

July 1, 2019

WORKSHOPS

Vancouver City Hall - 415 W 6th Street, Vancouver WA

Councilmember Hansen was absent from workshops.

4:00-4:30 p.m. Central Vancouver Anti-Displacement Strategy

Presenters: Rebecca Kennedy, Long Range Planning Manager, 487-7896; Andrea Pastor, Associate Economic Development Planner, 487-7947; Thread Community Planning Consultant Team

Summary

City staff introduced Council to members from the Thread Community Planning Consultant Team, which has been conducting research and recently completed a report and recommendations related to an anti-displacement strategy for central Vancouver. Thread team members Tay Stone, Project Manager, and Jeff Lane, Policy Analyst and Research Lead, provided Council with an overview of the report.

4:30-5:00 p.m. Council for the Homeless Continuum of Care Reorganization

Presenters: Kate Budd, Executive Director, Council for the Homeless; Chad Eiken, Community and Economic Development Director, 487-7882

Summary

Kate Budd, Executive Director for the Council for the Homeless, provided Council with an overview of a proposed restructuring for the Homeless Crisis

Response System Continuum of Care, including a proposal for a new Joint Executive Board on Homelessness in Clark County.

5:00-6:00 p.m. Vancouver Fire Department 2018 Report on Service Levels

Presenter: Joe Molina, Fire Chief, 487-7201

Summary

Vancouver Fire Chief Joe Molina presented Council with the 2018 Report of Service Levels for the Vancouver Fire Department.

6:00-6:30 p.m. Executive Session re: City Manager Annual Performance Evaluation

Mayor McEnerny-Ogle announced that the Council would be entering into executive session from 6:00-6:30 to discuss the City Manager's annual performance evaluation.

COUNCIL REGULAR MEETING

Pledge of Allegiance

Call to Order and Roll Call

The regular meeting of the Vancouver City Council was called to order at 7 p.m. by Mayor McEnerny-Ogle in the Council Chambers of City Hall, 415 W. 6th Street, Vancouver, Washington.

Present: Councilmembers Paulsen, Lebowsky, Glover, Stober, Turlay, Mayor McEnerny-Ogle

Absent: Councilmember Hansen

Motion by Councilmember Paulsen, seconded by Councilmember Turlay, and carried unanimously to excuse Councilmember Hansen.

Approval of Minutes

Minutes - June 10, 2019

Motion by Councilmember Glover, seconded by Councilmember Lebowsky, and carried unanimously to approve the meeting minutes of June 10, 2019.

Minutes - June 17, 2019

Motion by Councilmember Lebowsky, seconded by Councilmember Stober, and carried unanimously to approve the meeting minutes of June 17, 2019.

Citizen Communication (Items 1-10)

Mayor McEnerny-Ogle opened Citizen Communication and, receiving no testimony, closed Citizen Communication.

Consent Agenda (Items 1-10)

Council requested Items 4 and 7 be pulled for discussion (summarized below).

Motion by Councilmember Stober, seconded by Councilmember Glover, and carried unanimously to approve the Consent Agenda.

1. 2019 Resurfacing Project Bid Award

Staff Report 085-19

Summary

The 2019 Resurfacing Project is being constructed as part of the Pavement Management program. This project involves paving with hot mix asphalt on corridors and residential streets and installation of 56 speed cushions at various locations throughout the city. This year's pavement management program includes three separate resurfacing contracts. A total of 23 lane miles of street will be treated under those contracts. These contracts include the "SE 164th/162nd Ave NHS Resurfacing Project", which includes 9 lane miles of paving, the "E. Mill Plain Blvd. NHS Resurfacing Project", which includes 5 lane miles of paving and microsurfacing, and the "2019 Resurfacing Project", which includes 9 lanes miles of paving.

The attached vicinity map shows where streets will be paved. Corridors include NE 18th Street and Evergreen Highway. Neighborhoods that have some residential streets getting paved include Old Evergreen Highway, Ellsworth Springs, and Burton Ridge.

On June 18, 2019, the City received three bids for the subject project. The bids ranged from \$2.5 million to \$2.8 million dollars. The low bidder was responsive. The bids are as follows:

SUMMARY OF BIDS	
BIDDER	AMOUNT

<i>Granite Construction Company, Vancouver, WA</i>	<i>\$2,579,579.00</i>
<i>Clark & Sons Excavating, Inc. Battle Ground, WA</i>	<i>\$2,626,626.00</i>
<i>Lakeside Industries Inc., Vancouver, WA</i>	<i>\$2,791,460.29</i>
<i>Engineers' Estimate</i>	<i>\$2,220,000.00</i>

The bids are about 14 to 27 percent higher than the engineer's estimate. This is mostly because of increases in asphalt and construction prices. However, if the streets are not paved they will deteriorate at a faster rate than if they were paved due to their current condition. It is staff's recommendation to award the contract so that street work is done this year to take advantage of the upcoming paving season during July and August.

There is a minimum apprenticeship goal of 4% of the utilized labor hours for this project. Granite Construction Company of Vancouver, Washington, has submitted an Apprenticeship Utilization Plan to meet or exceed this goal by using approximately 235 hours of apprentice time of the estimated total of 5,207 applicable labor hours for the project.

Request: On July 1, 2019, award a construction contract for the 2019 Resurfacing Project to the lowest responsive and responsible bidder, Granite Construction Company, Vancouver, Washington, at their bid price of \$2,579,579.00, which includes Washington State sales tax, and authorize the City Manager or designee to execute the same.

Chris Sneider, Senior Civil Engineer, 487-8239; Ryan Miles, Operations Superintendent 487-7708

Motion approved the request.

2. Bid Award for Central Vancouver South - PH1 Sanitary Sewer Improvements

Staff Report 086-19

Summary

The Central Vancouver South Ph1 project is proposed to be constructed under the Sewer Connection Incentive Program (SCIP). This project will provide reliable sewer service to 35 parcels by installing 2,070 linear feet of 8-inch gravity sewer mains in NE 102nd Ave, NE 14th St, NE 7th St, NE 100th Ave and St Helen's Ave.

On June 11, 2019, the City received 7 bids for the subject project. The bids ranged between \$560,000 and \$851,000. The low bidder was responsive. The bids are as follows:

SUMMARY OF BIDS	
BIDDER	AMOUNT
<i>Halme Excavating, Inc., Battle Ground, WA</i>	<i>\$560,133.13</i>
<i>NW Construction GC, Inc., Battle Ground, WA</i>	<i>\$567,840.62</i>
<i>Advanced Excavating Specialists, LLC, Longview, WA</i>	<i>\$609,940.10</i>
<i>Folden Construction, Inc., Vancouver, WA</i>	<i>\$713,070.57</i>
<i>Magna Construction Services, Inc., Vancouver, WA</i>	<i>\$749,031.92</i>
<i>Nutter Corporation, Vancouver, WA</i>	<i>\$792,855.22</i>
<i>Clark and Sons Excavating, Inc., Battle Ground, WA</i>	<i>\$850,469.61</i>
<i>Engineer's Estimate</i>	<i>\$520,000.00</i>

Based on the amount of the bid, this project will have a required minimum apprenticeship utilization of 3%.

Request: On July 1, 2019, award a construction contract for the Central Vancouver South PH1 Sanitary Sewer Improvement project to the lowest responsive and responsible bidder, Halme Excavating, Inc. of Battle Ground, WA at their bid price of \$560,133.13, which includes Washington State sales tax.

Sheryl Hale, Senior Engineering Supervisor, 487-7151

Motion approved the request.

3. Purchase of Versalift Insulated Aerial Trucks

Staff Report 087-19

Summary

The City uses Sourcewell contract #120716-NAF for purchases of insulated aerial trucks used by the traffic signal and street light teams.

Equipment Services would like authorization to continue to use the contract to purchase up to the Council-approved annual budgeted amount for vehicle purchases through the end of the contract, which is 1/17/2021, and into any extended period offered by Sourcewell.

The City has expended the approved levels authorized by Council in 2018 and would like permission to purchase additional vehicles using this contract up to the amounts approved by Council in City's budget process.

Request: Authorize the City Manager or his designee to approve purchases under Sourcwell contract #120716-NAF for the life of the contract with National Auto Fleet Group.

Dan Zenger, Equipment Services Superintendent, 487-8205

Motion approved the request.

4. Granting of Access Easement

Staff Report 088-19

Summary

2600 LLC is proposing to construct a 290,000 square-foot warehouse / light industrial building on their property located at 2600 NW Lower River Road. This property was formerly used as a treatment pond for the former Rufener (Boise) landfill which was decommissioned in 2015. The property has since been remediated and fill placed to accommodate the proposed development.

Access to this property has historically (for at least the past 60 years) been taken from a City-owned gravel maintenance road located along the east side of the 2600 LLC property. This maintenance road is located on two properties owned by the City of Vancouver. In addition to providing access to the development property, this access road provides access to the City's food waste pretreatment lagoon located north of the site, and Port of Vancouver property located east of the site. (See the attached aerial photo.)

The only public street frontage for the 2600 LLC property is along NW Lower River Road, which is classified as a principal arterial street and a State highway. Due to access restrictions onto State highways, continued access to the existing maintenance road is the only access that will be provided to the development property. In order to preserve permanent access to this maintenance road, it is necessary for 2600 LLC to obtain an access easement across the City-owned properties.

2600 LLC will improve the City-owned maintenance and access road with a 40-foot wide paved surface, vertical curb, and appropriate drainage facilities. In exchange for construction of these improvements and the commitment to provide ongoing maintenance of the access road, the City agrees to grant a permanent access easement to 2600 LLC for the purpose of providing primary access to the proposed warehouse / light industrial building. The value of the road improvements and maintenance commitment greatly exceeds the value of the proposed easement. The bare land value of the easement area is approximately \$150,000. The costs for the construction of the improvements exceeds \$600,000. Therefore, no additional compensation is recommended.

Request: Authorize the City Manager or designee to grant a Permanent Access Easement to 2600 LLC as described in the Access Easement Agreement.

Ryan Lopossa, Streets and Transportation Manager, 487-7706; Eric Hahn, Senior Civil Engineer, 487-7702

Ryan Lopossa, Streets and Transportation Manager, provided staff comments.

Councilmember Stober asked for clarification as to what would be changing with the streets in the area of the easement.

Mr. Lopossa explained that currently there exist some strips of City-owned property in the area, and at one time the City had envisioned a road that would run up through the corridor aligned with 26th Avenue; however that did not come to fruition, and instead the alignment goes along 32nd Avenue with the City still owning some strips of land. There currently is an access leading from Lower River Road going up to the City's wastewater treatment ponds. The developer is proposing to improve that road in exchange for having an access easement into their property nearest to Lower River Road so the City can still access the treatment ponds and also partner with the developer to make improvements to a road that the City still uses on a regular basis. The proposal does not include extending the road any further north than the access into the treatment pond site.

Motion approved the request.

5. **Approval of Disposition Method - Fire Station 2**

Staff Report 089-19

A RESOLUTION of the City of Vancouver authorizing a disposition method for Fire Station No. 2.

Summary

On March 16, 2015, Council approved a resolution declaring property located at 400 E. 37th Street (known as Old Fire Station #2) as surplus.

As required in ordinance M-3923, the method of disposition has to be approved by council. At the time of requesting approval for declaration of the property as surplus, the disposition method had not been addressed.

With the re-location of Fire Station #2, the property located at 400 E. 27th Street will no longer be put to any municipal use by the City of Vancouver.

To further enhance the development of the Community Commercial zoning, a public process for disposition of this site would provide the largest return to the City of Vancouver. The method being recommended is to publicly advertise the property for sale and engage in negotiations with prospective purchasers. This method of disposition will best provide for the ability to maximize price while providing some flexibility in addressing the other terms of the sale. Any proposed disposition will be returned to Council at a subsequent hearing.

At a workshop held on August 6, 2018, staff recommended advertisement on the commercial market for Fair Market Value (FMV) and a negotiated sale as the method of disposition. At that time, the property was being considered together with Fire Station #1. The Council has since determined a desired path for the disposition of old Station #1, and old now Station #2 is ready for disposition.

Request: On July 1, 2019, adopt a resolution approving disposition method of the real property located at 400 E. 37th Street (known as Old Fire Station #2).

Linda Carlson, Property Management Specialist, 487-8423

Motion adopted Resolution M-4021 to approve the request.

6. Settlement of Tort Claim by Ray Glur

Staff Report 090-19

Summary

Ray Glur was seriously injured while riding a bicycle on August 28, 2018, when Vancouver Police Corporal Jeremy Free collided with him while responding to a call. VPD's investigation found that Corporal Free proceeded through the intersection of Evergreen and Grand against a red light without clearing it first, which caused the accident. Corporal Free was disciplined as a result of his actions.

Mr. Glur, an architect, sustained numerous injuries, including a collapsed lung, broken tibia, fractured scapula, and several broken ribs. His medical expenses exceed \$150,000, and he has lost close to \$40,000 in wages due to missed work. However, Mr. Glur has made a remarkable recovery and continues to recover every day.

The City Attorney's Office has worked closely with Mr. Glur and his attorney to negotiate a fair settlement as a result of the accident. The parties agreed, subject to Council approval, to a global settlement in the amount of \$775,000, which resolves all claims, including medical expenses, lost wages, property damage, and recoverable non-economic damages

sustained by not only Mr. Glur but also his spouse, Barbara Anderson.

Request: Authorize the City Manager, City Attorney and/or their designee(s) to execute any and all documents to settle the claim of Ray Glur and BarbaraAnderson in the amount of \$775,000, inclusive.

Dan Lloyd, Assistant City Attorney, 487-8500

Motion approved the request.

7. Recognition of Green Meadows Neighborhood Association

Staff Report 091-19

A RESOLUTION recognizing the Green Meadows Neighborhood Association by City Council and providing that City Council intends to consult with the neighborhood association and to consider recommendations of the Green Meadows Neighborhood Association on any matter found to affect the livability of the Green Meadows neighborhood.

Summary

The Green Meadows Neighborhood Association was initially formed in 1998, when the area was part of unincorporated Clark County. The City of Vancouver annexed the area as part of the Van Mall North Annexation in 2017. At the time of annexation the members of the Green Meadows Neighborhood Association were not ready to move forward with an active neighborhood association.

Residents of the Green Meadows Neighborhood met on May 9, 2019, and voted to re-activate the neighborhood association, using the previously adopted bylaws, and voted in officers. They will retain the name for the association as the Green Meadows Neighborhood Association, as well as the neighborhood boundaries. They have elected a president, vice president, secretary and treasurer. They have met all requirements to become formally recognized by City Council.

Request: Adopt a resolution formally recognizing the Green Meadows Neighborhood as the City's 68th official neighborhood association.

Judi Bailey, Office of Neighborhoods Coordinator, 487-8608

Judi Bailey, Office of Neighborhoods Coordinator, provided staff comments.

Ms. Bailey explained that the Green Meadows Neighborhood Association was an organized neighborhood association in the county, and then the City annexed the area in 2018. The neighborhood association did not have officers at that time, but recently got together and decided to reactivate and elected officers. She introduced Lynn Grundhauser, neighborhood association president, and Art Stubbs, board member.

Mayor McEnerny-Ogle asked what their hopes for the neighborhood association will be going forward.

Ms. Grundhauser stated the group needs to come together to see what they want to do to make their neighborhood better. Mr. Stubbs stated he would like to see more community involvement and create a City government 101 program for the neighbors to learn more about how the city works and how to access City programs and staff when they need to.

Motion adopted Resolution M-4022 to approve the request.

8. Appointments to Parking Advisory Committee

Request: Reappoint Stephanie Lynn and Stephanie Rice to the Parking Advisory Committee with terms beginning immediately and expiring July 1, 2023; appoint Dean Irvin to a mid-term appointment, term beginning immediately and expiring January 1, 2022.

Council Committee 2 (Councilmembers Turley, Stober, Lebowsky)

Motion approved the request.

9. Appointments to the Parks and Recreation Advisory Commission

Request: Reappoint Laura Parlette and Holly Williams to the Parks and Recreation Advisory Commission, terms beginning July 31, 2019 and expiring July 31, 2022.

Council Committee 1 (Councilmembers Hansen, Glover, Paulsen)

Motion approved the request.

10. **Approval of Claim Vouchers**

Request: Approve claim vouchers for July 1, 2019.

(Copy available upon request)

Motion approved claim vouchers for July 1, 2019, in the amount of \$1,549,535.67.

Public Hearings (Item 11-15)

11. **Declaration of Real Property as Surplus - NE 138th Ave & NE 18th St**

Staff Report 092-19

A RESOLUTION of the City of Vancouver declaring certain real property as surplus, directing its disposal and method of disposition.

Summary

In 2009, the City of Vancouver completed construction of Phase One of the NE 138th Avenue project. The construction of this project required the City to purchase three parcels in their entirety. Staff is proposing to surplus the remaining portion of these three parcels as they are not needed for future transportation purposes.

The surplus parcels total approximately 0.52 acres. They are zoned R-22 and are currently unimproved. They are also proposed to be sold as one unit to provide the most flexibility for use and because they will have only "right-in/right-out" access along NE 138th Avenue from the northernmost parcel. The fair market value of the combined property per an appraisal is approximately \$230,000.

Federal grant funds were used to purchase the parcels. Grant funding guidelines require when selling property that is no longer needed for transportation purposes on a recently completed project, that the sales proceeds be returned to the granting agency (reimbursed back to the federal grant) or alternatively applied to another federal grant eligible project being undertaken by the local agency that meets certain criteria. The City's 137th Avenue – 49th to Fourth Plain (Project #071237) meets this criteria and we are proposing that the sales proceeds be applied toward this project.

The parcels submitted for council review as surplus are outlined in a detailed report and a map is also attached.

Declaration of surplus is the first of a two-step process in VMC 3.30 – Disposition of City-Owned Surplus Real Property, allowing the city to sell the subject properties. The second step, disposition, requires a separate hearing and action prior to actual sale of the property.

Request: On July 1, 2019, following a public hearing, adopt a resolution approving certain real property located at NE 138th Avenue and NE 18th Street (Assessor parcels 164161-000, 164160-000, 164061-000) as surplus.

Chris Malone, Public Works Finance and Asset Manager, 487-7711; Linda Carlson, Property Management Specialist, 487-8423

Chris Malone, Public Works Finance and Asset Manager, provided an overview of the proposed surplus item.

Mayor McEnerny-Ogle opened the public hearing and received the following testimony:

- Aaron Babcock, Longview, Washington, expressed concerns regarding taxation without representation, Second Amendment rights, and a reduction of taxes on small businesses.

There being no further testimony, Mayor McEnerny-Ogle closed the public hearing.

Motion by Councilmember Stober, seconded by Councilmember Lebowsky, and carried unanimously to adopt Resolution M-4023 declaring the subject property as surplus.

12. **Declaration of Real Property as Surplus - NE Four Seasons Lane & NE 18th St**

Staff Report 093-19

A RESOLUTION of the City of Vancouver declaring certain real property as surplus, and directing its disposal and the method of disposition.

Summary

In 2012, the City of Vancouver completed construction of Phase 1A of the NE 18th Avenue Improvement project from I-205 to Four Seasons Lane. The construction of this project required the City to purchase three parcels in their entirety. Staff is proposing to surplus the remaining remnant portions of these three parcels as they are not needed for future transportation

purposes.

The surplus parcels total approximately 1.09 acres. They are zoned R-22 and are currently unimproved. They are also proposed to be sold as one "unit" to provide the most flexibility for use and due to access restrictions and extraordinary costs for required site work for any development.

The 18th Street construction project left the subject parcels with a significant slope. Because of the sloping topography, the subject property will need a significant amount of site work in the form of soil stabilization and construction of a retaining wall. Additionally, the parcels have access restrictions due to their proximity to Four Seasons Lane and "right-in/right-out" will only be allowed at the east end of the property. Both of these factors will reduce the value of the property.

The fair market value per an appraisal completed in July 2018 is \$350,000 prior to application of these reduction factors. The appraiser assigned a 50% reduction in value to account for these factors and accordingly valued the property at approximately \$175,000.

