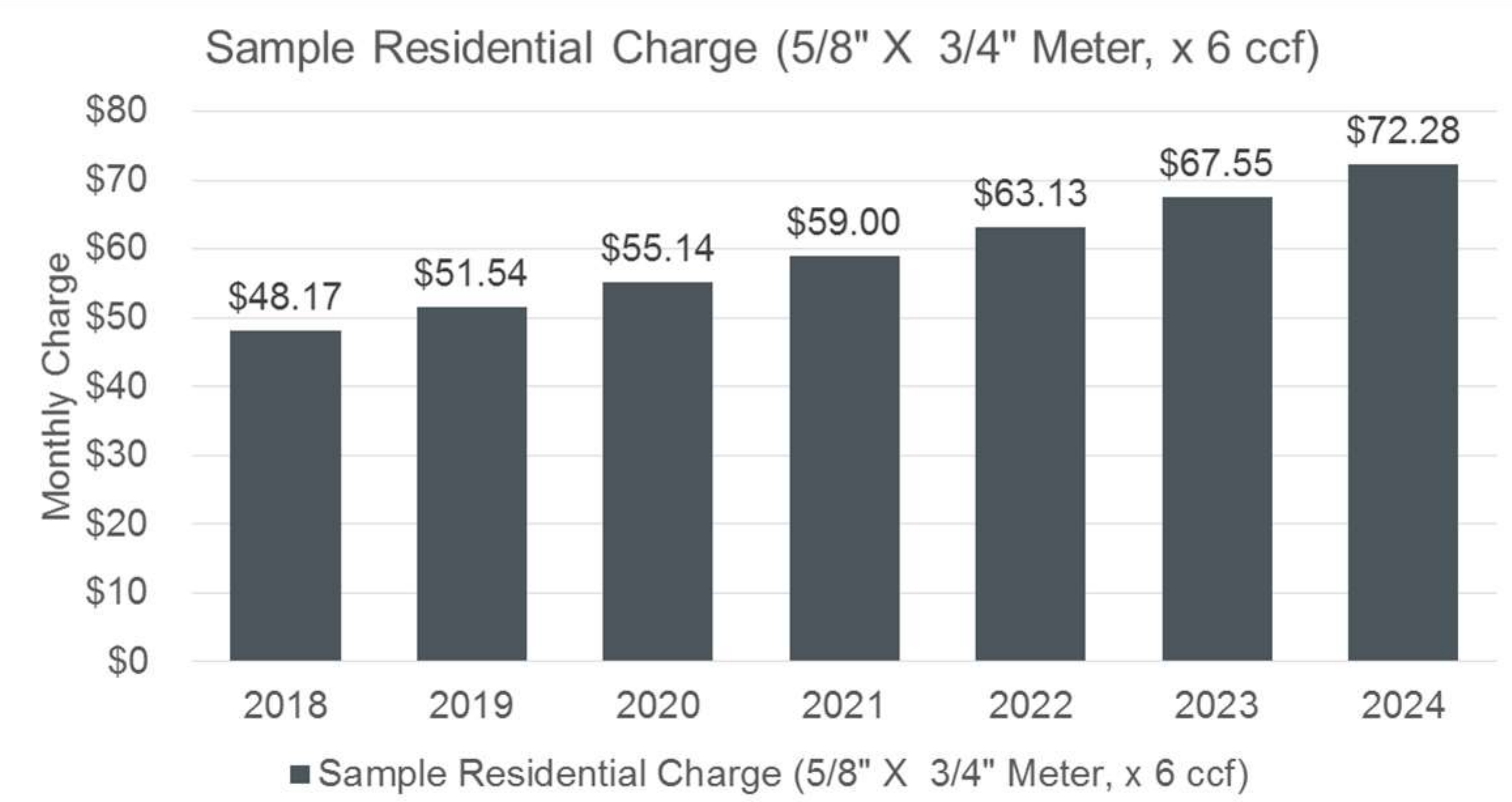
2019-24: Annual 7% increases

- Operating expenditures exceed existing revenues by 2021
- $1.25 million debt issue assumed in 2023 to fund capital

