SJC Agreement No.
14AD.045

INTERLOCAL AGREEMENT
AWARD OF FUNDS FOR TOURISM PROMOTION
UNDER RCW 67.28

THIS Agreement is made and entered into at Friday Harbor, Washington, pursuant to
RCW 39.34.080, between San Juan County ("COUNTY"), and San Juan Island Park and
Recreation District ("GRANTEE").

RECITALS

1. The COUNTY collects a four percent lodging tax as allowed by RCW 67.28.180,
   RCW 67.28.181, and San Juan County Code 3.16.

2. San Juan County dedicates two percent of the funds received to a Tourism
   Facilities account. (San Juan County Code 3.16.010).

3. San Juan County solicited proposals for the expenditure of up to $415,000 in
   funds from the Tourism Facilities account for the year 2015.

4. The Lodging Tax Committee reviewed the applications and make
   recommendations to the County Council for the award of the funds.

5. The GRANTEE has been selected by the COUNTY to receive a grant from the
   Tourism Facilities Account.

6. The GRANTEE represents that it is qualified and possesses sufficient skills and
   the necessary capabilities, including technical and professional expertise, where required, to
   perform the services and/or tasks set forth in this Agreement.

Therefore, in consideration of the above recitals, and the terms, conditions, covenants,
and performance contained herein, the parties agree as follows:

CC: AUR
S Kooler (2 copies)
9/18/2014 DEE
1. **SCOPE OF SERVICES**

The GRANTEE shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary, as are designated in the responsibilities of GRANTEE throughout this Agreement and as described in Exhibit A, attached and incorporated herein.

2. **TERM**

The Project shall begin no sooner than January 1, 2015 and shall be completed no later than December 31, 2015.

3. **COMPENSATION AND METHOD OF PAYMENT**

Payments for services provided shall be made following the performance of such services, unless otherwise permitted by law and approved in writing by the COUNTY. Invoices for payment shall be submitted by the GRANTEE to the County Auditor for payment. No payment shall be made for any service rendered by the GRANTEE except for services identified and set forth in this Agreement, including Exhibit A. Fees for services shall not exceed $6,000.

4. **ADMINISTRATION.**

The San Juan County Council has delegated the authority to sign and administer this Agreement to the County Manager.

5. **INDEMNIFICATION.**

The GRANTEE shall protect, defend, hold harmless and indemnify the COUNTY against all tort liability or loss, and against all claims or actions based upon or arising out of damage or injury (including death) to persons or property caused by or sustained in connection with the GRANTEE’s negligent performance of this Agreement or by conditions created thereby, or based upon violation of any code or regulation, and the defense of any such claim or actions.

The GRANTEE shall also indemnify the COUNTY against all liability and loss in connection with, and shall assume full responsibility for, payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, workman's compensation, social security and income tax laws, for the GRANTEE and any employees or volunteers of the GRANTEE.

6. **INSURANCE**

A. The GRANTEE will carry and maintain throughout the period of the Agreement at its own expense the following minimum insurance:

   1. Comprehensive commercial general liability insurance in the amount of no less than $1,000,000 for combined, single-limit bodily injury, including wrongful death, or
property damage to defend and indemnify all activities and services covered by this Agreement with a commercial insurance carrier protected under the State of Washington Guaranty Fund or with a risk pool approved by the Insurance Commissioner. Such insurance shall be endorsed to include San Juan County, its officers, elected officials, employees and agents as an additional insured, and shall not be reduced or cancelled without thirty (30) days prior written notice to the COUNTY.

Each insurance shall be endorsed to include language containing a “cross liability” or “separation of insureds” indicating essentially that except with respect to the limits of insurance, and any rights or duties specifically assigned in the coverage part to the first named insured, this insurance applies as if each named insured were the only named insured, and separately to each insured against whom a claim is made or a suit is brought. Any payment of a deductible or self-insured retention shall be the sole responsibility of the GRANTEE.

2. Auto liability insurance with limits of no less than $1,000,000 for each person and/or $1,000,000 for each occurrence for owned, hired and non-owned automobiles used for any activities and services covered by this Agreement. Such insurance shall be endorsed to include San Juan County, its officers, elected officials, employees and agents as an additional insured, and shall not be reduced or cancelled without thirty (30) days prior written notice to the COUNTY.

3. Statutory workers’ compensation insurance and employer’s liability insurance to cover employees and volunteers as required by state and federal law.

B. The GRANTEE shall provide the COUNTY with evidence of insurance in the form of a Certificate of Insurance satisfactory to the COUNTY, executed by a duly authorized representative of each insurer showing compliance with the insurance requirements set forth above. Upon the request of the COUNTY, the GRANTEE shall also provide a duplicate (photocopy) of each insurance policy and endorsements noted above and the name, address and telephone number of the broker who issued each one as evidence of coverage. Approval of insurance is a condition precedent to full execution, including continued compensation, of this Agreement. The maintenance of said insurance will not in any manner affect the GRANTEE’S obligation to hold harmless and indemnify the COUNTY as provided in this Agreement.