Federal grant funds were used to purchase the parcels. Grant funding guidelines require when selling property that is no longer needed for transportation purposes on a recently completed project, that the sales proceeds be returned to the granting agency (reimbursed back to the federal grant) or alternatively applied to another federal grant eligible project being undertaken by the local agency that meets certain criteria. The City's 137th Avenue – 49th to Fourth Plain (project #071237) meets this criteria and we are proposing that the sales proceeds be applied toward this project.

The parcels submitted for council review as surplus are outlined in a detailed report and a map is also attached.

A declaration that the property is surplus is the first of a two-step process in VMC 3.30 – Disposition of City-Owned Surplus Real Property, allowing the city to sell the subject properties. The second step, disposition, requires a separate hearing and action prior to actual sale of the property.

Request: On July 1, 2019, following a public hearing, adopt a resolution approving certain real property located at NE 18th Street & NE Four Seasons Lane (Assessor parcels 163713-000, 163701-000, 163817-000) as surplus.

*Chris Malone, Public Works Finance and Asset Manager,
487-7711; Linda Carlson, Property Management Specialist,
487-8423*

Mr. Malone provided an overview of the proposed surplus item.

Mayor McEnerny-Ogle opened the public hearing and, receiving no testimony, closed the public hearing.

Motion by Councilmember Paulsen, seconded by Councilmember Turley, and carried unanimously to adopt Resolution M-4024 declaring the subject property as surplus.

13. **Declaration of Real Property as Surplus - 10601 SE Mill Plain Blvd.**

Staff Report 094-19

A RESOLUTION of the City of Vancouver declaring certain real property as surplus, and directing its disposal and the method of disposition.

Summary

In 2017, the City of Vancouver approved a project for the improvement of SE Mill Plain Blvd –104th Ave to Chkalov. The completion of this project has required the City to purchase easements, strips of land, and/or entire properties.

The City was required to purchase an entire parcel located at 10601 SE Mill Plain Blvd (Parcel #110291-032), even though the City only needed a portion of the parcel for right-of-way purposes. After dedicating a strip of the property as right-of-way, the remaining remnant was left without street access and the parcel became unusable in its current condition. Accordingly, City staff has determined that the remnant cannot be used and is not needed by the City. The remnant, which is the property that is submitted for Council review as surplus, is described in a detailed report and shown on a map, which are attached ("Subject Property").

To complete the Mill Plain (104th Ave to Chkalov) transportation improvement project, the City must also acquire a portion of an abutting parcel to the east (Parcel #110291-030). The owner of parcel 110291-030 would like to acquire the Subject Property. City staff and the abutting property owner were able to negotiate an agreement, contingent on Council declaring the Subject Property as surplus and approving of its disposition, for the City to convey the subject property to the abutting property owner as partial compensation for the portion of parcel 110291-030 that is needed for right-of-way purposes. The abutting property owner will then combine the remaining remnants ("plottage") to compensate for the loss of access to the Subject Parcel. The fair market value for the Subject Parcel, taking into account loss of access and plottage fees, is \$55,500.

Declaration of surplus is the first of a two-step process in VMC 3.30 – Disposition of City-Owned Surplus Real Property, allowing the City to convey the subject property to an abutting property owner for its fair market value. The second step, disposition, will require a separate hearing, which is currently scheduled on July 15, 2019, and action prior to the proposed property exchange.

Request: On July 1, 2019, following a public hearing, adopt a resolution approving certain real property located at 10601 SE Mill Plain Blvd (Assessor parcel number 110291-032) as surplus.

Ryan Lopossa, Streets and Transportation Manager, 487-7706; Linda Carlson, Property Management Specialist, 487-8423

Mr. Lopossa provided an overview of the proposed surplus item.

Mayor McEnerny-Ogle asked if there was an alley proposed by the property owner. Mr. Lopossa stated there is no alley proposed to be created at this time, but explained the property owner has some relationship or interest with the property to the south and has indicated he might do some sort of development in that area in the future. City staff has made clear that there is no access to the subject property from Mill Plain, and the property owner understands that and has indicated he has a way to access his property from another access point.

Mayor McEnerny-Ogle opened the public hearing and, receiving no testimony, closed the public hearing.

Motion by Councilmember Stober, seconded by Councilmember Glover, and carried unanimously to adopt Resolution M-4025 declaring the subject property as surplus.

14. **2019 First Supplemental Budget**

Staff Report 083-19

AN ORDINANCE relating to the 2019-2020 Biennial Budget and making various appropriations in various funds; declaring an emergency.

Summary

Each year, budget adjustments must be made to reflect changes in revenues and expenses that occur after the budget is adopted by City Council. These adjustments can generally be categorized into the following areas:

- *Corrections or administrative updates to the adopted 2019-2020 Biennial Budget.*
- *Activities and expenditures associated with new external revenues.*
- *Carry forward of projects not completed in the prior year.*
- *New items funded with unobligated and undesignated funds.*

Budget amendments are recommended for the City's various funds as detailed in Attachment A of the Ordinance. The recommended expenditure appropriation adjustments for the City's Operating and Capital funds included in the 2019 First Supplemental Budget total \$63.0 million. Of the \$63.0 million expenditure increase, \$25.6 million is related to the Operating budget, and \$37.4 million relates to changes in the Capital budget and supporting transfers. The net impact on all City resources is a decrease of \$40.0 million to fund balances; the net impact on the General Fund is a \$2.1 million decrease to the fund balance.

The total Operating budget appropriation change in the General, Street and Fire (GSF) funds represents an increase of \$4.4 million. The remaining \$21.2 million increase relates to changes in other funds.

Appropriation adjustments in the City's GSF funds total increase of \$4.4 million include the following major items:

- *New initiative requests of \$2.6 million include:*
 - *Appropriation of \$1.8 million related to new FTE requests or reclassifications of FTEs (detailed in Attachment B section below).*
 - *Appropriation of \$0.2 million for DECU computer and building upgrades.*
 - *A combined increased appropriation of \$0.1 million set aside for a community engagement strategy and a performing arts feasibility study.*
 - *A combined increase in Streets of \$0.1 million supporting vehicle reserve shortages.*
- *Cost neutral requests totaling \$0.7 million and funded by \$0.6 million in new external revenues:*
 - *A contribution from Share of \$0.2 million supporting the Navigation Center's services to provide homelessness services.*
 - *Numerous grants in Police totaling \$0.1 million and in Fire for \$0.4 million.*
- *Carry forwards and administrative adjustments totaling \$1.1 million include:*
 - *Numerous carry forward projects in CED totaling \$0.4 million for the downtown entry way projects, transportation system safety*

- and plan updates, and other planning and strategy projects.*
- *Streets carry forward of \$0.2 million for the salt storage building being used for winter weather events that has had various delays.*

A total of \$21.2 million in appropriation increase relates to other operating City funds. Some of the major changes are summarized below:

- *Budget true-up of \$3.9 million in the Streets Initiative Operating fund to increase the pavement management budget.*
- *Carry forward of \$8.9 million mainly related to \$4.7 million in the sewer operating fund for wastewater treatment and collection professional service contracts and other carry forward items.*
- *Carry forward of \$2.3 million in the affordable housing fund.*
- *Cost neutral requests of \$4.0 million, offset by revenue from a \$1.7 million pavement management grant, and in facilities for \$2.2 million for contract increases for janitorial and security services to reflect a different way of accounting for the contract costs.*
- *Adjustment in the Risk Management Fund of \$0.8 million to cover higher than originally anticipated actuarial costs and claims activity.*
- *Equipment services adjustments in 504 and 505 funds of \$0.7 million to extend 2.0 FTE limited term mechanic positions through 2020.*

The total Capital Budget appropriation of \$37.4 million (including internal transfers) is included in the First Supplemental of 2019. Specific amendments by project are outlined in Attachment C to the ordinance. Following are some major projects included by functional area:

- *General/Facilities major capital projects totaling \$1.2 million include the following:*
 - *Carry forward/true-up projects totaling \$0.9 million.*
 - *Small new projects totaling \$0.3 million.*
- *Parks capital of \$6.5 million for:*
 - *Carry forward/true-up projects totaling \$0.7 million.*
 - *New projects totaling \$5.8 million including \$5.2 million for Fenton Community Park, \$0.5 million for a neighborhood park in PIF district C, and \$0.2 million for Esther Short Park master planning for the playground upgrade and restroom replacement.*
- *Transportation project totaling \$13.7 million include:*
 - *Carry forward projects totaling \$5.0 million.*
 - *New projects totaling \$8.7 million mainly for SE 1st St – 164th to 192nd enhancements of \$7.8 million and \$0.9 million for Devine pedestrian improvements.*
- *Utility carry forwards and adjustments totaling \$7.7 million in Water,*

Sewer and Storm Water projects.

Attachment B of the ordinance outlines changes to FTEs. Due to the implementation of a new ERP system at the City, Workday, a need exists to true up position classification names in the budget documents to the actual job profiles in Workday. Those changes are captured in Attachment B. An increase of 14.4 FTEs is recommended in the First Supplemental of 2019 and are summarized below:

- 2.0 new FTEs to support Communications in the City Manager's Office.*
- 1.0 new FTE Economic Development Director*
- 1.0 new limited term Principal Planner for a three-year period to advise and advocate on regional transportation issues affecting Vancouver in Community and Economic Development (CED) department.*
- 1.0 new FTE Senior Policy Advisor to support intergovernmental affairs and resiliency planning, reporting to the Assistant City Manager.*
- 1.0 FTE to extend an Associate Planner in CED to support Transportation Demand Management programs through 2020.*
- 2.0 new FTEs in Public Safety, each in Police and Fire respectively for Assistant Chief positions.*
- 0.4 FTE increase to a current position in the Community Development Block Grants (CDBG), funded by the grant, bringing the FTE up to 1.0.*
- 1.0 FTE to extend a limited term Customer Service Representative in the Building Fund through 2020.*
- 2.0 FTEs to extend limited term mechanic positions in Equipment Services through 2020.*
- 2.0 FTEs in Human Resources for limited term positions through 2020.*
- Conversion of an existing 1.0 limited term Payroll FTE ending in 2019 into a permanent position of Accountant A in Financial and Management Services.*

Request: On July 1, 2019, subject to second reading and public hearing, approve ordinance.

Amanda Akers, Senior Budget Analyst, 487-8475

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Amanda Akers, Senior Budget Analyst, provided an overview of the 2019 First Supplemental Budget.

Mayor McEnerny-Ogle opened the public hearing and, receiving no testimony,

closed the public hearing.

Motion by Councilmember Paulsen, seconded by Councilmember Glover, and carried unanimously to approve Ordinance M-4270.

15. **Creation of Culture, Arts & Heritage Commission as a Public Development Authority**

Staff Report 082-19

AN ORDINANCE rescinding and replacing VMC 2.88; establishing the Culture, Arts and Heritage Commission as a Public Development Authority, granting a Charter to the Commission, approving Bylaws for such Commission and providing for an effective date.

Summary

On April 16, 2018, the City Council adopted a new Culture, Art & Heritage Plan, the City's first in 25 years. The plan includes hiring a full-time Cultural Services Manager, appointing a new Culture, Arts & Heritage Commission, restoring the Cultural Grant program, developing a public art program and actualizing the existing downtown Arts District.

In the 2019-2020 biennial budget, the Council adopted \$400,000 per year to support the implementation of the plan including appointment of the new Culture, Arts & Heritage Commission. This funding is limited term for the duration of the current biennium. The Council appropriated these funds on a limited term basis in anticipation of establishing permanent, ongoing dedicated funding for the program as part of the larger Stronger Vancouver initiative, which is currently under consideration.

At their March 1 retreat this year, the City Council directed creation of the Culture, Arts & Heritage Commission as a Public Development Authority (PDA) similar to the City Center Redevelopment Authority (CCRA) and charge them with the responsibility for implementing the Culture, Art & Heritage Plan. Through programs, ownership and management of physical assets including buildings and public art and through community partnership, the Commission will facilitate development of a strong culture, arts and heritage environment. The Commission may acquire and manage real property; secure financing; undertake the development or redevelopment, construction and maintenance of structures and facilities, including public amenities; and enter into agreements with cultural, public and other not-for-profit entities or with private developers proposing to develop public facilities or retail for the purposes of promoting art, culture and/or heritage.

Request: On Monday, July 1, 2019, subject to second reading and

public hearing, approve an ordinance, charter and bylaws creating the Culture, Arts and Heritage Commission as a public development authority.

Jeanette (Jan) Bader, Program & Policy Development Manager, 487-8606

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Jeanette (Jan) Bader, Program and Policy Development Manager, presented background information and an overview of the proposed new Culture, Arts and Heritage Commission.

Councilmember Turlay asked if any City funds are proposed to be dedicated to the commission. Ms. Bader explained that Council had already approved \$397,000 in the 2019-2020 biennial budget to fund the first two years of this program as a pilot project. She noted that the Stronger Vancouver initiative includes a recommendation from the Executive Sponsors Council to implement a 5 percent admissions tax to continue to support this program in the future.

Councilmember Turlay asked if the City ever discussed if they would ask citizens if the City should implement this program. City Manager Eric Holmes stated the Council deliberated on the 2019-2020 budget a number of times in 2018. He noted that the Council approved the one-time funding, and the creation of this commission, including the hiring of a program manager and deploying the approved resources to grow a more robust cultural scene in Vancouver, was contemplated in the approval of that one-time funding. Council has yet to take action on anything in the Stronger Vancouver recommendation. Mayor McEnerny-Ogle added that the Council held a public hearing on that budget before approving it.

Councilmember Paulsen asked for more information on the creation of the commission as a public development authority (PDA) rather than an advisory committee, and what role Council oversight would have. Ms. Bader explained a PDA is a more independent body with the ability to accept donations, enter into contracts, and own an art collection or art-related facilities. An advisory committee has no legal standing as an entity separate from the City. She explained that in regards to the grant program the commission would oversee, the commission would make recommendations to the City Council and Council would have the final approval of those grants; in regards to the purchase of public art, some of those decisions would require Council approval due to state law and the City's donation policy. Ms. Bader explained that City staff envisions the primary focus of this commission to be the implementation of the Culture, Arts and Heritage Plan adopted by the Council.

City Manager Eric Holmes explained that while a PDA has the statutory authority to own property and enter into contracts, it does not have the authority to enact taxes or raise revenues, outside of accepting donations. He noted

that the resources necessary to engage actively in the activities statutorily allowed to the PDA all comes from the City and is subject to Council approval, and until the Council is confident in the capacity of those who sit on the commission's board, he would not anticipate a lot of resources being turned over to the PDA to use at their sole discretion.

Councilmember Paulsen noted that up until now, any arts or cultural activity has been initiated by the community with limited government involvement and he presumes that community initiation would continue. He asked to what degree the City would mitigate the risk of this program being in competition with rather than complementary to those kinds of community-supported efforts. Ms. Bader stated the hope for the program is that the grant aspect can help those organizations grow and develop and further support the arts and heritage communities. In regards to the public art program, this initiative can further support local artists in a more expanded capacity than the City has been able to do in the past.

Councilmember Paulsen stated he wanted to make sure it is clear that he supports this program and wants to make sure the City is thinking through and understanding the ramifications of it. He said that from an economic development perspective, the number one thing employers look for is prospective employees when considering where to locate their businesses, and employees are looking for the quality of a community, and arts and culture are a big part of that.

Mayor McEnery-Ogle asked if the Council would have the authority to dissolve this commission if it ever became necessary to do so. Ms. Bader confirmed the Council could do that.

Mayor McEnery-Ogle asked about the City's liability related to a piece of art and whether the City would still be liable for anything under the purview of the commission. Ms. Bader said that if the City owns the piece of art the City would be liable. She explained that the City has established a defined process in terms of developing pieces of public art, which includes review for safety and potential traffic impacts, and the City mitigates liability as much as possible in that regard.

Councilmember Lebowsky asked what involvement this commission would have with the Clark County Arts Commission and also whether it would be working with the Cowlitz tribe. Ms. Bader stated the City Council appoints one Vancouver resident to the Clark County Arts Commission and it is the intent that the City's commission would not duplicate what the County commission is doing because the City body would focus on heritage and culture in addition to the arts, and that would include working with the Cowlitz tribe.

Councilmember Glover stated Vancouver has a rich history and it is important we put focus on that from the City. She also noted that, as Councilmember Paulsen stated, arts and culture activities draw employers and employees and serve as an economic driver. She noted the National League of Cities lists arts and culture as one of the top five economic drivers for cities.

Councilmember Turlay stated that because there is no time restraint on establishing this commission, he would like to postpone Council action on establishing the commission for one week so he can try to sort through what he's heard from Council and citizens.

Motion by Councilmember Turlay to postpone action on the creation of the Culture, Arts and Heritage Commission died for lack of a second.

Mayor McEnerny-Ogle opened the public hearing and received the following testimony:

- Stephanie Turlay, Vancouver, stated she has an extensive arts background but she does not think the City should be focusing on this program at this time, but rather on taking care of funding other priority needs first.
- Kelly Neidig, representing Artstra, summarized the organization's history and role in supporting arts in the community, including participating in the development of the City's Culture, Arts and Heritage Plan. She stated the organization applauds the passage of the plan and hopes the City will continue to engage Artstra and inform the community on decisions relating to the plan, including composition of the commission.
- Maureen Montague, Vancouver, stated she is a local artist and participated in the development of the City's Culture, Arts and Heritage Plan and spoke in support of establishing this commission as a PDA, as it will open up tremendous opportunity for the arts, heritage and culture communities in Vancouver.

There being no further testimony, Mayor McEnerny-Ogle closed the public hearing.

Mayor McEnerny-Ogle asked what the next step for community involvement would be. Ms. Bader stated that if Council passes the ordinance, staff would begin recruiting commission members, whom Council would interview and appoint per their boards and commission appointment process. She said the goal was to get the Commission members appointed by September.

Councilmember Paulsen clarified the action Council would be taking at this public hearing, noting that the funding for the program and the commission has already been approved and Council would be taking action on the structure of the commission, which is being proposed as a public development authority. Mr. Holmes confirmed this and noted that the commission would also act in an advisory capacity to the City Council.

Motion by Councilmember Glover, seconded by Councilmember Lebowsky, and carried 5-1, with Councilmember Turlay voting NO, to approve Ordinance M-4271, the charter and bylaws to create the Culture, Arts and Heritage Commission as a public development authority.

Communications

Mayor McEnery-Ogle recognized Boy Scouts from Troop 479 in attendance at the meeting.

A. From the Council

B. From the Mayor

C. From the City Manager

a. [Westside Bike Mobility Project Update](#)

Rebecca Kennedy, Long Range Planning Manager, and Jennifer Campos, Principal Transportation Planner, provided Council with an update on Phase III of the Westside Bike Mobility Project, which will focus on Columbia and adjacent parallel streets with the goal of engaging the community to establish the vision for a safe, connected, multi-modal north-south corridor connecting northwest neighborhoods and Burnt Bridge Creek with downtown Vancouver and the Waterfront. They provided an overview of the stakeholders identified to participate in identifying an alignment and design concept, the proposed outreach approach, and details on a Community Advisory Committee make-up, engagement process and timeline.

Adjournment

8:07 p.m.

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Meetings of the Vancouver City Council are electronically recorded on audio and videotapes. The audio tapes are kept on file in the office of the City Clerk for a period of six years.

June 24, 2019

WORKSHOPS

Vancouver City Hall - 415 W 6th Street, Vancouver WA

Councilmember Paulsen was absent from workshops.

4:00-6:00 p.m. A Stronger Vancouver: Capital Projects Work Session

This workshop was held in the Aspen Room at City Hall.

Summary

Council discussed details and preferences related to the capital projects included in the Stronger Vancouver Executive Sponsors Council recommendation. Staff provided Council with an overview of a proposed community engagement process to be initiated during the summer.

6:00-6:30 p.m. Executive Session re: Labor Negotiations Strategy

Mayor McEnery-Ogle announced the Council would be entering into executive session from 6:00-6:30 p.m. to discuss labor negotiations strategy.