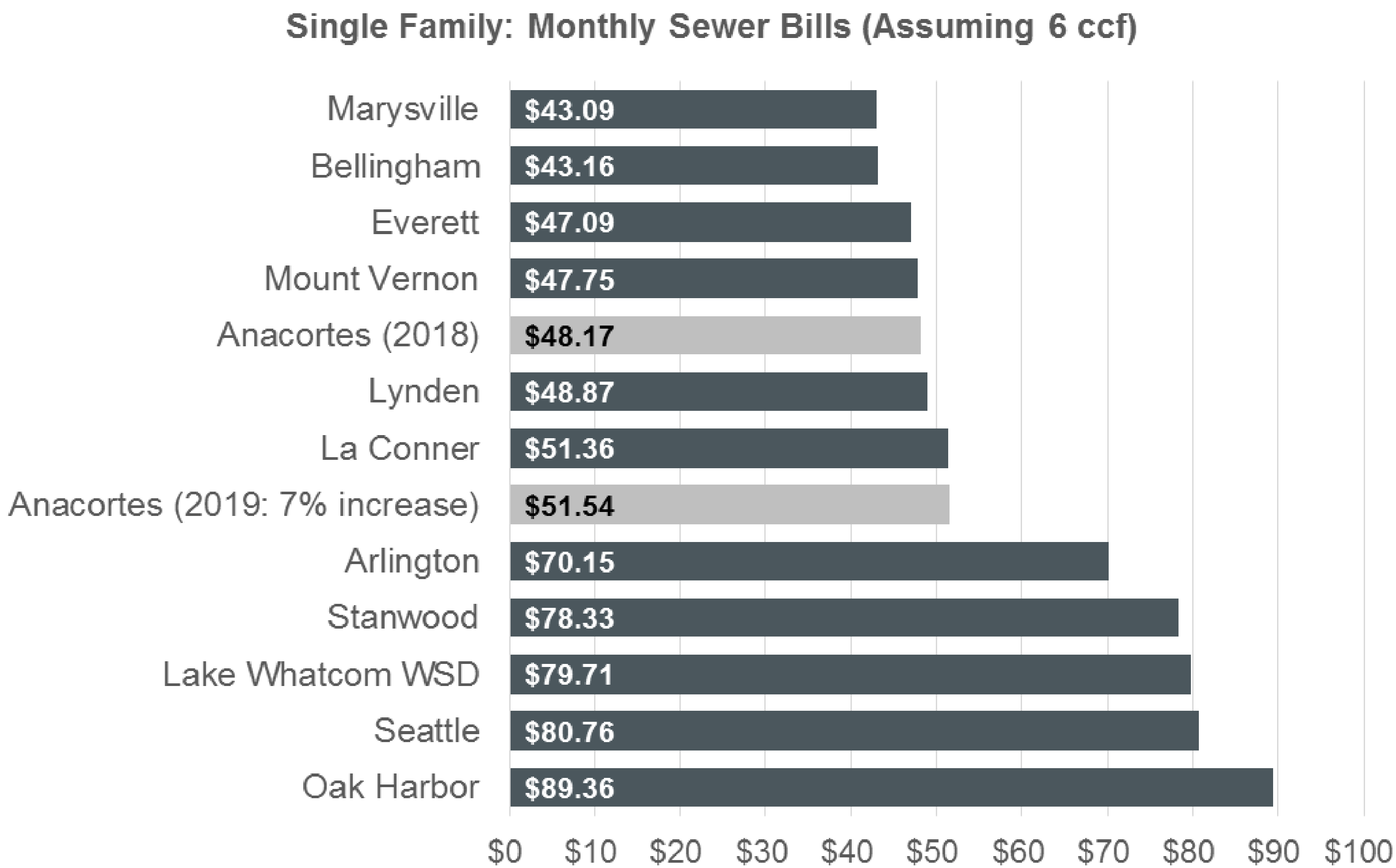


Impact to Single Family Monthly Charge

- **Combined fixed + variable monthly charge to increase $3-$5 every year**



Rate Comparison (assumes 2018 rates)