7. PREVAILING WAGES

The work provided under this Agreement is subject to the minimum wage requirements of RCW 39.12. Prior to beginning work under this Agreement, the Contractor shall deliver to the County a signed statement of Intent to Pay Prevailing Wages as filed with the Washington State Department of Labor and Industries (L&I). In the event the Contractor employs any person in the performance of this Agreement, the Contractor shall file an Affidavit of Wages Paid as required under RCW 39.12. If employing labor in a class not listed by L&I, the Contractor shall request a determination of the correct wage rate for that class from the Industrial Statistician, L&I. All submitted invoices must conform to the prevailing wage requirements set out in RCW 39.12.040(1).
8. **MAINTENANCE AND INSPECTION OF RECORDS**

A. The GRANTEE shall maintain books, records and documents, which sufficiently and properly reflect all work related to the performance of the Agreement. In addition, the GRANTEE shall maintain all accounting records in a form necessary to assure proper accounting of all funds paid pursuant to this Agreement. All of the above shall be subject at all reasonable times to inspection, review, or audit by the COUNTY, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

B. The GRANTEE shall retain all books, records, documents and other material relevant to this Agreement for six (6) years after its expiration. The GRANTEE agrees that the COUNTY or its designee shall have full access and right to examine any of said materials at all reasonable times during said period.

9. **TERMINATION**

If the GRANTEE fails to perform in the manner called for in this Agreement, or if the GRANTEE fails to comply with any other provisions of the Agreement and fails to correct such noncompliance within five (5) days written notice thereof, the COUNTY may terminate this Agreement for cause. Termination shall be initiated by serving a notice of termination on the GRANTEE setting forth the manner in which the GRANTEE is in default. The GRANTEE shall have the opportunity to address the Council before the Agreement is formally terminated by the County Council. In the event of termination, the GRANTEE will only be paid for services performed in accordance with the manner of performance set forth in this Agreement.

10. **INDEPENDENT CONTRACTOR**

Grantee is an independent contractor and is solely responsible for the work performed under this agreement.

11. **MEDIATION**

The parties shall attempt to resolve any controversies or disputes arising out of or relating to this Agreement through a good faith attempt at mediation. Each party will pay its own attorneys’ fees and costs.

12. **ARBITRATION**

A. Any controversy or claim arising out of or relating to this Agreement that is not resolved through mediation, shall be resolved by final and binding arbitration pursuant to RCW 7.04A. Demand for arbitration shall be made in writing to the other party. The arbitration shall be held in San Juan County before a single arbitrator selected by Agreement of the parties. If the parties cannot agree upon an arbitrator within fifteen (15) days after the demand for arbitration is made,
the arbitrator shall be selected by a judge in the Superior Court of San Juan County in accordance with the procedures set out in RCW 7.04.A.110.

B. Unless the parties agree otherwise in writing, the arbitration hearing shall occur no later than sixty (60) days after the date the arbitrator is appointed.

C. The parties agree that, with the exception of the circumstances set out in RCW 7.04.A.230, the arbitrator's decision shall be binding, final and not appealable to any court of law.

D. Each party shall pay its own costs of arbitration including attorneys' fees. The arbitrator's fee and any administrative expenses imposed by the arbitrator shall be shared equally by the parties.

E. This Agreement shall be governed by laws of the state of Washington, both as to interpretation and performance.

13. WAIVER

The waiver by, or the failure to take action with respect to, breach of any term, covenant or condition of the Agreement shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach. All remedies afforded in this Agreement shall be taken as cumulative; that is, in addition to every other remedy provided herein or by law.

14. SEVERABILITY

It is understood and agreed by the parties that if any term or provision of this Agreement is held by any court to be illegal or in conflict with any law of the state of Washington, the validity of the remaining portions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term, part or provision held to be invalid.

15. ENTIRE AGREEMENT

This instrument contains the entire Agreement between the parties; statements, promises, or inducements made by any party or agent of that party that are not contained in this Agreement shall not be valid or binding. This Agreement may not be enlarged, modified, or altered except in writing signed by all parties.

16. NOTICE

Notice provided for in this Agreement shall be sent by certified mail to the following addresses designated for the parties.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of this 18th day of September 2014.

SAN JUAN ISLAND PARK & REC DISTRICT
Sally Thomsen
Director

Mike Thomas
County Manager

APPROVED AS TO FORM ONLY
Randall K. Gaylord
San Juan County Prosecuting Attorney

By: [Signature] 8/18/14 Date
Exhibit A

Scope of Services

San Juan Island Park and Recreation District will use the funds provided through this grant for: Replacement of the picnic shelter roof at the Family Park within the SJC Fairgrounds as described in Sections 1-7 of its attached APPLICATION FOR 2015 FUNDING to the San Juan County Lodging Tax Advisory Committee.

At the conclusion of the project or the grant period, GRANTEE will provide a report to the Lodging Tax Advisory Committee, describing and analyzing the effectiveness of GRANTEE in fulfilling the purposes stated in its application for funds.

In establishing reporting requirements for Lodging Tax grant recipients, the Washington Legislature specifically stated that reports must include numbers or estimates for three specific types of travelers drawn by the facility or event being funded:

1. Staying overnight in paid accommodations away from their pace of residence or business;
2. Staying overnight in unpaid accommodations (e.g. with friends and family) and traveling more than 50 miles
3. Staying for the day only and traveling more than 50 miles

In addition, the report may also include feedback to the committee about the grant process and related issues, as GRANTEE sees fit.