COUNCIL CONSENT AGENDA MEETING

Pledge of Allegiance

Call to Order and Roll Call

The regular meeting of the Vancouver City Council was called to order at 6:30 p.m. by Mayor McEnerny-Ogle in the Council Chambers of City Hall, 415 W. 6th Street, Vancouver, Washington.

Present: Councilmembers Lebowsky, Glover, Stober, Turlay, Hansen, Mayor McEnerny-Ogle

Absent: Councilmember Paulsen

Motion by Councilmember Lebowsky, seconded by Councilmember Glover, and carried unanimously to excuse Councilmember Paulsen.

Citizen Communication (Items 1-9)

Consent Agenda (Items 1-9)

Motion by Councilmember Stober, seconded by Councilmember Lebowsky, and carried unanimously to approve the Consent Agenda.

1. Country Club Village Stormwater Retrofit Phase 1 - construction acceptance

Staff Report 076-19

Summary

Halme Excavating, Inc of Battle Ground, Washington, has completed construction of the Country Club Village Stormwater Retrofit Phase 1 project. The project provided treatment of stormwater runoff by installing one water quality vault and 1,200 linear feet of storm sewer mains conveying stormwater to the vault.

The work was completed satisfactorily in accordance with the plans and specifications. Contract costs are summarized below:

TOTAL CONTRACT COSTS

<i>Total Labor, Equipment and Material</i>	<i>\$344,073.82</i>
<i>Retainage</i>	<i>\$17,203.69</i>

The original contract amount was \$361,622.50. The final project cost was \$344,073.82, which was \$17,548.68 (approximately 5%) less than the original contracted amount. The difference between original contract amount and final contract amount can be attributed to the typical variances in unit prices and/or quantities commonly encountered during construction. As the original bid amount was less than \$500,000, per City policy, there were no apprenticeship utilization requirements included in this contract.

Request: On June 24, 2019, accept the facilities as constructed by Halme Excavating Inc, of Battle Ground, Washington, and authorize release of retainage subject to receipt of all documentation required by law.

Kris Olinger, Senior Civil Engineer, 487-7188

Motion approved the request.

2. Bid Award for Sodium Fluoride, per Bid # 19-5

Staff Report 077-19

Summary

On March 25, 2019, the City received four (4) bids for the subject project. The bids ranged between \$384,000.00 and \$470,000.00. The low bidder submitted a letter asking the City to accept withdrawal of their bid based on the shipping costs they neglected to add into their pricing. Upon receiving the required justification for the withdrawal, the next responsive lowest bidder, Newco Inc dba Columbia Distribution Co. has been accepted.

The bid prices are based on an estimated usage quantity of 300 tons of sodium fluoride over a potential five-year period covered by the proposed contract. While the contract is for an initial period of one year it provides for an option to extend for up to four more years for a total of five years. The base bid quantities are based on a five-year contract. Columbia Distribution Company's bid was \$410,400 (\$1,368 per ton) or approximately \$82,000 per year. The cost per ton of \$1,368 is for the first full year of the contract and it may be adjusted in subsequent years in accordance with provisions outlined in the contract. The actual usage quantity (and costs) over the life of the contract may be more or less than the estimated usage quantity of 300 tons over the five-year period.

Fluoridation of the public water supply in the City of Vancouver's water systems dates back to a City Council ordinance that was adopted into code (VMC 14.04.150) in late 1961. A citizens' referendum vote in early 1962 supported that Council decision. In 2011, the Washington Supreme Court held that city council decisions on fluoridation are an administrative decision, and not subject to local referendum or initiative. Community water fluoridation is strongly supported by our local health department, the State of Washington Department of Health, and the U.S. Department of Health and Human Services to promote dental health.

Vancouver's water is fluoridated with sodium fluoride – not fluoride byproducts from other processes – to about 0.6 to 0.8 milligrams per liter in compliance with federal and state regulations and guidelines including those by the U.S. Environmental Protection Agency, U.S. Department of

Health and Human Services and Washington Department of Health.

Request: Award a contract for the purchase of sodium fluoride to Newco Inc dba Columbia Distribution Co, Seattle, Washington. The cost over the maximum five years of the contract is anticipated to not exceed \$500,000, which takes into consideration the fluctuation of usage and in the unit cost as allowed for under the contract.

Brian E. Wilson, Operations Superintendent - Water, 360-487-8275

Motion approved the request.

3. Acceptance of Federal Aviation Administration Grant for Pearson Field

Staff Report 078-19

A RESOLUTION authorizing the City of Vancouver to accept a Federal Aviation Administration Grant for Pearson Field Airport to fund rehabilitation of the runway, and authorizing the City Manager to accept the grant on behalf of the City of Vancouver.

Summary

The City of Vancouver is receiving a grant from the Federal Aviation Administration (FAA) to fund rehabilitation of the runway pavement at Pearson Field Airport in 2019. The project includes grinding off the old runway asphalt, repaving the runway, re-striping, new runway signage and replacement of a pilot electronic landing guidance system. Total cost of the project, including contract administration and inspection, is estimated to be \$950,000. The FAA grant will pay for 90% of the project. An additional WSDOT Aviation Division Airport Aid grant can be used as a 5% match for the project. The City, through the Pearson Field budget, would be responsible for the remaining 5%. The FAA requires a resolution indicating the City Council's authorization to accept the grant.

Request: On June 24, 2019, adopt a resolution authorizing the City Manager to accept a grant from the Federal Aviation Administration for 90% of the project's \$950,000 estimated costs for the removal and replacement of runway pavement, new runway striping, replacement runway guidance signing, and replacement of a pilot electronic landing guidance system, at Pearson Field Airport.

Dan Swensen, Engineering & Construction Services

Motion adopted Resolution M-4010 to approve the request.

4. **Second Amendment to Lease Agreement with NAMI Southwest Washington**

Staff Report 079-19

Summary

NAMI is currently renting space in the Town Plaza, located at 5411 East Mill Plain Blvd. The City purchased the Town Plaza and assumed NAMI's Lease Agreement on June 28, 2017. The lease has a termination date of June 30, 2020.

NAMI was aware of the City's plans to redevelop the Town Plaza property and actively searched for a new location for its non-profit business. It has found a new location and moved into the new space, and wishes to end the Lease Agreement, retroactively to May 15, 2019. In light of the City's future plans to redevelop the Town Plaza property, as well as the costs associated with maintaining the current buildings, the City also has an interest in early termination of the lease. City staff would like to amend the lease term by executing the Second Amendment to Lease Agreement, setting the lease termination to midnight on May 15, 2019.

Request: Authorize the City Manager or his designee to execute the Second Amendment to Lease Agreement between City of Vancouver and NAMI Southwest Washington.

*Linda Carlson, Property Management Specialist, 487-8423;
Sara Baynard-Cooke, Assistant City Attorney, 487-8500*

Motion approved the request.

5. **Adoption of Comcast Biennial Report**

Staff Report 080-19

A RESOLUTION adopting the City/County Telecommunications Commission ("Commission") Biennial Report regarding cable television franchise compliance by the cable operator Comcast of Washington V, LLC ("Comcast").

Summary

The City/County Telecommunications Commission ("Commission") has

prepared progress reports regarding franchise compliance by the cable television operator beginning with completion of the first year of the franchise term, January 1983. This is the third Biennial Report since a 10-year franchise agreement with Comcast was adopted in July 2013. The reports have been forwarded to the legislative bodies of the Vancouver City Council and the Clark County Council.

As noted in the attached Resolution, the Cable Communications Policy Act of 1984 (the “Act”), which was amended in 1992 and currently in effect, requires that franchising authorities provide written notice of any franchise deficiencies and that the cable operators be given the opportunity to correct any violations, if such factors are to be considered during the franchise renewal process.

The Progress Reports prepared by the Commission clearly meet and exceed the requirements of the Act. Legal counsel advises staff, however, that the legislative bodies of the franchising authorities should take affirmative action in adopting the reports for the reviews to be binding on the cable operator at the time of renewal.

As of the date of the Biennial Progress Report, the Commission finds Comcast in full compliance with the terms and conditions of the franchise. The number of customer complaints received by the City/County Cable TV Office regarding Comcast’s service, including but not limited to the company’s high-speed Internet service, decreased by 54% when compared to 2015-16. The 2017-18 complaints involved a number of issues, including rates, customer service and technical services.

Request: On June 24, 2019, adopt a resolution approving, ratifying, and affirming the biennial report of the Telecommunications Commission (January 2017 – December 2018).

Jim Demmon, Video Services Manager, 487-8706

Motion adopted resolution M-4011 to approve the request.

Motion adopted resolution M-4011 to approve the request.

6. **Designation of TV ETC and CVTV respectively as the education and government access providers on the Comcast and CenturyLink cable systems**

Staff Report 081-19

A RESOLUTION relating to cable television and to the designation of The Vancouver Educational Telecommunications Consortium (“TV ETC”) as the educational access provider on the Comcast and CenturyLink cable systems for Vancouver and Clark County.

A RESOLUTION relating to cable television and to the designation of Clark Vancouver Television (“CVTV”) as the government access provider on the Comcast and CenturyLink cable systems for Vancouver and Clark County.

Summary

The City and County have a cable television franchise agreement with Comcast of Washington, V LLC, that was effective on July 1, 2013, and a cable franchise agreement with Qwest Broadband Services, Inc. dba CenturyLink, that was effective on January 22, 2016. Under the terms of those agreements, Comcast and CenturyLink provide channels for Public, Education and Government (PEG) programming and it is the responsibility of the City and County to designate authorized entities to provide programming on those channels.

Organizations that are designated as access providers have authorization to broadcast programs over assigned channels on the Comcast and CenturyLink cable systems. They are also able to apply for annual PEG grants, administered by the City, for equipment and other capital expenses associated with producing and broadcasting programming.

TV ETC is a consortium of K-20 educational institutions operated by Educational Service District 112 and is the current educational access provider for Vancouver and Clark County. CVTV, operated by the City/County Cable Television Office, is the current government access provider for Vancouver and Clark County.

The City/County Telecommunications Commission (“Commission”) recommends organizations to serve as access providers to the City Council, per VMC 5.19.320(7). The Commission met on June 5, 2019, to review designation applications and annual reports and to receive presentations from the applicants. Based on their review, the Commission is recommending re-designation of TV ETC and CVTV, respectively, as the education and government access providers for Vancouver and Clark County.

Request: On June 24, 2019, adopt resolutions approving The Vancouver Educational Telecommunications Consortium (TV ETC) as the designated educational access provider and Clark Vancouver Television (CVTV) as the designated government access provider for Vancouver and Clark County on the Comcast and CenturyLink cable systems.

Jeanette (Jan) Bader, Program & Policy Development

Motion adopted Resolution M-4012 (TV ETC) and Resolution M-4013 (CVTV) to approve the request.

7. Creation of Culture, Arts & Heritage Commission as a Public Development Authority

Staff Report 082-19

AN ORDINANCE rescinding and replacing VMC 2.88; establishing the Culture, Arts and Heritage Commission as a Public Development Authority, granting a Charter to the Commission, approving Bylaws for such Commission and providing for an effective date.

Summary

On April 16, 2018, the City Council adopted a new Culture, Art & Heritage Plan, the City's first in 25 years. The plan includes hiring a full-time Cultural Services Manager, appointing a new Culture, Arts & Heritage Commission, restoring the Cultural Grant program, developing a public art program and actualizing the existing downtown Arts District.

In the 2019-2020 biennial budget, the Council adopted \$400,000 per year to support the implementation of the plan including appointment of the new Culture, Arts & Heritage Commission. This funding is limited term for the duration of the current biennium. The Council appropriated these funds on a limited term basis in anticipation of establishing permanent, ongoing dedicated funding for the program as part of the larger Stronger Vancouver initiative, which is currently under consideration.

At their March 1 retreat this year, the City Council directed creation of the Culture, Arts & Heritage Commission as a Public Development Authority (PDA) similar to the City Center Redevelopment Authority (CCRA) and charge them with the responsibility for implementing the Culture, Art & Heritage Plan. Through programs, ownership and management of physical assets including buildings and public art and through community partnership, the Commission will facilitate development of a strong culture, arts and heritage environment. The Commission may acquire and manage real property; secure financing; undertake the development or redevelopment, construction and maintenance of structures and facilities, including public amenities; and enter into agreements with cultural, public and other not-for-profit entities or with private developers proposing to develop public facilities or retail for the purposes of promoting art, culture and/or heritage.

Request: On Monday, June 24, 2019, approve ordinance on first

reading, setting date of second reading and public hearing for Monday, July 1, 2019.

Jeanette (Jan) Bader, Program & Policy Development Manager, 487-8606

Mayor McEnemy-Ogle read the title of the ordinance into the record.

Motion approved the request.

8. 2019 First Supplemental Budget

Staff Report 083-19

AN ORDINANCE relating to the 2019-2020 Biennial Budget and making various appropriations in various funds; declaring an emergency.

Summary

Each year, budget adjustments must be made to reflect changes in revenues and expenses that occur after the budget is adopted by City Council. These adjustments can generally be categorized into the following areas:

- Corrections or administrative updates to the adopted 2019-2020 Biennial Budget.*
- Activities and expenditures associated with new external revenues.*
- Carry forward of projects not completed in the prior year.*
- New items funded with unobligated and undesignated funds.*

Budget amendments are recommended for the City's various funds as detailed in Attachment A of the Ordinance. The recommended expenditure appropriation adjustments for the City's Operating and Capital funds included in the 2019 First Supplemental Budget total \$63.0 million. Of the \$63.0 million expenditure increase, \$25.6 million is related to the Operating budget, and \$37.4 million relates to changes in the Capital budget and supporting transfers. The net impact on all City resources is a decrease of \$40.0 million to fund balances; the net impact on the General Fund is a \$2.1 million decrease to the fund balance.

The total Operating budget appropriation change in the General, Street and Fire (GSF) funds represents an increase of \$4.4 million. The remaining \$21.2 million increase relates to changes in other funds.

Appropriation adjustments in the City's GSF funds total increase of \$4.4 million include the following major items:

- *New initiative requests of \$2.6 million include:*
 - *Appropriation of \$1.8 million related to new FTE requests or reclassifications of FTEs (detailed in Attachment B section below).*
 - *Appropriation of \$0.2 million for DECU computer and building upgrades.*
 - *A combined increased appropriation of \$0.1 million set aside for a community engagement strategy and a performing arts feasibility study.*
 - *A combined increase in Streets of \$0.1 million supporting vehicle reserve shortages.*
- *Cost neutral requests totaling \$0.7 million and funded by \$0.6 million in new external revenues:*
 - *A contribution from Share of \$0.2 million supporting the Navigation Center's services to provide homelessness services.*
 - *Numerous grants in Police totaling \$0.1 million and in Fire for \$0.4 million.*
- *Carry forwards and administrative adjustments totaling \$1.1 million include:*
 - *Numerous carry forward projects in CED totaling \$0.4 million for the downtown entry way projects, transportation system safety and plan updates, and other planning and strategy projects.*
 - *Streets carry forward of \$0.2 million for the salt storage building being used for winter weather events that has had various delays.*

A total of \$21.2 million in appropriation increase relates to other operating City funds. Some of the major changes are summarized below:

- *Budget true-up of \$3.9 million in the Streets Initiative Operating fund to increase the pavement management budget.*
- *Carry forward of \$8.9 million mainly related to \$4.7 million in the sewer operating fund for wastewater treatment and collection professional service contracts and other carry forward items.*
- *Carry forward of \$2.3 million in the affordable housing fund.*
- *Cost neutral requests of \$4.0 million, offset by revenue from a \$1.7 million pavement management grant, and in facilities for \$2.2 million for contract increases for janitorial and security services to reflect a different way of accounting for the contract costs.*
- *Adjustment in the Risk Management Fund of \$0.8 million to cover higher than originally anticipated actuarial costs and claims activity.*
- *Equipment services adjustments in 504 and 505 funds of \$0.7 million to extend 2.0 FTE limited term mechanic positions through 2020.*

The total Capital Budget appropriation of \$37.4 million (including internal transfers) is included in the First Supplemental of 2019. Specific amendments by project are outlined in Attachment C to the ordinance. Following are some major projects included by functional area:

- *General/Facilities major capital projects totaling \$1.2 million include the following:*
 - *Carry forward/true-up projects totaling \$0.9 million.*
 - *Small new projects totaling \$0.3 million.*
- *Parks capital of \$6.5 million for:*
 - *Carry forward/true-up projects totaling \$0.7 million.*
 - *New projects totaling \$5.8 million including \$5.2 million for Fenton Community Park, \$0.5 million for a neighborhood park in PIF district C, and \$0.2 million for Esther Short Park master planning for the playground upgrade and restroom replacement.*
- *Transportation project totaling \$13.7 million include:*
 - *Carry forward projects totaling \$5.0 million.*
 - *New projects totaling \$8.7 million mainly for SE 1st St – 164th to 192nd enhancements of \$7.8 million and \$0.9 million for Devine pedestrian improvements.*
- *Utility carry forwards and adjustments totaling \$7.7 million in Water, Sewer and Storm Water projects.*

Attachment B of the ordinance outlines changes to FTEs. Due to the implementation of a new ERP system at the City, Workday, a need exists to true up position classification names in the budget documents to the actual job profiles in Workday. Those changes are captured in Attachment B. An increase of 14.4 FTEs is recommended in the First Supplemental of 2019 and are summarized below:

- *2.0 new FTEs to support Communications in the City Manager's Office.*
- *1.0 new FTE Economic Development Director*
- *1.0 new limited term Principal Planner for a three-year period to advise and advocate on regional transportation issues affecting Vancouver in Community and Economic Development (CED) department.*
- *1.0 new FTE Senior Policy Advisor to support intergovernmental affairs and resiliency planning, reporting to the Assistant City Manager.*
- *1.0 FTE to extend an Associate Planner in CED to support Transportation Demand Management programs through 2020.*
- *2.0 new FTEs in Public Safety, each in Police and Fire respectively for Assistant Chief positions.*

- 0.4 FTE increase to a current position in the Community Development Block Grants (CDBG), funded by the grant, bringing the FTE up to 1.0.
- 1.0 FTE to extend a limited term Customer Service Representative in the Building Fund through 2020.
- 2.0 FTEs to extend limited term mechanic positions in Equipment Services through 2020.
- 2.0 FTEs in Human Resources for limited term positions through 2020.
- Conversion of an existing 1.0 limited term Payroll FTE ending in 2019 into a permanent position of Accountant A in Financial and Management Services.

Request: On June 24, 2019, approve ordinance on first reading, setting date of second reading and public hearing for Monday, July 1, 2019.

Natasha Ramras, Chief Financial Officer, 487-8484

Mayor McEnemy-Ogle read the title of the ordinance into the record.

Motion approved the request.

9. **Approval of Claim Vouchers**

Request: Approval claim vouchers for June 24, 2019.

(Copy available upon request.)

Motion approved claim vouchers for June 24, 2019, in the amount of \$4,806,978.73.

Public Hearings (Item 10)

10. **2019 Charter Review Committee Recommendations**

Staff Report 084-19

A RESOLUTION to submit to the voters of the City of Vancouver a proposal to amend Article II, Section 2.18 of the City Charter regarding the composition and function of the Citizens' Commission on Mayor/City Council Salaries.

A RESOLUTION to submit to the voters of the City of Vancouver a proposal

to amend Article II, Section 2.02 of the City Charter clarifying that Councilmembers who are either elected by the voters or appointed to a vacant council seat must be a resident of the city for a continuous period of two years and that Councilmembers may not hold another “elected” public office while serving on City Council.

A RESOLUTION to submit to the voters of the City of Vancouver a proposal to amend Article II, Section 2.08 of the City Charter to require the City Council to adopt rules and procedures for filling vacancies on the Council including provisions for public notice of vacancies and public interviews of applicants.

A RESOLUTION to submit to the voters of the City of Vancouver a proposal to amend Article II, Section 2.05 of the City Charter regarding the process by which payroll, bills, invoices and other claims are approved by the City Council.

A RESOLUTION to submit to the voters of the City of Vancouver a proposal to amend Article XI, Section 11.05 of the City Charter regarding the City Council authority to approve contracts for a period of more than five years.