Comparing Scenarios

Three Key Decision Variables to Watch

- **Annual percentage rate increases**
- **Amount of debt needed through 2024**
- **Annual cash-funded capital by 2024 (not including GFCs)**
  - Compared with $2.5 million average annual capital projects
  - This measure determines whether you will need debt in future years to maintain the same level of capital spending

Comparing Scenarios

Variable	6% Scenario	7% Scenario	8% Scenario
Annual Rate Increases 2019-24	6% per year	7% per year	8% per year
Debt in 2023	$2.75 million	$1.25 million	n/a
Annual Cash Funded Capital by 2024 (not including GFCs)	$1.1 million (45% of avg. CIP)	$1.6 million (65% of avg. CIP)	$2.1 million (85% of avg. CIP)
Ending Fund Balance: 2024	$0.7 million	$0.7 million	$0.9 million
Single Family Bill: 2019	$51	$51	$52
Monthly Increase	$3.00 - $4.00	$3.00 - $5.00	$4.00 - $6.00

= Scenario represented in previous slides / graphs

Other Topics

- **Recommend increasing septic hauler rates along with other service rates**
  - Under the 7% scenario, this would generate additional $100,000/ yr. by 2024, assuming same level of hauling as in recent history
- **Can revisit under cost of service analysis / Phase II of study**

Summary & Next Steps

- **Summary of Revenue Requirement**
  - Current revenues cover current operating expenses but almost no capital
  - Rate increases needed to fund capital which averages $2.5 million / yr.

- **Next Steps**
  - Adopt multi-year schedule of sewer rate increases, to be effective January 1, 2019
  - Given your capital needs, we recommend increases not less than 7% per year
  - Initially, rate increases will be across-the-board, but that may change in Phase II

- **Looking Ahead**
  - Phase II of Rate Study in 2019: Rate equity, rate design, GFC update
  - Compare projected and actual revenues and expenditures each year to align projections with reality

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Rate Schedule Forecast With 7% Scenario

- **ATB = Across the Board**
  - All rates increase by same percentage under this scenario

Rate Schedule Forecast	Actual 2017	Existing 2018	ATB 2019	ATB 2020	ATB 2021	ATB 2022	ATB 2023	ATB 2024
Annual System-Wide Rate Increase			**7.0%**	**7.0%**	**7.0%**	**7.0%**	**7.0%**	**7.0%**
Residential Fixed Charge By Meter Size:								
5/8 x 3/4 - Inch	$32.77	$33.75	$36.11	$38.64	$41.35	$44.24	$47.34	$50.65
3/4 - Inch	$39.34	$40.52	$43.36	$46.39	$49.64	$53.11	$56.83	$60.81
1 - Inch	$45.89	$47.27	$50.58	$54.12	$57.91	$61.96	$66.30	$70.94
1 1/2 - Inch	$59.00	$60.77	$65.02	$69.58	$74.45	$79.66	$85.23	$91.20
Monthly Consumption Charge								
SIC 1 consumption per cubic foot	$0.023325	$0.024025	$0.025707	$0.027506	$0.029432	$0.031492	$0.033696	$0.036055
Commercial Fixed Charge By Meter Size:								
5/8 x 3/4 - Inch	$32.77	$33.75	$36.11	$38.64	$41.35	$44.24	$47.34	$50.65
3/4 - Inch	$39.34	$40.52	$43.36	$46.39	$49.64	$53.11	$56.83	$60.81
1 - Inch	$45.89	$47.27	$50.58	$54.12	$57.91	$61.96	$66.30	$70.94
1 1/2 - Inch	$59.00	$60.77	$65.02	$69.58	$74.45	$79.66	$85.23	$91.20
2 - Inch	$95.06	$97.91	$104.76	$112.10	$119.94	$128.34	$137.32	$146.94
3 - Inch	$360.56	$371.38	$397.38	$425.19	$454.96	$486.80	$520.88	$557.34
4 - Inch	$458.90	$472.67	$505.76	$541.16	$579.04	$619.57	$662.94	$709.35
Monthly Consumption Charge								
SIC 1 consumption per cubic foot	$0.023325	$0.024025	$0.025707	$0.027506	$0.029432	$0.031492	$0.033696	$0.036055
SIC 2 consumption per cubic foot	$0.029131	$0.030005	$0.032105	$0.034353	$0.036757	$0.039330	$0.042084	$0.045029
SIC 3 consumption per cubic foot	$0.056705	$0.058407	$0.062495	$0.066870	$0.071551	$0.076560	$0.081919	$0.087653
SIC 4 consumption per cubic foot	$0.009226	$0.009503	$0.010168	$0.010880	$0.011642	$0.012456	$0.013328	$0.014261
SIC 4: BOD per pound	$1.223262	$1.259978	$1.348176	$1.442549	$1.543527	$1.651574	$1.767184	$1.890887
SIC 4: TSS per pound	$0.746397	$0.768800	$0.822616	$0.880199	$0.941813	$1.007740	$1.078282	$1.153761

Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning December 3, 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.

December 3, 2018

•Ordinance 3032: Adopting the 2019/2020 Biennial Budget
•Contract Award: Commercial Avenue LED Lighting Project - PSE
•Waste Management Anacortes Recycling Presentation (Discussion)
•Resolution 2027: 2019 Lodging Tax Funding Awards (Discussion/Possible Action)

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December 10, 2018

•Contract Modification: Update Zoning, Development and Design Standards for Anacortes Municipal Code 16-081-IDS-001
•Fire Impact Fee Presentation from Berk and Associates (Discussion)
•Ordinance 3030: Fire Impact Fees (Discussion/Possible Action)
•Ordinance 3033: Adopting the 2019-2024 Capital Facilites Plan (Discussion)
•Sewer System Assessment & HDR Contract (Discussion/Action)

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December 17, 2018

•Ordinance ____: 4th Quarter Amendment of the 2017/2018 Biennial Budget (Action)
•EDASC 2019 Work Plan Presentation (Discussion)
•Ordinance 3033: Adopting the 2019-2024 Capital Facilites Plan (Action)
•Year End Finance Update (Discussion)

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December 24, 2018 - CANCELLED

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January 7, 2019

•City of Anacortes Legislative Priorities (Discussion)

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January 14, 2019

•WA Cities Insurance Authority 1-Hour Elected Official Training Regarding Liability Exposures and Recommended Risk Controls (Discussion)

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January 22, 2019

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January 28, 2019

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Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

•Finance, Wednesday, Nov 28, 2018, 5:00 PM, Main Conference Room, City Hall
•Public Works, Monday, Dec 3, 2018, 5:00 PM, Main Conference Room, City Hall
•Port/City Liaison , Tuesday, Dec 4, 2018, 8:30 AM, City Hall
•Public Safety, Tuesday, Dec 4, 2018, 10:00 AM, Mayor's Office, City Hall
•Housing Affordability & Community Services, Thursday, Dec 6, 2018, 1:30 PM, City Council Chambers, City Hall
•Planning, Monday, Dec 10, 2018, 5:00 PM, Main Conference Room, City Hall
•Skagit County Law & Justice Council, Wednesday, Dec 12, 2018, 8:15 AM, Mount Vernon
•Finance, Wednesday, Dec 12, 2018, 5:00 PM, Main Conference Room, City Hall
•Public Works, Monday, Dec 17, 2018, 5:00 PM, Main Conference Room, City Hall