A RESOLUTION to submit to the voters of the City of Vancouver a proposal to amend Article II, Section 2.12 of the City Charter allowing the city to revise or amend only a subsection of an ordinance provided the context and effect of the amendment can be discerned solely by reference to the subsection.

A RESOLUTION to submit to the voters of the City of Vancouver a proposal to amend Article X, Section 10.07; Article VII, Section 7.03; and Article XI, Sections 11.03 and 11.04 of the City Charter to remove inconsistencies and inapplicable language.

Summary

The City of Vancouver’s charter requires that a committee of 15 residents be appointed every five years to review the charter and make recommendations to the City Council on potential changes. The 2019 Charter Review Committee was appointed by the City Council on December 3, 2018. The Committee held eight meetings between January 24 and June 6, 2019, and is recommending seven amendments to the charter for consideration by the City Council.

The proposed amendments, in priority order, include:

- 1. Increasing the number of Salary Review Commission members from five to seven. Capping salary increases for Mayor, Mayor Pro Tempore, and Councilmembers at the lesser of an annual rate of 4% or the Consumer Price Index for the West Region (CPI-W). Proposed salary increases higher than 4% or CPI-W would require a public vote. The Commission would also have the ability to decrease salaries or keep them at the current amount.*
- 2. Clarifying councilmember qualifications including that two years of*

continuous residency applies to both election and appointment to City Council. Clarify that when the charter prohibits a councilmember from simultaneously holding another public office, it means “elected” public office.

- 3. Requires the City Council to adopt specific rules and procedures for filling vacancies on council including provisions for public notice of such vacancies and that the interviews of applicants for the position be done in public.*
- 4. Authorizing the City Council to review and approve all bills, invoices or claims at their next regularly scheduled public meeting rather than in advance of payment. This is consistent with state law and current city practice.*
- 5. Clarifying that the City may enter into contracts for longer than five years if approved by the City Council through ordinance.*
- 6. Allowing the City to print or publish only the subsection of an ordinance that is being revised so long as the entire context of the amendment can be understood by reference to the subsection. This will save on printing costs and make it easier for readers to more quickly identify which sections of the ordinance are being revised.*
- 7. Amending the charter to confirm that the time frame for council action on an ordinance proposed through initiative petition is thirty days, rather than sixty days. Remove the term “police judge” which is no longer in use. Amend Section 11.04 to replace the phrase “either of them” with “the city council”. The prior language was confusing.*

Request: On June 24, 2019, following a public hearing, adopt resolutions placing proposed amendments to the City of Vancouver’s charter on the November 5, 2019, general election ballot.

Jeanette (Jan) Bader, Program and Policy Manager, 487-8606; Brent Boger, Assistant City Attorney, 487-8500

Jeanette (Jan) Bader, Program and Policy Development Manager, and Brent Boger, Assistant City Attorney, provided staff comments.

City Manager Eric Holmes reported to Council that two hours of workshop time has been reserved on August 5 for the Council to receive an in-depth review of the election by district recommendation that the Council had previously decided not to consider for the 2019 election.

Ms. Bader provided Council with a summary of the seven Charter Review recommendations that had been moved forward for Council to consider putting on the 2019 ballot and the Council's options related to these recommendations at this point.

Mayor McEnerny-Ogle opened the public hearing and received the following testimony:

- Esther Schrader, Charter Review Committee member, thanked the Council for scheduling the August workshop on the election by district issue, noting that the Columbian had recently written an editorial on the matter and recommended the Council put the issue on the ballot for an advisory vote.
- Marjorie Ledell, Charter Review Committee member, spoke in support of all of the Charter Review Committee's recommendations, but suggested that if the Council limits the number of items it puts on the ballot in 2019 it should definitely put forward the issues related to the paying of bills and invoices to bring the charter into compliance with the state and with current practice, and the matter of allowing ordinance subsections to be amended without publishing the entire ordinance in order to better serve the public. She stated she would be disappointed if voters did not have a chance to weigh in on the election by district issue.
- Barry Hemphill, Charter Review Committee member, stated he agrees with the Committee's recommendations. Regarding the Salary Review Commission matter, he explained that the cap of 4 percent or CPI-W was a compromise the committee reached in order to give the Salary Review Commission options, and he noted that the recommendation to increase the membership of the commission was a result of the contentious nature of the 2016 process where three people were in a majority position. He urged the Council to put this proposed amendment on the ballot.
- Susan Courtney, Charter Review Committee member, thanked the Council for selecting a very diverse committee, which resulted in robust deliberations, and she thanked Ms. Schrader for representing the committee in presenting the recommendations to the Council at the June 17 workshop. She stated she was disappointed with how some of the recommendations were received by the Council, and noted that the committee's 15 members represent a good cross-section of the community and the Council should listen to their feedback rather than pursuing a citizen outreach campaign.
- Frank L'Amie, Charter Review Committee member, noted that election by district would be a big change for Vancouver and stated he understood the desire for more input and was glad the Council would be holding a workshop on the matter in August. He spoke in support of the Salary Review recommendation, stating that while the process for overturning a Salary Review Commission salary increase works, it is extremely cumbersome and can become emotional and contentious. He noted the recommendation is an attempt to alleviate some of that and increasing the membership is a way to involve more citizens in that process. He noted that the timeline for the Charter Review Committee to complete its work was tight and recommended the process be started earlier for the next cycle to allow the committee more time.

- Ed Hamilton, Vancouver, representing the Southwest Washington League of United Latin American Citizens, spoke in support of election by district and stated the Council does not need to wait to hear from disenfranchised citizens before taking action to improve their representation on the Council.
- Adam Aguilera, Vancouver, urged the Council to trust the Charter Review Committee's work and deliberations regarding the election by district issue and place the matter on the 2019 ballot.
- David Olson, Charter Review Committee member, stated he was speaking on behalf of himself and not the committee. He noted that the committee originally ranked the Salary Review Commission issue as its highest priority, but after months of deliberations, concluded that the election by district was its highest priority. He expressed concerns that Councilmembers had made comments during their workshop implying that the recommendations came as a surprise and that there had not been public engagement as part of the committee's process, noting that the committee members themselves are members of the public and they had heard from other members of the public during their process, and in some cases the comments from those people resulted in the committee making changes to their recommendations. He urged the Council to consider placing both matters on the ballot in some form in 2019.

There being no further testimony, Mayor McEnerny-Ogle closed the public hearing.

Mayor McEnerny-Ogle noted that Councilmember Paulsen had submitted comments regarding the Salary Review Commission recommendation, knowing he would be absent from this discussion. He had stated that the intent behind the recommended caps on the salaries seem to indicate that Councilmember salaries should generally reflect cost of living changes during any salary review cycle. He stated that CPI reflects cost of living changes, and recommended that be the sole metric used to cap salaries rather than also including the 4 percent cap option.

Councilmember Lebowsky requested that the August 5 workshop also include options for changing the Mayor's term to eliminate the resign to run rule for sitting Councilmembers who wish to run for mayor in the middle of their Council term. Councilmembers Hansen and Turlay expressed support for this request.

Councilmember Lebowsky stated she agrees with Councilmember Paulsen's recommendation regarding the Salary Review Commission. Councilmember Glover also agreed.

Councilmember Stober asked what was the purpose of also including the 4 percent cap. Mr. Boger stated the Charter Review Committee was concerned about potential years of hyper-inflation, or years when the City might have a budget shortfall that would not warrant increasing salaries by the amount of that

year's CPI increase. Councilmember Stober stated he would prefer to support the committee's intent and would not support amending the resolution.

Motion by Councilmember Glover, seconded by Councilmember Lebowsky, and carried 5-1, with Councilmember Stober voting NO, to maintain the tie to the CPI-W index but remove the option of a 4 percent cap on increases to Mayor and Councilmember salaries from the proposed Salary Review Commission charter amendment.

Motion by Councilmember Stober, seconded by Councilmember Lebowsky, and carried unanimously to adopt Resolution M-4014, as amended above, related to the proposed Salary Review Commission amendment to Article II, Section 2.18 of the City Charter.

Councilmember Glover noted that Council had expressed some concern about voter fatigue if all seven ballot measures were put forward in 2019, but noted that many of the recommendations are fairly simple and did not think that would be the case.

Councilmember Lebowsky stated she recommended all of the remaining recommendations up for Council consideration at this public hearing be put on the ballot if the language were written simply.

Councilmember Stober stated his only hesitation is that the City has to recruit committees to write pro and con statements for each of the ballot measures, but otherwise he did not have any concerns putting all seven recommendations on the ballot.

Mayor McEnerny-Ogle asked what would happen if no one volunteers for the pro and con statement committees. Mr. Boger explained that the Clark County Auditor's office would attempt to recruit citizens for those committees and if that was unsuccessful, there just would not be a statement in the voters' guide for whichever committee lacked volunteers.

Motion by Councilmember Glover, seconded by Councilmember Lebowsky, and carried unanimously to adopt Resolution M-4015 related to the proposed amendment to Article II, Section 2.02 of the City Charter to clarify Councilmember qualifications.

Motion by Councilmember Stober, seconded by Councilmember Lebowsky, and carried unanimously to adopt Resolution M-4016 related to the proposed amendment to Article II, Section 2.08 of the City Charter updating the process for filling Council vacancies.

Motion by Councilmember Hansen, seconded by Councilmember Stober, and carried unanimously to adopt Resolution M-4017 related to the proposed amendment to Article II, Section 2.05 of the City Charter updating the process to approve payment of payroll, bills, invoices and other claims.

Motion by Councilmember Stober, seconded by Councilmember Hansen,

and carried unanimously to adopt Resolution M-4018 related to the proposed amendment to Article XI, Section 11.05 of the City Charter regarding approve of contracts for a period of more than five years.

Motion by Councilmember Lebowsky, seconded by Councilmember Glover, and carried unanimously to adopt Resolution M-4019 related to the proposed amendment to Article II, Section 2.12 of the City Charter allowing revision or amendment to subsections of an ordinance.

Motion by Councilmember Hansen, seconded by Councilmember Glover, and carried unanimously to adopt Resolution M-4020 related to the proposed amendments to Article X, Section 10.07; Article VII, Section 7.03; Article XI, Sections 11.03 and 11.04 of the City Charter to remove inconsistencies and inapplicable language.

Councilmember Glover stated she wanted to clarify what she had said during the June 17 workshop related to some of the issues brought forward by the Charter Review Committee not being a priority. She stated she was not referring to the value of the issues and seeking input on them, but rather she was talking in terms of time as there is so much going on in the city right now and Council is burdening staff with a lot of work. She stated Council has to be mindful that the work load is not so much that staff cannot return quality work. She also stated that the city is going through a lot of changes, which is difficult, but if we can get there, we will be a better and healthier community by talking through solutions. She said she was disappointed to see Charter Review Committee members attacking Councilmembers on social media after the June 17 workshop, stating that is not a good way to reach resolutions.

Mayor McEnerny-Ogle stated the Council appreciates the work and recommendations of the Charter Review Committee, and while the districting issue may not be moving forward to the November ballot, the Council will have further discussions about it, starting with the August workshop, and it may be put on a future ballot.

Citizen Forum

Mayor McEnerny-Ogled opened the Citizen Forum and received the following testimony:

- James Dougherty, Vancouver, expressed concerns that improvements to Waterworks Park were not included in the recommendations for the Stronger Vancouver capital projects. He also expressed concerns about public outreach to neighborhood associations, noting that several are inactive and urging the City to ensure residents of those neighborhoods are included in outreach activities through alternative methods.
- Carolyn Crain, Vancouver, expressed concerns about the Stronger Vancouver initiative and potential taxes hitting the same people multiple times. She urged

the City to get feedback from voters on what is included in the package.

- Glen Yung, Vancouver, expressed concerns about Council engagement and awareness of the Stronger Vancouver initiative, stating he has not heard any real discussion yet about how the initiative could impact citizens.
- Susan Courtney, Vancouver, urged the City to discontinue any outreach or planning for the Westside Bike Mobility project and cancel the project altogether.

There being no further testimony, Mayor McEnerny-Ogle closed the Citizen Forum.

Adjournment

7:37 p.m.

Anne McEnerny-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Meetings of the Vancouver City Council are electronically recorded on audio and videotapes. The audio tapes are kept on file in the office of the City Clerk for a period of six years.



TO: Mayor and City Council

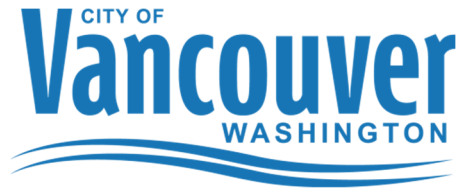
FROM: Eric Holmes, City Manager

DATE: 7/15/2019

SUBJECT Workshop - A Stronger Vancouver: Programs and Services

ATTACHMENTS:

- ▣ Memo
- ▣ A Stronger Vancouver worksheet - Parks Phasing
- ▣ Park Snapshot - Fruit Valley Neighborhood Park
- ▣ Park Snapshot - Bagley Community Park



**A STRONGER
VANCOUVER**
Investing in our future

To: Anne McEnerny-Ogle, Mayor

City Council

From: Eric J. Holmes, City Manager

Date: July 3, 2019

RE: Stronger Vancouver Work session – Parks Capital and Programs & Services

A Stronger Vancouver represents the opportunity to move toward realizing our community's vision for our city, with enhanced neighborhood vibrancy, safety and improved opportunities for economic prosperity. Through thoughtful investments in capital projects, like fire stations, parks and streets, and programs like fire prevention, crime prevention and homelessness assistance, a Stronger Vancouver will improve our community over the next decade and beyond.

The June 24 Council work session focused on a detailed review and confirmation of much of capital projects list included in the recommended package. Because of both time and availability of key staff, the discussion of Parks capital was carried over to the July 15 session, which will provide time to complete the review of Parks capital as well as begin discussions on the recommended programs and services as part of the package.

Intended outcomes of the session are:

- **Parks capital:** confirm, augment and prioritize parks capital projects for purposes of phasing over the decade of the initiative.
- **Programs and services:** review, refine, augment and confirm the package of programs and services included in the Stronger Vancouver initiative.

Additional information about project, programs and services can be found [here](#), along with the full [recommendation](#) as well as additional background and links to key source documents as presented at the [May 13 Council retreat regarding A Stronger Vancouver](#).

We look forward to the continued discussion on July 15.

Capital Projects Worksheet

June 24, 2019 Council Work Session

Capital Project	Confirm Project		Phasing Priority			Notes
	Yes	No	Tier I: Years 1-3	Tier II: Years 4 - 6	Tier III: Years 7 - 10	
Operations Center						
Fire Stations Replacement						
Fire Station Renovation						
Economic Development Infrastructure						
Vancouver City Center (downtown)						
Section 30 Urban Employment District						
Lower Grand Employment Area						
Fourth Plain Subarea						
The Heights District						
Strategic Opportunity Fund						
Community Parks						
Marine Park (park redesign & development)						
Wintler Park (turf, tables, benches, plant beds, signage, ADA features)						
Fenton Park (new community park)						
Shaffer Park (park redesign & development)						
David Douglas Park (park redesign & development)						
Bagley Park (park redesign & development)						
Neighborhood Parks - revitalize						
Kevanna Park (park redesign & development)						
Father Blanchet Park (park redesign & development)						
Fruit Valley Park (playground equipment, signage, plant beds, ADA features)						
John Ball Park (playground equipment, paths, drinking foundation, benches, tables, ADA features)						
Arnada Park (playground equipment, gazebo maintenance, electrical/irrigation panel, ADA features)						
Quarnberg Park (playground equipment, paths, tables, crosswalk improvements, ADA features)						

Capital Projects Worksheet

June 24, 2019 Council Work Session

Capital Project	Confirm Project		Phasing Priority			Notes
	Yes	No	Tier I: Years 1-3	Tier II: Years 4 - 6	Tier III: Years 7 - 10	
Neighborhood Parks - revitalize (continued)						
Columbia Lancaster Park (playground equipment, irrigation equipment, ADA features)						
Jaggy Road Park (playground equipment, ADA features)						
Peter S. Ogden Park (playground equipment, ADA features)						
Oakbrook Park (playground equipment, tables, benches, path, irrigation equipment, ADA features)						
BBC School Park (playground equipment, benches, tables, paths, signage, ADA features)						
Homestead Park (playground equipment, benches, ADA features)						
Neighborhood Parks - undeveloped						
Lincoln						
Rose Village						
George & Hazel Stein						
Landover Sharmel						
Undeveloped Hambleton						
Undeveloped Lauren						
Undeveloped Meadowbrook Marsh						
Other Projects? (Augmentation)						

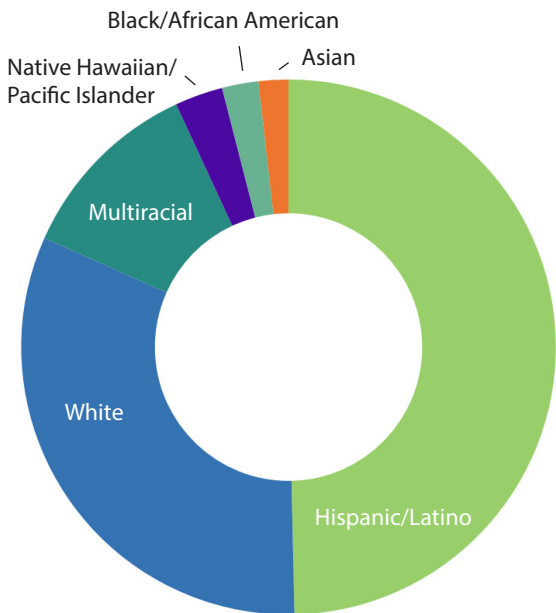
Fruit Valley Neighborhood Park

Neighborhood parks are designed for non-organized recreation, like taking your kids to the playground, meeting some friends after work for a quick soccer match or getting your steps in on a walking path over the weekend.

Neighborhood parks are 3-5 acres in size. Ideally, residential areas should have access to a neighborhood park within 1/2-mile, or about a 10 minute walk.

Neighborhood Demographics

(based on nearest school, Fruit Valley Elementary)



Fruit Valley Park is located at 3200 Fruit Valley Road
Approx. Investment = \$400,000



86%

of students are eligible for free or reduced price lunch.



16%

of students are enrolled in special education.



34%

of students are English language learners.

Planned Improvements:



Innovative playground updates that inspire creative and meaningful play opportunities.



Bring park into ADA compliance and create a safe, welcoming space for users of all abilities.



Additional benches and tables that encourage families and friends to relax and reconnect.



Path improvements to support physical wellness and alternative transportation options within the community.



New space to host small community events and multigenerational family gatherings.

Why Fruit Valley Neighborhood Park?

- Current playground equipment is 27 years old and requires upgrades for safety reasons.
- The park does not comply with the standards set forth by the 2010 Americans with Disabilities Act (ADA) for playgrounds and parks.
- Fruit Valley is Vancouver’s westernmost neighborhood and the largest geographically. Access to local parks is key to maintaining the neighborhood’s livability for its 1000 households.
- One of Vancouver Parks and Recreation’s five community gardens is located in Fruit Valley Neighborhood Park, expanding the role of this park as a vital neighborhood resource.



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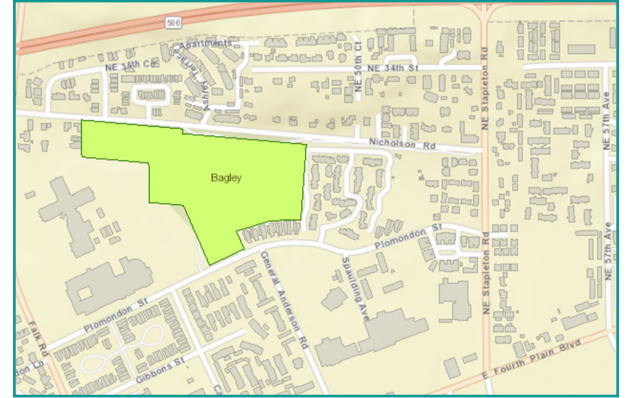
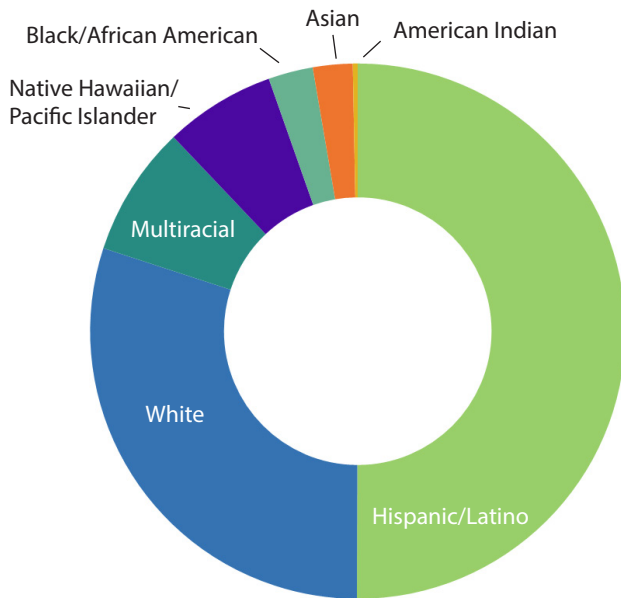
Bagley Community Park

Community parks are designed for organized recreation activities like arts and culture events or athletic competitions. In addition to playgrounds, they include amenities like sports fields, picnic shelters, restrooms and parking.

Community parks are 20-100 acres in size. Ideally, residential areas should have access to a community park within 3 miles and it should be accessible by public transportation.

Community Demographics

(based on nearest school, Roosevelt Elementary)



Bagley Park is located at 4607 Plomondon Street
Approx. Investment = \$10,000,000



84%

of students are eligible for free or reduced price lunch.



13%

of students are enrolled in special education.



40%

of students are English language learners.

Planned Improvements:



Radically inclusive, natural playground redesign that inspires and welcomes all visitors to engage in creative play opportunities.



Fully accessible recreation and event space where people of all abilities can connect with neighbors and nature.



Complete redesign will provide new amenities to serve this rapidly growing community.



Large event space will host cultural events and other large gatherings that promote community engagement and connection.



Park landscaping will increase the tree canopy and improve air quality within the community.

Why Bagley Community Park?

- Playground was constructed in 1994 and the 25 year old equipment requires safety upgrades.
- Park amenities do not currently comply with the standards set forth by the 2010 Americans with Disabilities Act (ADA) for playgrounds and parks.
- Located near the growing Fourth Plain Corridor, this park serves a large number of diverse residents who call Vancouver's International District home.
- Steps away from the Parsley Center and the Boys and Girls Club of Southwest Washington, Bagley Community Park is poised to become an important wellness asset in this community hub.



A STRONGER VANCOUVER
Investing in our future



Day Center Program at the Navigation Center

Six Month Report

VANCOUVER
CITY HALL



Vancouver City Council Workshop
July 15, 2019

Chad Eiken, Director, Community & Economic Development
Amy Reynolds, Deputy Director, Share
James McElvain, Chief of Police

Presentation Overview

- Key milestones
- Navigation Center / Day Center
- Share operating contract
- Day Center operations
- Good neighbor commitment
- VPD calls for service report
- Day Center performance summary
- Issues and Challenges
- Next Steps



Homeless Response – Key Milestones

2015

- Friends of the Carpenter Day Center opened

2016

- Council declares housing emergency

2017

- Affordable Housing Fund

2018

- Navigation Center opened



Navigation Center

Location:

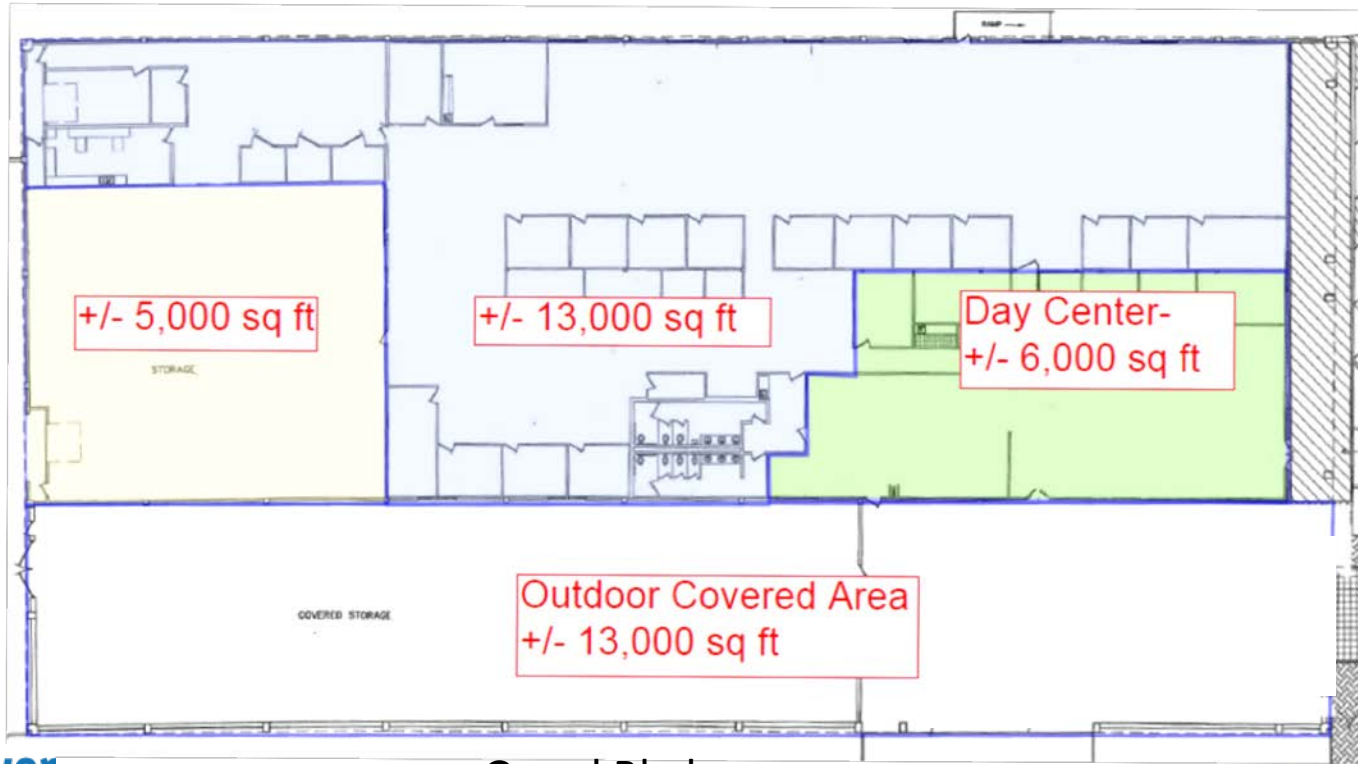
2018 Grand Blvd.

Opened:

November 18, 2018



Navigation Center Floor Plan



↑
Parking
Lot →

Day Center: Objectives

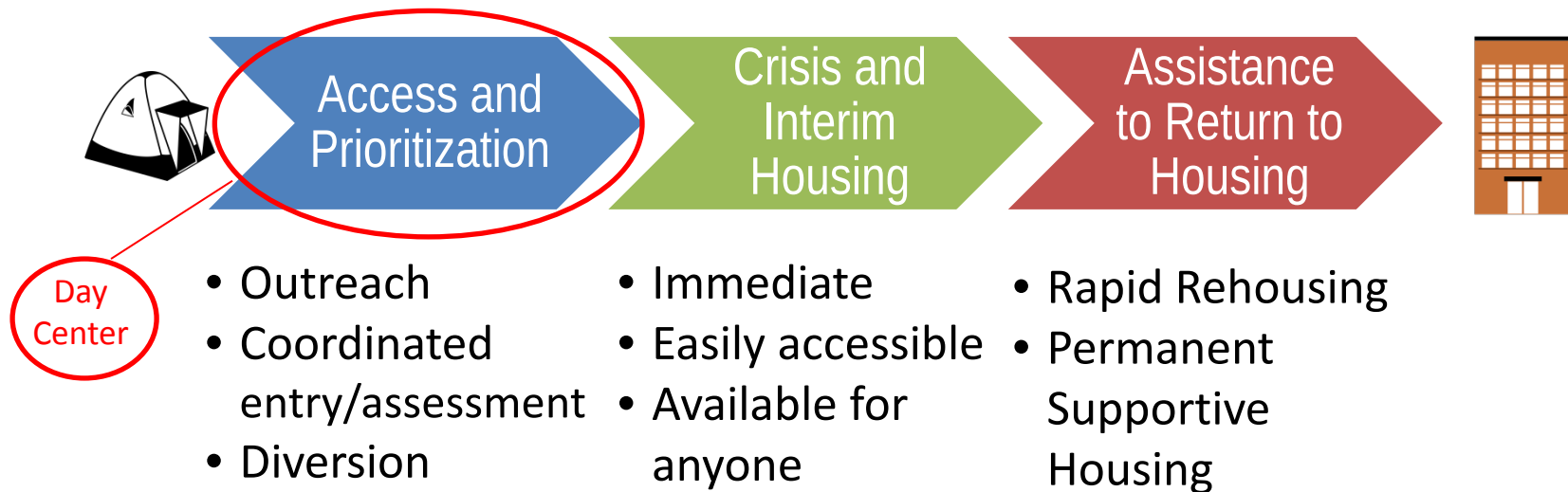
The Day Center is intended to provide:

- A place for unhoused people to rest during the day
- Access to bathrooms, showers, laundry, hygiene products, clothing, computers, phones, charging stations, storage
- A place where people can connect to services and housing resources

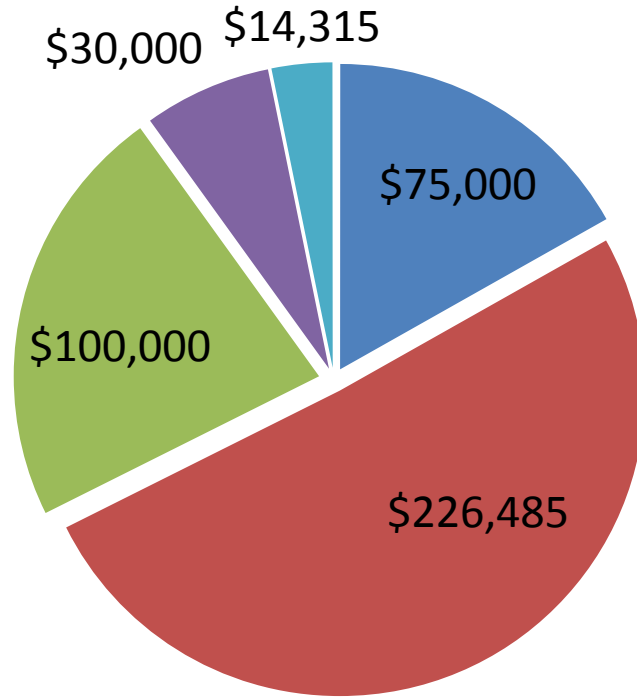


Day Center: First Step to Housing

The continuum of care...



Day Center: Share Annual Operating Contract



Funding Sources

- City General Funds
- Clark County Recording Fees
- VHA
- CE John
- Other

Total: \$445,800

Share Operating Contract: Nov. 2018 – Dec. 2020

Contract Requirements:

- | | |
|--|--|
| • Provide paid staff during all open day center hours | • Coordinate/facilitate monthly outreach team meeting |
| • Ensure staff utilizes best practice models to engage with guests | • Develop partnerships with other service providers |
| • Provide basic need supplies and case management | • Participate in neighborhood outreach meetings |
| • Register program with 211info and have contact info on display | • Work with City staff to monitor and respond to the Good Neighbor Commitment |
| • Work with Housing Solutions Center regarding needed assessments | • Ensure that guests served meet eligibility criteria requirements for case management |
| • Enter participant info into HMIS | • Meet program reporting requirements |

Day Center: Operations

- Operated by Share
- Open: 7 days/week, 7 a.m. to 5 p.m. (excluding six major holidays)
- Staffing: 4-5 on weekdays; 4 on weekends
- Staff activities: intake, assessment of needs, referral to services

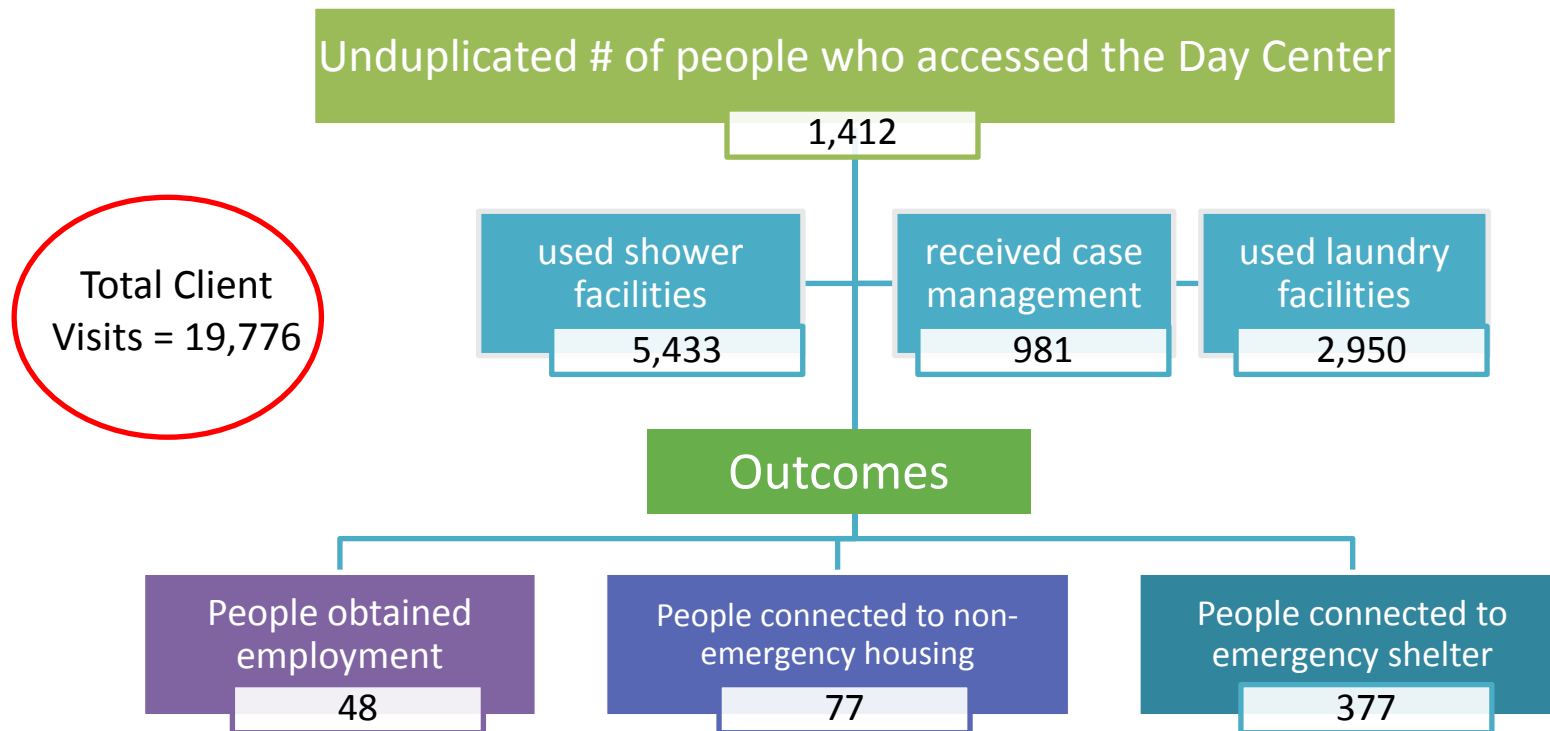


Day Center: Guiding Principles of Care

- Trauma-Informed Approach
- Assertive Engagement
- Low-Barrier Access
- Harm Reduction

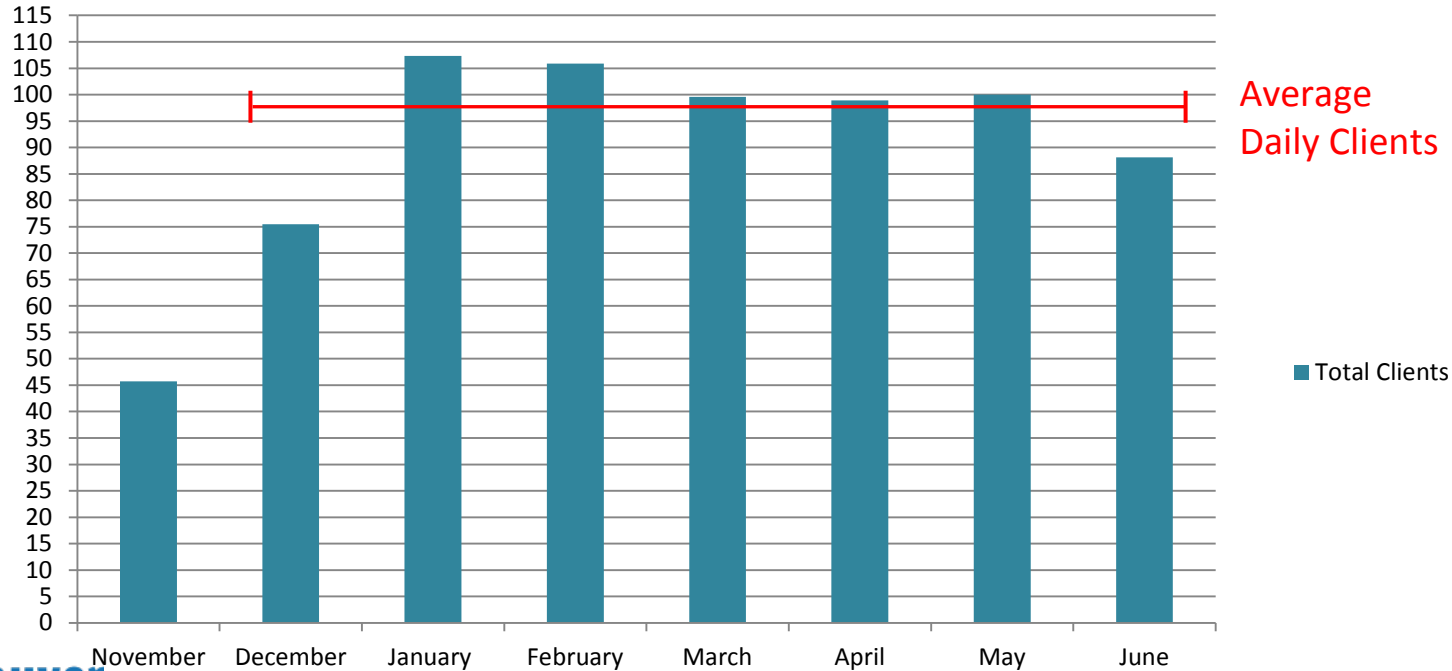


Day Center: People Served



Report on Operations

Average Daily Client Count by Month



One Client's Story: Julie

An increasing number of unhoused elderly residents are visiting the Day Center.

Julie, 84, was on the verge of being homeless and received housing assistance at the Day Center.



Share Contract: Performance Overview

Program Goals	Annual Target	Status (Dec.1, 2018- June 30, 2019)
Work with City to facilitate community outreach mtgs.	--	Help coordinate Good Neighbor meeting
Number of individuals who received basic needs assistance	300	1,412 unduplicated persons
Number of people served through case management	75	453 case management visits
Number of partnerships developed to enhance the program	15	11 partnerships to date
Number of people who decreased barriers to housing	67	142
Number of people engaged in a housing search	20	223
Number of people who obtained housing	32	77
Number of community outreach team mtgs. facilitated	6	7

Good Neighbor Commitment

Communication

Safety

Day Center
Programming

Education and
Training

Code of Conduct

Property
Maintenance

Streets and Lighting

Trash and Recycling

Neighborhood Engagement

- 7 monthly meetings with neighbors and businesses at the Navigation Center; informational displays and presentations
- Separate meetings with neighborhood associations
- Attended by Councilmembers, city staff, Share leadership, other service providers



VPD – Overview of Calls for Service

Three geographic areas studied over three consecutive six-month periods (Dec. 2017-May 2019):

- Citywide overview
- Area within 0.25 miles of the Navigation Center
- Area within 0.25 miles of the Wal-Mart on 104th Ave

VPD – Citywide Overview of Calls for Service

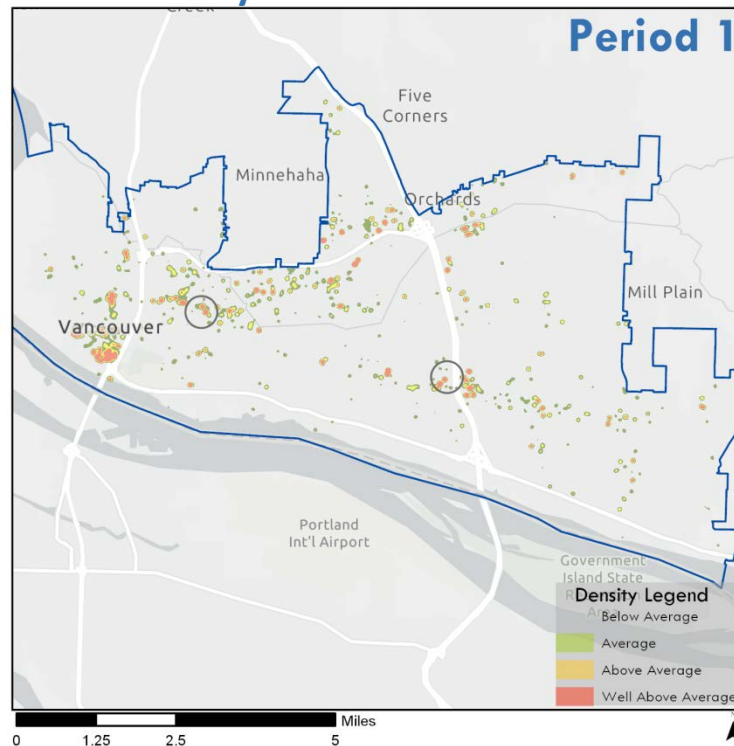
Citywide Crime Statistics

December 2017 - May 2019 (6 Month Periods)

Offense Category	Period 1 (Dec '17 - May '18)	Period 2 (Jun '18 - Nov '18)	Period 3 (Dec '18 - May '19)	% Change P1 to P3	% Change P2 to P3
Community-Initiated Calls For Service					
Person	2,267	2,189	2,243	-1%	2%
Property	4,497	4,223	4,671	4%	11%
Society	4,592	4,629	4,418	-4%	-5%
Other	20,268	19,978	21,236	5%	6%
Total	31,624	31,019	32,568	3%	5%
Offense Reports written by Officers					
Person	1,136	1,341	1,221	7%	-9%
Property	3,771	4,027	4,044	7%	0%
Society	1,699	1,663	1,642	-3%	-1%
Other	2,596	2,822	2,849	10%	1%
Total	9,202	9,853	9,756	6%	-1%

Community-Initiated Calls for Service

Period 1



VPD – Navigation Center Calls (within 0.25 mi.)

Navigation Center Area (0.25mi) Crime Statistics

December 2017 - May 2019 (6 Month Periods)

<i>Offense Category</i>	Period 1 (Dec '17 - May '18)	Period 2 (Jun '18 - Nov '18)	Period 3 (Dec '18 - May '19)	% Change P1 to P3	% Change P2 to P3
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Community-Initiated Calls For Service

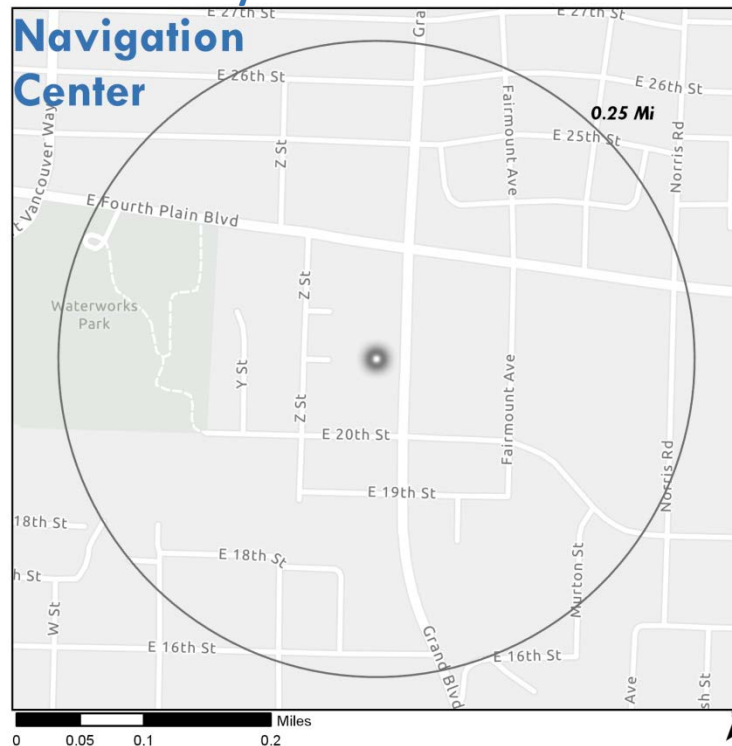
<i>Person</i>	20	36	68	240%	89%
<i>Property</i>	61	64	166	172%	159%
<i>Society</i>	44	59	131	198%	122%
<i>Other</i>	291	318	597	105%	88%
Total	416	477	962	131%	102%

Offense Reports written by Officers

<i>Person</i>	11	26	29	164%	12%
<i>Property</i>	42	67	122	190%	82%
<i>Society</i>	28	34	41	46%	21%
<i>Other</i>	53	52	115	117%	121%
Total	134	179	307	129%	72%



Navigation Center



VPD – Wal-Mart 104th Ave Calls (within 0.25 mi.)

Wal-Mart (104th Ave) Area (0.25mi) Crime Statistics

December 2017 - May 2019 (6 Month Periods)

Offense Category	Period 1 (Dec '17 - May '18)	Period 2 (Jun '18 - Nov '18)	Period 3 (Dec '18 - May '19)	% Change P1 to P3	% Change P2 to P3
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Community-Initiated Calls For Service

Person	26	26	17	-35%	-35%
Property	90	108	176	96%	63%
Society	63	52	57	-10%	10%
Other	264	260	335	27%	29%
Total	443	446	585	32%	31%

Offense Reports written by Officers

Person	7	10	14	100%	40%
Property	71	88	128	80%	45%
Society	34	30	37	9%	23%
Other	40	38	40	0%	5%
Total	152	166	219	44%	32%

Community-Initiated Calls for Service



VPD – Conclusions Regarding Calls for Service

- Calls for service and offense reports were slightly elevated in all three geographic regions during periods studied
 - More prominent in the area around the Navigation Center
 - Evidenced by the shift in density of calls for service
- A number of external factors contribute to the increase in police service demand in the area: increased volume of people in the area, high visibility population, heightened attention focused on the Navigation Center and surrounding area

VPD – Day Center Observations

GUARDIANSHIP | “See Something, Say Something”

- Community members and place managers must continue to call 9-1-1 or 3-1-1 as necessary

HANDLER | Crime Prevention Through Environmental Design

- Crosswalk or signage directing pedestrians of safer crossing location
- Enclose patio area with fencing and a gate
- Exterior surveillance footage access to law enforcement for incident response purposes

MANAGEMENT | Establishing/Enforcing House Rules

- Access Control: Identify all who access the facility (ID cards, PIN codes)
- Limit in-and-outs per day – reduce impact to neighborhood and area businesses, and prevent illegal drug activity

Day Center: Performance Summary (Nov. 18 – June 2019)

Category	Assessment
Share Compliance with Contract	Meets Expectations
Adequacy of Staffing	Needs Improvement
Total Number of Clients Receiving Basic Services	Exceeds Expectations
Neighborhood Engagement by City	7 Monthly Meetings Held
Impacts to Neighborhood and Businesses	Needs Improvement
Number People Connected to Housing	Meets Expectations
Number People Connected to Jobs	Meets Expectations
Security/Access Control	Needs Improvement
Adequacy of Funding	Needs Improvement
Off-site Pedestrian Safety	Needs Improvement

Responding to Neighbors' Concerns

Issue	Solution
Pedestrian Safety	• Mid-block crossing is being evaluated by City staff; grant funding needed
Trash	• Talkin' Trash Program expanded, on-call assistance available; Homeless Assistance Resource Team soon
Camping in the area	• Share staff /security call 911 if illegal activity observed • VPD Bike Patrol added to serve area
Loitering; illegal activity outside building	• Exploring adding an "Ambassador" Share staff position to engage people outside center

Operational Challenges

Issue	Solution
Challenging for Share staff to connect with all clients	Addition of full-time behavioral health, housing, job and drug counseling services would provide greater access to services for clients, in addition to resources for Share staff
Behavioral issues: Substance use and mental health services have limited hours	

Operational Challenges

Issue	Solution
Limited housing availability makes it difficult for clients to progress beyond access and prioritization stage	Affordable Housing Fund, multi-family tax abatement and CDBG programs creating more affordable housing units
Second security guard funding only available for a limited period	City staff to discuss security options and funding with partners

Facility Challenges

Issue	Solution
Building entry check-in not consistent	Developing plan to implement card system at intake station
Unsecured access to outdoor space	City staff working with designer to create one access point to building and exterior area - redirect flow through intake
Remodeling needed to accommodate additional service providers	City staff working to identify potential funding sources

Budget Challenges

Issue	Solution
Costs have increased: Anticipated \$179K budget gap for remainder of 2019 (due to facility improvements, controlled access card system, addition of Share FTE and retaining second security officer)	City staff reaching out to community partners for assistance; looking at all possible City funding resources (CDBG, AHF)

Next Steps

- Issue an RFQ/RFP for future uses in Navigation Center
- Amend Share's contract to update program goals and clarify holiday closure procedures
- Identify funding to implement access control improvements and card key intake system
- Continue to refine staffing and operations with Share including "ambassador" position
- Continue to meet with and respond to neighborhood concerns
- First Year Report to Council in January 2020

Questions and Discussion

VANCOUVER
CITY HALL



Chad Eiken, Director
Community and Economic Development
chad.eiken@cityofvancouver.us

Amy Reynolds, Deputy Director, Share
deputydirector@sharevancouver.org

James McElvain, Chief of Police
james.mcelvain@cityofvancouver.us



Staff Report 100-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 7/15/2019

SUBJECT Approval of Washington State Contract #01117 with Northend Truck Equipment

Key Points

- The City initially contracted with Northend Truck Equipment through the Washington State Contract #01117 for the purchase of snow plows, mounting equipment, parts and service, and dump bodies for multiple maintenance departments including streets, water, and grounds.
- The city's procurement rules and regulations provide that public works purchasing contracts below \$300,000 for which there is budget appropriation may be executed administratively without City council approval.
- Because the costs of the equipment ordered to date was below \$300,000.00, the matter was not brought to City Council for approval. However, based on current needs, the City would like to engage Northend Truck Equipment for further equipment purchases, which would bring the total dollar expended under this contract to over \$300,000.00. Accordingly, staff is bringing this matter to Council for approval of expenditure over \$300,000.00.
- This contract does not expire until 05/01/2020, with the option to renew until 05/01/2028. All other terms and conditions of the underlying contract would remain the same.
- The original contract was competitively bid and conforms with bidding requirements set forth by the State of Washington.

Strategic Plan Alignment

None.

Present Situation

The City uses State of Washington contract #01117 with Northend Truck Equipment for purchases of dump bodies, snow plows, mounting equipment, and parts and service.

Equipment Services would like authorization to continue to use the contract to purchase up to the Council-approved annual budgeted amount for equipment purchases through the end of the contract, which is 05/01/2020 and into any extended period offered by the State of Washington's Department of Enterprise Services.

The City will purchase up to the approved levels authorized by Council in 2019 and would like permission to continue to purchase using this contract up to the amounts approved by Council in City's budget process.

Advantage(s)

1. Currently, the City purchases dump bodies, snow plows, mounting equipment, parts, and service through the State of Washington contract that matches the current City standard.
2. The vendor covered under this contract has continuously provided high quality; dependable equipment and service that help maintain uniformity in the City fleet and the operational needs of multiple City maintenance departments.
3. The approval for continued use of this contract will enable Equipment Services to order the required fleet replacement equipment while taking advantage of the Washington State contract's competitive pricing.

Disadvantage(s)

None

Budget Impact

- Utilizes an existing contract through the State of Washington that is good through May 1, 2020.
- Actual expenditures under this contract are subject to current and future budget appropriations approved by City Council.
- The expenditures under this contract are anticipated to be \$397,000 in 2019 and \$90,000 in 2020. These expenditures are subject to current and any future budget appropriations approved by City Council.

Prior Council Review

None.

Action Requested

Authorize the City Manager or his designee to approve purchases under the Washington State Contract #01117 for the life of the contract with Northend Truck Equipment of Marysville, Washington.

Dan Zenger, Equipment Superintendent, 487-8205

ATTACHMENTS:

- ▣ Request for Proposal
- ▣ Contract Pricing and Ordering Information

REQUEST FOR PROPOSALS (RFP) – No. 01117

DUMP BODIES SNOW PLOWS VARIOUS TYPES, CONTROLS & SERVICES

INTRODUCTION

This Request for Proposals (RFP) is a competitive procurement issued by the Washington Department of Enterprise Services (Enterprise Services) pursuant to RCW chapter 39.26. Enterprise Services intends to use the RFP to establish a Multi award a Master Contract for Dump Bodies Snow Plows Various Types, Controls & Services

This RFP is divided into four (4) sections:

- [Section 1](#) provides a summary table of relevant deadlines for responding to the RFP and identifies contact information for the RFP Procurement Coordinator.
- [Section 2](#) provides important information about the procurement.
- [Section 3](#) identifies how to prepare and submit a proposal for this RFP, including detailed instructions regarding what to submit and how to submit your proposal.
- [Section 4](#) identifies how Enterprise Services will evaluate the proposals.

In addition, this RFP includes the following Exhibits:

- [Exhibits A1 & A2 – Proposer Information](#): These exhibits identify the information that proposers must provide to Enterprise Services.
- [Exhibit B – Specifications/Price Sheets](#): This exhibit outlines the required specifications for the Dump Bodies, Snow Plows and Support Services that are the subject of this RFP. The document will also serve as bid price sheets that proposers will complete as part of their proposal.
- [Exhibit C - Equipment WorkmanshipTerms & Conditions](#): This exhibit outlines terms & conditions exclusive to dump bodies & snow plows including Quality and Workmanship Standards that all proposers must meet if awarded a contract.
- [Exhibit D – Master Contract](#): This exhibit is the WA State Master Contract that the successful proposer(s) will execute with Enterprise Services.
- [Exhibit E – Complaint, Debrief, & Protest Requirements](#): This exhibit details the applicable requirements to file a complaint, request a debrief conference, or file a protest regarding this RFP.
- [Exhibit F – Doing Business with the State of Washington](#): This exhibit provides information regarding contracting with the State of Washington.

MASTER CONTRACTS. Enterprise Services has statewide responsibility to develop ‘master contracts’ for goods and services. A Master Contract is a contract for specific goods and/or services that is solicited and established by Enterprise Services on behalf of and for general use by specified ‘purchasers’ (see below). Typically, purchasers use our Master Contracts through a purchase order or similar document.

MASTER CONTRACT USERS – PURCHASERS. The resulting Master Contract from this RFP will be available for use by the following entities (“Purchasers”):

- **WASHINGTON STATE AGENCIES.** All Washington state agencies, departments, offices, divisions, boards, and commission; and any the following institutions of higher education in Washington: state universities, regional universities, state college, community colleges, and technical colleges.
- **MCUA PARTIES.** The Master Contract also may be utilized by any of the following types of entities that have executed a Master Contract Usage Agreement (MCUA) with Enterprise Services:
 - Political subdivisions (e.g., counties, cities, school districts, public utility districts);
 - Federal governmental agencies or entities;
 - Public-benefit nonprofit corporations (i.e., § 501(c) (3) nonprofit corporations that receive federal, state, or local funding); and
 - Federally-recognized Indian Tribes located in the State of Washington.
- **ORCPP.** The Master Contract also will be available for use by the [Oregon Cooperative Purchasing Program \(ORCPP\)](#) based on the contractor's acceptance.

While use of the Master Contract is optional for political subdivisions and public benefit nonprofit corporations authorized by the MCUA and ORCPP, these entities' use of the Master Contract can increase Master Contract use significantly.

All purchasers are subject to the same contract terms, conditions, and pricing as state agencies.

SECTION 1 – DEADLINES, QUESTIONS, AND WHEN TO SUBMIT YOUR PROPOSAL & THE EQUIPMENT DEMONSTRATION

This section identifies important deadlines for this RFP and where to direct questions regarding the RFP.

Important dates: The following table identifies important dates for this RFP:

Item	Date
RFP Posting Date:	November 14, 2017
Pre-Proposal Conference:	November 30, 2017 at Department of Enterprise Services, 1500 Jefferson Street, Olympia, WA 98501 8:00 A.M – 12 Noon, Room number posted at entrance on the 30 th . Call-in phone number 360-407-3780 Pin Code: 906733
Question & Answer Period:	November 13 – December 14, 2017
Deadline for submitting Proposals/Bids:	December 21, 2017
Anticipated Announcement of Apparent Successful	January 16, 2018
Anticipated Award of Master Contract(s):	January 19, 2018, may extend if equipment demonstration(s) is required.

The RFP (and award of the Master Contract) is subject to complaints, debriefs, and protests as explained in [Exhibit E – Complaint, Debrief & Protest Requirements](#), which may impact the dates set forth above.

Enterprise Services reserves the right to amend and modify this RFP. Only proposers who have properly registered and downloaded the original RFP directly via WEBS will receive notifications of to this RFP, which proposers must download, and other correspondence pertinent to this procurement. To be awarded a Master Contract, proposers must be registered in WEBS. Visit [WEBS](#) to register.

Questions: Questions or concerns regarding this RFP must be directed to the following Procurement Coordinator for the RFP:

RFP Procurement Coordinator	
Name:	Mark Roush
Telephone:	360-407-9311
Email:	Mark.Roush@des.wa.gov

Questions raised at the pre-proposal conference and during the Q&A period will be answered and responses posted to WEBS.

SECTION 2 – INFORMATION ABOUT THE PROCUREMENT

- 2.1. **PURPOSE OF THE PROCUREMENT – AWARD A MASTER CONTRACT.** The purpose of this RFP is to receive competitive proposals and establish a statewide Multi award master contract for Dump Bodies & Snow Plows Various Types, Controls and Services. The Department of Enterprise Services intends to award up to three contractors in each category for dump bodies and snow plows.
- 2.2. **MASTER CONTRACT.** The form of the Master Contract that will be awarded as a result of this RFP is attached as [Exhibit D – Master Contract](#).
- 2.3. **CONTRACT TERM.** As set forth in the attached Master Contract for this RFP, the contract initial term will be for twenty-four (24) months with the option to extend for additional term (s) or portions thereof. Extensions will be exercised at the sole discretion of DES. DES reserves the right to extend with all or some of the contractors. The total Contract Term will be for a total term of ten years (120 months) from the award of the contract.
- 2.4. **ESTIMATED SALES.** Annual total ppurchases could approximate \$7,000,000.00 from (State agencies, cities, towns and counties). Purchase potential from other purchasers is unknown. Although Enterprise Services does not represent or guarantee any minimum purchase from the Master Contract, prior purchases under a similar contract are set forth in the following chart: Please note the Spreadsheet below has two tabs for the prior sales for the two contracts this RFP is replacing 12304 and 00910.



Copy of
K12304_K00910_Cus

SECTION 3 – HOW TO PREPARE AND SUBMIT A PROPOSAL FOR THIS RFP

This section identifies how to prepare and submit your proposal to Enterprise Services for this RFP. In addition, proposers will need to review and follow the requirements included in [Exhibit A – Proposer Information](#), which identifies the information that proposers must provide to Enterprise Services to constitute a responsive proposal. By responding to this RFP and submitting a proposal, proposers acknowledge having read and understood the entire RFP and accept all information contained within this RFP.

- 3.1. **PRE-PROPOSAL CONFERENCE.** Enterprise Services will host an RFP pre-proposal conference at the time and location indicated in [Section 1](#) of this RFP. **Attendance is not mandatory (teleconference acceptable).** The purpose of the pre-proposal conference is to clarify the RFP as needed and raise any issues or concerns that proposers may have. If interpretations, specifications, or other changes to the RFP are required as a result of the conference, the Procurement Coordinator will post an amendment to this RFP to WEBS. Assistance for disabled, blind, or hearing-impaired persons who wish to attend the pre-proposal conference is available with prior arrangement by contacting the Procurement Coordinator.
- 3.2. **PROPOSAL FORMAT.** **Electronic proposals are required:** Proposals must be in an electronic editable format meaning in a format that can be edited by DES. Any other format will be deemed non-responsive and the proposal may be rejected. Proposals must be complete, legible, signed and proposers must follow all instructions stated in Exhibit A Proposer Information. Documents must be prepared in MS Word and MS Excel will only be accepted for documents and that do not have to be edited by DES. **No PDF documents will be accepted.** Proposers must follow the instructions stated in [Exhibit A – Proposer Information](#).
- 3.3. **PROPOSER COMMUNICATIONS REGARDING THIS RFP.** During the RFP process, all proposer communications regarding this RFP must be directed to the Procurement Coordinator Mark Roush for this RFP. See [Section 1](#) of this RFP. Proposers should rely only on this RFP and written amendments to the RFP issued by the Procurement Coordinator. In no event will oral communications regarding the RFP be binding.
 - Proposers are encouraged to make any inquiry regarding the RFP as early in the process as possible to allow Enterprise Services to consider and, if warranted, respond to the inquiry. If a proposer does not notify Enterprise Services of an issue, exception, addition, or omission, Enterprise Services may consider the matter waived by the proposer for protest purposes.
 - If proposer inquiries result in changes to the RFP, written amendments will be issued and posted on WEBS.
 - Unauthorized contact regarding this RFP with other state employees (including any Stakeholders), other than the Procurement Coordinator (Mark Roush alternate Tom Allman) involved with the RFP may result in proposer disqualification.

3.4. **PRICING.** Proposal prices must include all cost components needed for the purchase of the goods and/or services as described in this RFP. See [Exhibit B – Proposal Price](#). A proposer's failure to identify all costs in a manner consistent with the instructions in this RFP is sufficient grounds for disqualification.

- Inclusive Pricing: Proposers must identify and include all cost elements in their pricing. (Credit Card Fees excluded per the next paragraph) In the event that proposer is awarded a Master Contract, the total price for the goods shall be proposer's price as submitted. Except as provided in the Master Contract, there shall be no additional costs of any kind.
- Credit Cards (P-Cards): The use of Credit Cards (P-Cards) is optional for parts/accessories up to a \$10,000 purchase. Credit card fees will NOT be built into pricing but charged as a line item at the exact rate charged by the card issuer to the vendor with NO markup of the fee to the purchaser.
- Vendor Management Fee: The resulting Master Contract from this RFP will include a Vendor Management Fee as specified in the Master Contract attached as [Exhibit D – Master Contract](#).

3.5. **BRANDS.** When a particular brand is specified, it shall be construed solely for the purpose of indicating the standard of quality, performance, or use desired. Brands of equal quality, performance, and use may be considered, provided the Supplier specifies the brand and model and submits descriptive literature. DES shall be the sole and final arbiter of whether a proposed equal is in fact of equal quality, performance or use and whether a proposed equal is acceptable.

Any proposal containing a brand which is not of equal quality, performance, or use specified must be represented as an alternate and not as an equal. DES will review the Proposer's proposed alternate, including any specification exceptions and supporting documentation, in determining whether or not the proposed alternative will be acceptable in meeting purchaser's needs. DES shall be the sole and final arbiter of whether the proposed alternate is acceptable.

3.6. **PROPOSER RESPONSIVENESS.** Proposers must submit complete proposals. See [Exhibits A1 & A2 – Proposer Information](#). A proposer's failure to do so may result in a proposal being deemed non-responsive and disqualified. Enterprise Services reserves the right to determine a proposers' compliance with the requirements specified in this RFP and to waive informalities in a proposal. Informality is an immaterial variation from the exact requirements of the competitive RFP, having no effect or merely a minor or negligible effect on quality, quantity, or delivery of the supplies or performance of the services being procured, and the correction or waiver of which would not affect the relative standing of, or be otherwise prejudicial, to proposers.

3.7. **PROPOSAL SUBMITTAL CHECKLIST – REQUIRED PROPOSAL SUBMITTALS.** This section identifies the proposal submittals that must be provided to Enterprise Services to constitute a responsive proposal. ***The submittals must be sent electronically as discussed above in Proposal***

Format (No Exceptions). Proposals that do not include the submittals identified below may be rejected as nonresponsive. In addition, a proposer's failure to complete any submittal as instructed may result in the proposal being rejected. Proposers must identify each page of the submittals and any supplemental materials with the proposer's company name and the contract number **01117**.

☐ **EXHIBIT A1 – PROPOSER'S CERTIFICATION**

This document is the Proposer's Certification.

Complete the certification (insert name of proposer, date, and sign), attach to the proposal along with any exceptions, and submit to Enterprise Services.

☐ **EXHIBIT A2 – PROPOSER PROFILE**

This document is required information for contract administration purposes.

Complete as instructed and submit with the proposal to Enterprise Services. Per Exhibit H found in the Master Contract Proposer shall submit to Enterprise Services proof of required insurance by submitting a Certificate of Insurance. **INCLUDED IN EXHIBIT A2 ABOVE IS PROPOSER PROFILE CONTACT REPORTING INFORMATION SPREADSHEET**

INCLUDED IN EXHIBIT A2 ABOVE IS ALSO CONTRACTOR CERTIFICATION WAGE THEFT VIOLATION

Proposer will need to complete this certification as instructed and submit it with the RFP.

☐ **EXHIBIT B – SPECIFICATIONS/PRICE SHEET**

Proposer will need to confirm that they meet or exceed the detailed specifications and complete the price worksheet(s) addressed in [Exhibit B – Specifications/Price Sheets](#)

☐ **EXHIBIT C – EQUIPMENT WORKMANSHIP TERMS & CONDITIONS**

Proposer(s) providing a bid are acknowledging you can provide all Quality/Workmanship Standards and requirements of these Terms & Conditions.

☐ **CERTIFICATE OF INSURANCE**

Proposer shall furnish to Enterprise Services proof of required insurance by submitting a Certificate of Insurance.

☐ **SERVICE CAPABILITY**

Proposer will provide (as a separate attachment) a description of their overall service capabilities in the performance of this contract. Examples: After Market certification, Technical Assistance via phone, etc. Proposer will provide proof of a State of Washington based distributor by providing an electronic copy of contract or subcontract between proposer's company and the State of Washington based distributor.

- 3.8. **SUBMITTING PROPOSALS** Your proposal must be delivered electronically to the following. **Hard copies will not be accepted and will be deemed non-responsive and the proposal may be rejected:**

Email your Proposal to the Following by December 21, 2017		
Electronic Submissions Only No PDF's will be accepted;	DESCPRMVehFuelTran@des.wa.gov Proposers are urged to send their proposals with both a "delivery" receipt to ensure timely delivery.	Test Email -Proposers are strongly urged to send a "test" email before submitting their proposal with both a "delivery" receipt to ensure delivery.

- **Enterprise Services does not accept responsibility for late proposals.**

Note for electronic proposals only: Enterprise Services email boxes only can accept emails that total less than 30MB in size. Proposers are cautioned to keep email sizes to less than 25MB to ease delivery. If files exceed the 30MB send multiple emails clearly labeled (1 of 2, etc.). ***Zippped files cannot be accepted.***

SECTION 4 – PROPOSAL EVALUATION

This section identifies how Enterprise Service will evaluate RFP proposals.

4.1. OVERVIEW. Enterprise Services will evaluate proposals for this RFP as described below.

- Proposer responsiveness, specification, price factors and responsibility, will be evaluated based on the process described herein.
- Contract award will be based on the evaluation and award criteria established herein and will be subject to consideration of all factors identified in RCW 39.26 and other criteria identified in the RFP.
- Proposers whose proposals are determined to be non-responsive will be rejected and will be notified of the reasons for this rejection.
- Enterprise Services reserves the right to: (1) Waive any informality; (2) Reject any or all proposals, or portions thereof; (3) Accept any portion of the items proposal unless the proposer stipulates all or nothing in their proposal; (4) Cancel an RFP and re-solicit proposals; and/or (5) Negotiate with the lowest responsive and responsible proposer to determine if that proposal can be improved.
- Enterprise Services will use the following process and evaluation criteria for an award of a Master Contract:
 - **Step 1: Responsiveness.** (Pass/Fail)
 - **Step 2: Specification and Service Requirements Evaluation** (Pass/Fail).
 - **Step 3: Pricing Evaluation.**
 - **Step 4: Responsibility Analysis.**

4.2. RESPONSIVENESS (STEP 1). Enterprise Services will review proposals initially on a pass/fail basis – to determine whether the proposal is ‘responsive’ to this RFP with all administrative requirements as specified herein. This means that Enterprise Services will review each proposal to determine whether the proposal is complete – i.e., does the proposal include each of the required proposal submittals, are the submittals complete, signed, legible. Enterprise Services reserves the right – in its sole discretion – to determine whether a proposal is responsive. Responsive proposals will be further evaluated based on the requirements in this RFP.

4.3. SPECIFICATIONS AND SERVICE REQUIREMENTS EVALUATION (STEP 2). Enterprise Services will evaluate each proposal to ensure that each proposer’s product or service meets the specifications. Enterprise Services reserves the right to request additional information or perform tests and measurements before selecting the Apparent Successful Proposer (“ASP”). A proposer’s failure to provide requested information to Enterprise Services within five (5) business days may result in disqualification.

4.4. TECHNICAL SPECIFICATIONS EVALUATION (pass/fail)

Once the lowest proposers have been determined, the lowest proposers’ specifications, including any offered equals or alternatives, may be reviewed by a stakeholder group consisting of subject matter experts.

The stakeholder group will perform an advisory role to the Procurement Coordinator and review and make a finding as to whether or not a submitted alternative, including any offered equal, meets the intent of the RFP specifications. DES shall be the sole and final arbiter of whether the submitted specifications, including any proposed equals or alternatives, are acceptable.

4.5. PROPOSAL PRICING EVALUATION (STEP 3). Enterprise Services will evaluate proposal prices – to identify the lowest prices by reviewing and comparing submitted bid prices provided in Exhibit B and award by a group of categories called Main Categories as well as by individual auxiliary categories. By providing pricing the proposer is indicating the specific dump bodies and/or snow plows types and type of controls & services that they can provide.

- **Main Categories:** Up to three (3) awards will be made to the bidders offering the lowest prices for this group of categories. **Main Categories** are: Dump body categories B, C, D, E, G, Cab guard & Prewet, Hydraulic Packages A-D, Options and Plow Categories 1, 2, 4 & 5. These items must be bid together as will be installed on an individual chassis, accomplished as a complete unit.
- **Auxiliary Categories:** Up to three (3) awards will be made to the bidders offering the lowest prices for these individual categories. **Auxiliary Categories** are: Dump Body Categories A & F, Plow Categories 3, 5 & 6. These items can be bid and provided separately because they are items that can be direct shipped to the customer and can be installed at the customer’s location.
- Proposers may include additional products and services that are appropriate to the scope of this RFP as an additional electronic

attachment to the proposal response. Proposers should clearly name this attachment as ***“Additional Products and Services.”*** These will NOT be included in the evaluation, but may be included in an awardees contract at the sole discretion of DES

4.6. RESPONSIBILITY ANALYSIS (STEP 4). For responsive proposals, Enterprise Services will make reasonable inquiry to determine the responsibility of any proposer. Determination of responsibility will be made on a pass/fail basis.

- **FINANCIAL INFORMATION:** Enterprise Services may request financial statements, credit ratings, references, record of past performance, clarification of proposer’s offer, on-site inspection of proposer's or subcontractor's facilities, or other information as necessary. Failure to respond to these requests may result in a proposal being rejected as non-responsive.
- **REFERENCES:** Enterprise Services reserves the right to use references to confirm satisfactory customer service, performance, satisfaction with service/product, knowledge of products/service/industry and timeliness including timeliness of delivery. Any negative or unsatisfactory reference can be reason for rejecting a proposer as non-responsible. This may include information about delivery and having the capacity to make timely repairs and other information that refers to proposer past performance.

Proposer is to furnish three (3) commercial or government references. References are to be from different entities for which Proposer has performed or provided comparable services, materials, supplies or equipment similar in scope (i.e. size, volume, type) to this Solicitation within the last three (3) years. Proposer is to complete the References portion of Appendix A2 Proposer’s Profile.

The Procurement Coordinator will only attempt to make contact with a Proposer’s provided references a maximum of three (3) times and no further attempts will be made to contact that particular reference. If such contact cannot be established with any of the references provided, then those references may be deemed non-responsive and no further attempts will be made to contact that particular reference.

DES reserves the right to solicit and substitute other references to determine the sufficiency of a Proposer’s level of responsibility.

Proposers deemed non-responsible will be rejected.

4.7. ANNOUNCEMENT OF APPARENT SUCCESSFUL PROPOSERS. Enterprise Services will determine the Apparent Successful Proposers (“ASP”). The ASPs will be the responsive and responsible proposers that have passed all the RFP requirements and have the lowest price evaluation total as calculated using the tool set forth in [Exhibit B – Proposal Price](#).

- Enterprise Services reserves the right to request additional information. Failure to provide requested information within 10 days may result in disqualification.
- Designation as an ASP does not imply that Enterprise Services will issue an award for a Master Contract to your firm. Rather, this designation allows Enterprise Services to perform further analysis and ask for additional documentation. The proposer must not construe this as an award, impending award, attempt to negotiate, etc. If a proposer acts or fails to act as a result of this notification, it does so at its own risk and expense.

- **EQUIPMENT DEMONSTRATION.** As part of the evaluation process after the ASP, Contractor(s) may be required to demonstrate performance capabilities of the equipment, (including the controllers that operate the snow plows), offered in their proposal. The equipment performance demonstration must be conducted within fourteen (14) calendar days after notification that such demonstration(s) is required. Contractor(s) shall conduct all demonstration(s) within Washington State and are responsible for their costs associated with the demonstration (s. In addition awarded contractors may be required to conduct additional equipment demonstrations for purchasers prior to issuance of a purchase order, especially if emerging technology results in changes to the equipment offered in the awarded contract. Contractor(s) will coordinate the scheduling and exact location equipment demonstration with designated purchaser(s) staff.
- Upon announcement of the ASP, proposers may request a debrief conference as specified in [Exhibit F – Complaint, Debrief & Protest Requirements](#).

4.8. AWARD OF MASTER CONTRACT. Subject to protests, if any, Enterprise Services and the ASP will enter into a Master Contract for Dump Bodies Snow Plows Various Types, Controls and Services as set forth in [Exhibit D – Master Contract](#).

- An award, in part or full, is made and a contract formed by signature of Enterprise Services and awarded proposer(s) on the Master Contract. Enterprise Services reserves the right to award on an all-or-nothing consolidated basis.
- DES intends to award a contract to multiple contractors to establish adequate statewide coverage. An award, in part or full, is made and a contract formed by signature of DES and awarded Proposer on the Authorized Offer and Contract Signature page. In some circumstances, DES may include an award letter which further defines the award and is included by reference to accompany the signature page.
- Following the award of the Master Contract, all proposers will receive a Notice of Award, usually through a WEBS notification and/or through an email to the proposer's email address provided in the proposer's proposal.

4.9. PROPOSAL INFORMATION AVAILABILITY. According to RCW 39.26.030, proposal submission and proposal evaluations are exempt from disclosure until after the agency announces the Apparent Successful Proposer. All of the documents will be posted to the DES website upon award.

4.10. Additional Awards. Enterprise Services reserves the right, during the resulting Master Contract term, to make additional awards to responsive, responsible original proposers (provided a proposal to the original solicitation) who are not awarded a Master Contract. Such awards would be on the same or substantially similar terms and conditions and would be designed to address a Contractor vacancy (e.g., a contractor is terminated or goes out of business), respond to Purchaser needs, or be in the best interest of the State of Washington.

EXHIBIT A1 – PROPOSER’S CERTIFICATION

Required Submittal: Proposers must complete and submit via email one signed electronic copy of Exhibit A1 - Proposer’s Certification, file to be titled **01117_A1_Company Name** as a Microsoft Word Document.



01117 Exhibit A1
Proposer Certificatic

EXHIBIT A2 – PROPOSER’S PROFILE

Required Submittal: Proposers must complete and submit via email one signed electronic copy of Exhibit A2 - Proposer’s Profile, file to be titled **01117_A2_Company Name** as a Microsoft Word Document.



01117
CONTRACTOR CERTI



01117 Exhibit A2
Proposer Profile.doc

EXHIBIT B –SPECIFICATIONS/PRICE SHEET(S)

Required Submittal Specifications: By submitting a proposal, Proposers are agreeing that they comply with all specifications provided in this Exhibit B. Proposers must sign the Specifications acknowledging that they can provide all requirements within the document. **Failure to provide the signed document may be considered not responsive and the proposal may be rejected.** Proposers must complete and submit via email one signed electronic copy of Exhibit B - Specifications, file to be titled **01117_Exhibit B _Company Name** as a Microsoft Excel Document.

Proposer must complete Pricing provided on the Price sheet is to be rounded to the nearest whole dollar. **DO NOT ALTER THE PRICE SHEET IN ANY WAY.** If discrepancies are found in the price sheet, alert the Procurement Coordinator (listed in Section 1) immediately. Proposer shall provide all information requested in the columns provided. Failure to provide such information in the format requested may cause the proposal to be deemed non-responsive and the proposal may be rejected. **NO PDF documents will be accepted.** Proposer must complete and submit via email one electronic copy of Exhibit B.

Proposers are not required to bid on all categories included however they must bid on entire category(s). See paragraph 4.5, page 8



Specifications &
Price Sheet(s).xlsx

EXHIBIT C – EQUIPMENT WORKMANSHIP TERMS & CONDITIONS

INSTRUCTIONS NOTE:

01117_Exhibit C _Company Name as a Microsoft Word document following the instructions at the top of the form. **PDF or other formats will NOT be accepted and will be deemed non-responsive and the proposal will be rejected.**



Exhibit C
Equipment Workma

EXHIBIT D – MASTER CONTRACT

See attached Washington State Master Contract for RFP 01117 Dump Bodies Snow Plows Various Types, Controls & Services.

Action needed for this document including signatures.



01117 Exhibit D
Master Contract.doc

EXHIBIT E – COMPLAINT, DEBRIEF, & PROTEST REQUIREMENTS

FOR REVIEW ONLY AS NO ACTION NEEDED FOR THIS DOCUMENT.

This appendix details the applicable requirements for complaints, debriefs, and protests.

Complaints

This RFP offers a complaint period for proposers wishing to voice objections to this solicitation. The complaint period ends five (5) business days before the proposal due date. The complaint period is an opportunity to voice objections, raise concerns, or suggest changes that were not addressed during the Question & Answer Period or at the Pre-Proposal Conference. Failure by the proposer to raise a complaint at this stage may waive its right for later consideration. Enterprise Services will consider all complaints but is not required to adopt a complaint, in part or in full. If proposer complaints result in changes to the RFP, written amendments will be issued and posted on WEBS.

- ***Criteria for Complaint:*** A formal complaint may be based only on one or more of the following grounds: (a) The solicitation unnecessarily restricts competition; (b) The solicitation evaluation or scoring process is unfair or flawed; or (c) The solicitation requirements are inadequate or insufficient to prepare a response.
- ***Initiating A Complaint:*** A complaint must: (a) Be submitted to and received by the Procurement Coordinator no less than five (5) business days prior to the deadline for proposal submittal; and (b) Be in writing (see *Form and Substance, and Other* below). A complaint should clearly articulate the basis of the complaint and include a proposed remedy.
- ***Response:*** When a complaint is received, the Procurement Coordinator (or designee) will consider all the facts available and respond in writing prior to the deadline for proposal submittals, unless more time is needed. Enterprise Services is required to promptly post the response to a complaint on WEBS.
- ***Response is Final:*** The Procurement Coordinator's response to the complaint is final and not subject to administrative appeal. Issues raised in a complaint may not be raised again during the protest period. Furthermore, any issue, exception, addition, or omission not brought to the attention of the Procurement Coordinator prior to proposal submittal may be deemed waived for protest purposes.

Debrief Conferences

A Debrief Conference is an opportunity for a proposer and the Procurement Coordinator to meet and discuss the proposer's proposal. A debrief is a required prerequisite for a proposer wishing to file a protest. Following the evaluation of the proposals, Enterprise Services will issue an announcement of the ASB. That announcement may be made by any means, but Enterprise Services likely will use email to the proposer's email address provided in the Proposer's Profile. Proposers will have three (3) business days to request a Debrief Conference. Once a Debrief Conference is requested, Enterprise Services will offer the requesting proposer one meeting opportunity and notify the proposer of the Debrief Conference place, date, and time. Please note, because the debrief process must occur before making an award, Enterprise Services likely will schedule the Debrief Conference shortly after the announcement of the ASB and the proposer's request for a Debrief Conference. Enterprise Services will not allow the debrief process to delay the award. Therefore, proposers should plan for contingencies

and alternate representatives; proposers who are unwilling or unable to attend the Debrief Conference will lose the opportunity to protest.

- *Timing:* A Debrief Conference may be requested by a proposer following announcement of the Apparent Successful Proposer.
- *Purpose of Debrief Conference:* Any proposer who has submitted a timely proposal response may request a Debrief Conference (see *Form and Substance, and Other* below). A Debrief Conference provides an opportunity for the proposer to meet with Enterprise Services to discuss its proposal and evaluation.
- *Requesting a Debrief Conference:* The request for a Debrief Conference must be made in writing via email to the Procurement Coordinator and received within three (3) business days after the announcement of the Apparent Successful Proposer. Debrief conferences may be conducted either in person at the Enterprise Services offices in Olympia, Washington, or by telephone, as determined by Enterprise Services, and may be limited by Enterprise Services to a specified period of time. The failure of a proposer to request a debrief within the specified time and attend a debrief conference constitutes a waiver of the right to submit a protest. Any issue, exception, addition, or omission not brought to the attention of the procurement coordinator before or during the debrief conference may be deemed waived for protest purposes.

Protests

Following a Debrief Conference, a proposer may protest the award of the Master Contract.

- *Criteria for a Protest:* A protest may be based only on one or more of the following: (a) Bias, discrimination, or conflict of interest on the part of an evaluator; (b) Error in computing evaluation scores; or (c) Non-compliance with any procedures described in the RFP.
- *Initiating a Protest:* Any proposer may protest an award to the ASB. A protest must: (a) Be submitted to and received by the Procurement Coordinator, within five (5) business days after the protesting proposer's Debriefing Conference (see *Form and Substance, and Other* below); (b) Be in writing; (c) Include a specific and complete statement of facts forming the basis of the protest; and (d) Include a description of the relief or corrective action requested.
- *Protest Response:* After reviewing the protest and available facts, Enterprise Services will issue a written response within ten (10) business days from receipt of the protest, unless additional time is needed.
- *Decision is Final:* The protest decision is final and not subject to administrative appeal. If the protesting proposer does not accept Enterprise Services' protest response, the proposer may seek relief in Thurston County Superior Court.

Communication During Complaints, Debriefs, and Protests

All communications about this RFP, including complaints, debriefs, and protests, must be addressed to the Procurement Coordinator unless otherwise directed.

- *Form, Substance, & Other:* All complaints, requests for debrief, and protests must (a) Be in writing; (b) Be signed by the complaining or protesting proposer or an authorized agent, unless sent by email; (c) Be delivered within the time frame(s) outlined herein; (d) Identify the solicitation number; (e) Conspicuously state "Complaint," "Debrief" or "Protest" in any

subject line of any correspondence or email, and (f) Be sent to the address identified in the table below.

- **Complaints & Protests:** All complaints and protests must (a) State all facts and arguments on which the complaining or protesting proposer is relying as the basis for its action; and (b) Include any relevant documentation or other supporting evidence.

How to contact Enterprise Services

Complaint

Email mark.roush@des.wa.gov

To the Procurement Coordinator listed in this RFP.

Subject line must include "Complaint"

Mail

Mark Roush
Contracts, Procurement and Risk Mgmt.
Department of Enterprise Services,
P. O. Box 41411
Olympia, WA 98504-1411

Debrief Conference

Email mark.roush@des.wa.gov

To the Procurement Coordinator listed in this RFP.

Subject line must include "Debrief"

Protest

Email mark.roush@des.wa.gov

To the procurement coordinator listed in this RFP.

Subject line must include "Protest"

Mail

Mark Roush
Contracts, Procurement and Risk Mgmt.
Department of Enterprise Services
P. O. Box 41411
Olympia, WA 98504-1411

EXHIBIT F— DOING BUSINESS WITH THE STATE OF WASHINGTON

FOR REVIEW ONLY AS NO ACTION NEEDED FOR THIS DOCUMENT.

Washington's Public Records Disclosure Act

All documents submitted by proposers to Enterprise Services as part of this procurement will become public records. Such records are subject to public disclosure unless specifically exempt under RCW chapter 42.56. Enterprise Services strongly discourages submittal of confidential material – i.e. any portion of your submittal clearly marked “Confidential,” “Proprietary,” or “Trade Secret” (or the equivalent). In the event Enterprise Services receives a public records request, for such documents, Enterprise Services will notify such bidder of the date of disclosure and it is that proposer’s responsibility to take legal action to block disclosure if it chooses to do so. Enterprise Services will not withhold or redact your documents without a court order requiring such action.

Economic Goals

In support of the state’s economic goals proposers are encouraged to consider the following in responding to this RFP:

- Support for a diverse supplier pool, including, veteran-owned, minority-owned and women-owned business enterprises. Results Washington has established for this RFP voluntary numerical goals of:
 - Ten (10) percent minority-owned businesses (MBE);
 - Six (6) percent women-owned businesses (WBE);
 - Five (5) percent veteran-owned businesses (VB).

Achievement of these goals is encouraged whether directly or through subcontractors. Proposers may contact the [Office of Minority and Women’s Business Enterprises](#) for information on certified firms or to become certified.

- Enterprise Services is directed, by the Washington State Legislature, to “develop procurement policies, procedures, and materials that encourage and facilitate state agency purchase of goods and services from Washington small businesses.” See RCW 39.26.005.
- Veterans and U.S. active duty, reserve or National Guard service-members are eligible for the registry. The veteran or service-member must control and own at least fifty-one (51) percent of the business and the business must be legally operating in the State of Washington. Control means the authority or ability to direct, regulate or influence day-to-day operations.

Environmental Goals

In support of the state's environmental goals proposers are encouraged to consider the following in responding to this RFP:

- Use of environmentally preferable goods and services, including post-consumer waste and recycled content.
- Products made or grown in Washington.

Resources

- Register for free for solicitation notices at the Washington Electronic Business Solution (WEBS) [WEBS Registration](#).
- If you qualify as a Washington small business, identify yourself in WEBS. Call WEBS Customer Service at 360-902-7400.
- Contact the Washington State Office of Minority and Women's Business Enterprises about state and federal certification programs at Phone 866-208-1064 or [OMWBE](#).
- Contact the Washington State Department of Veterans' Affairs about certification at (360) 725-2169 or [DVA](#).
- Business Diversity and Outreach Manager at the Washington State Department of Enterprise Services: (360) 407-9390.

State of Washington Contract #01117
DUMP BODIES-SNOW PLOWS VARIOUS TYPES, CONTROLS
& SERVICES
Current Pricing & Ordering Information

Effective Date: 05/01/2018
Vendors/Contractors listed in **Alphabetical Order**
There **6** active Vendors/Contractors

Columbia Body Manufacturing
(The Hanel Group)

Contract number:	01117	Commodity code:	065-30 Dump Bodies 765-61 Snow Plows
Contract title:	DUMP BODIES-SNOW PLOWS VARIOUS TYPES, CONTROLS & SERVICES		
Purpose of Change:	New Contract		
Current period:	May 1, 2018	through:	April 30, 2020
Contract type:	Competitive Bid, Multiple Award		
<u>SCOPE OF CONTRACT</u>	This contract has six awardee(s).		
Primary user:	<u>State, Counties and Cities Departments of Transportation</u>		
Additional use by:	All State Agencies, Political Subdivisions of Washington and Oregon State, Qualified Non-profit Corporations, Materials Management Center, Participating Institutions of Higher Education (College and Universities, Community and Technical Colleges).		
Contractor 1:	The Hanel Group Inc. dba Columbia Body Mfg.	Contact:	Brian Newcomer
Address:	10037 S.E. Mather rd. Clackamas, Oregon 97015	Phone:	(503) 656-3775 ext. 107
		Supplier No.:	W43913
Email:	briann@columbiabody.com	Fed. I.D. No.:	93-1139894
		UBI No.:	601542599

The Fab Shop

Contract number:	01117	Commodity code:	065-30 Dump Bodies 765-61 Snow Plows
Contract title:	DUMP BODIES-SNOW PLOWS VARIOUS TYPES, CONTROLS & SERVICES		
Purpose of Change:	New Contract		
Current period:	May 1, 2018	through:	April 30, 2020
Contract type:	Competitive Bid, Multiple Award		
<u>SCOPE OF CONTRACT</u>	This contract has six awardee(s).		
Primary user:	<u>Department of Transportation</u>		
Additional use by:	All State Agencies, Political Subdivisions of Washington and Oregon State, Qualified Non-profit Corporations, Materials Management Center, Participating Institutions of Higher Education (College and Universities, Community and Technical Colleges).		
Contractor:	The Fab Shop, LLC	Contact:	Ken Rush
Address:	10315 16th st e Edgewood, WA. 98372	Phone:	253-568-9124
		Supplier No.:	W13531
Email:	kenrush@thefabshop.com	Fed. I.D. No.:	91-1965794
		UBI No.:	601-946-213

Norstar Industries Inc.

Contract number:	01117	Commodity code:	065-30 Dump Bodies 765-61 Snow Plows
Contract title:	DUMP BODIES-SNOW PLOWS VARIOUS TYPES, CONTROLS & SERVICES		
Purpose of Change:	New Contract		
Current period:	May 1, 2018	through:	April 30, 2020
Contract type:	Competitive Bid, Multiple Award		
<u>SCOPE OF CONTRACT</u>	This contract has six awardee(s).		
Primary user:	<u>Department of Transportation</u>		
Additional use by:	All State Agencies, Political Subdivisions of Washington and Oregon State, Qualified Non-profit Corporations, Materials Management Center, Participating Institutions of Higher Education (College and Universities, Community and Technical Colleges).		
Contractor:	Norstar Industries, Inc	Contact:	Greg Swain
Address:	2302 A St. SE Auburn, WA 98002	Phone:	253-735-1881
		Supplier No.:	W2159
Email:	gregs@norstarind.com	Fed. I.D. No.:	91-1343594
		UBI No.:	<u>600 635 114</u>

Northend Truck Equipment Inc.

Contract number:	01117	Commodity code:	065-30 Dump Bodies 765-61 Snow Plows
Contract title:	DUMP BODIES-SNOW PLOWS VARIOUS TYPES, CONTROLS & SERVICES		
Purpose of Change:	New Contract		
Current period:	May 1, 2018	through:	April 30, 2020
Contract type:	Competitive Bid, Multiple Award		
<u>SCOPE OF CONTRACT</u>	This contract has six awardee(s).		
Primary user:	<u>Department of Transportation</u>		
Additional use by:	All State Agencies, Political Subdivisions of Washington and Oregon State, Qualified Non-profit Corporations, Materials Management Center, Participating Institutions of Higher Education (College and Universities, Community and Technical Colleges).		
Contractor:	Northend Truck Equipment, Inc.	Contact:	Dennis Andrews
Address:	14919 40 th Ave. NE Marysville, WA 98271	Phone:	(800) 653-6066
		Supplier No.:	W2410
Email:	DennisA@northendtruck.com	Fed. I.D. No.:	91-1578459
		UBI No.:	601438688

Viking Cives Midwest

Contract number:	01117	Commodity code:	065-30 Dump Bodies 765-61 Snow Plows
Contract title:	DUMP BODIES-SNOW PLOWS VARIOUS TYPES, CONTROLS & SERVICES		
Purpose of Change:	New Contract		
Current period:	May 1, 2018	through:	April 30, 2020
Contract type:	Competitive Bid, Multiple Award		
<u>SCOPE OF CONTRACT</u>	This contract has six awardee(s).		
Primary user:	<u>Department of Transportation</u>		
Additional use by:	All State Agencies, Political Subdivisions of Washington and Oregon State, Qualified Non-profit Corporations, Materials Management Center, Participating Institutions of Higher Education (College and Universities, Community and Technical Colleges).		
Contractor:	VIKING-CIVES MIDWEST, INC	Contact:	Kevin Newson
Address:	P O BOX 295 MORLEY, MO 63767	Phone:	801-209-6394
		Supplier No.:	W43458
Email:	knewson@vikingcivesmidwest.com	Fed. I.D. No.:	20-4726446
		UBI No.:	603-303-281

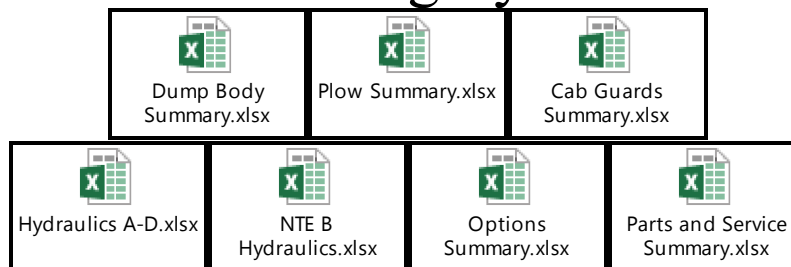
Western Systems & Fabrication

Contract number:	01117	Commodity code:	065-30 Dump Bodies 765-61 Snow Plows
Contract title:	DUMP BODIES-SNOW PLOWS VARIOUS TYPES, CONTROLS & SERVICES		
Purpose of Change:	New Contract		
Current period:	May 1, 2018	through:	April 30, 2020
Contract type:	Competitive Bid, Multiple Award		
<u>SCOPE OF CONTRACT</u>	This contract has six awardee(s).		
Primary user:	<u>Department of Transportation</u>		
Additional use by:	All State Agencies, Political Subdivisions of Washington and Oregon State, Qualified Non-profit Corporations, Materials Management Center, Participating Institutions of Higher Education (College and Universities, Community and Technical Colleges).		
Contractor:	WSF LLC DBA: WESTERN SYSTEMS	Contact:	Martin Baldwin
Address:	911 N. Thierman Rd. Spokane Valley WA., 99212	Phone:	800-456-7886
		Supplier No.:	W10370
Email:	martinbaldwin@westernsystem.com	Fed. I.D. No.:	45-4341446
		UBI No.:	603174070

Matrix with Awarded Categories by Vendor

Vendors to Right	Columbia	Fab Shop	NorthEnd Truck	NorthStar Ind.	Viking-Cives	Western Systems
Categories Below						
Vendors to Right	Columbia	Fab Shop	NorthEnd Truck	NorthStar Ind.	Viking-Cives	Western Systems
DumpBodyCategory A		X	X	X	X	
DumpBodyCategory B		X	X		X	
DumpBodyCategory C	X	X	X		X	
DumpBodyCategory D		X	X		X	
DumpBodyCategory E	X	X	X		X	
DumpBodyCategory F		X	X		X	
DumpBodyCategory G	X	X	X		X	
Vendors to Right	Columbia	Fab Shop	NorthEnd Truck	NorthStar Ind.	Viking-Cives	Western Systems
Cab Guard	X	X	X		X	
Vendors to Right	Columbia	Fab Shop	NorthEnd Truck	NorthStar Ind.	Viking-Cives	Western Systems
Hydraulic Package A	X	X	X		X	
Hydraulic Package B	X	X	X		X	
Hydraulic Package C	X	X	X		X	
Hydraulic Package D	X	X	X		X	
NTE B Hydraulics			X			
Vendors to Right	Columbia	Fab Shop	NorthEnd Truck	NorthStar Ind.	Viking-Cives	Western Systems
Options	X	X	X		X	
Vendors to Right	Columbia	Fab Shop	NorthEnd Truck	NorthStar Ind.	Viking-Cives	Western Systems
Plow Category 1	X	X	X		X	
Plow Category 2		X	X		X	X
Plow Category 3		X	X		X	X
Plow Category 4		X	X		X	
Plow Category 5		X	X		X	X
Plow Category 6	X	X	X	X	X	X
Vendors to Right	Columbia	Fab Shop	NorthEnd Truck	NorthStar Ind.	Viking-Cives	Western Systems
P&S	X		X		X	X

Seven Pricing Spreadsheets Embedded by Category





Staff Report 101-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 7/15/2019

SUBJECT Carson Oil Contract for Renewable Diesel Purchases

Key Points

- The City initially contracted with Carson Oil through an interlocal agreement with Clark Public Utilities for the purchase of renewable diesel fuel for the City of Vancouver's fueling sites.
- The City's procurement rules and regulations provide that public works purchasing contracts below \$300,000 for which there is budget appropriation may be executed administratively without City council approval.
- Because the costs of the renewable diesel fuel ordered to date was below \$300,000.00, the matter was not brought to City Council for approval. However, based on current needs, the City would like to engage Carson Oil for further fuel purchases, which would bring the total dollar amount expended under this contract to over \$300,000.00. Accordingly, staff is bringing this matter to Council for approval of expenditure over \$300,000.00.
- This contract does not expire until 11/26/2021, with the option to renew until 11/26/2023. All other terms and conditions of the underlying contract would remain the same.
- The original contract was competitively bid and conforms with bidding requirements set forth by the State of Washington.

Strategic Plan Alignment

None.

Present Situation

The City uses an interlocal with Clark Public Utilities for use of the contract with Carson Oil for purchases of renewable diesel fuel used by City of Vancouver vehicles.

Equipment Services would like authorization to continue to use the contract to purchase up to the Council-approved annual budgeted amount for fuel purchases through the end of the contract, which is 11/26/2021 and into any extended period offered by Clark Public Utilities.

The City will purchase up to the approved levels authorized by Council in 2019 and would like permission to continue to purchase using this contract up to the amounts approved by Council in

City's budget process.

Advantage(s)

1. Currently, the City purchases renewable diesel fuel for City of Vancouver fuel sites for use by City of Vancouver vehicles.
2. The vendor covered under this contract has continuously provided high quality products; dependable delivery and service that help meet the operational needs of multiple City departments including Public Works and the Fire Department.
3. The approval for continued use of this contract will enable Equipment Services to order the required renewable diesel fuel while taking advantage of the Clark Public Utilities contract's competitive pricing.

Disadvantage(s)

None.

Budget Impact

- Utilizes an existing contract through the Clark Public Utilities that is good through 11/26/2021.
- Actual expenditures under this contract are subject to current and future budget appropriations approved by City Council.
- The expenditures under this contract are anticipated to be \$300,000 in 2019 and \$390,000 in 2020. These expenditures are subject to current and any future budget appropriations approved by City Council.

Prior Council Review

None.

Action Requested

Authorize the City Manager or his designee to approve purchases from Carson Oil under the interlocal with Clark Public Utilities for the life of the contract.

Dan Zenger, Equipment Superintendent, 487-8205

ATTACHMENTS:

- ▣ Interlocal Document
- ▣ Bid Advertisement
- ▣ Purchase Contract
- ▣ Bid Document
- ▣ Bid Document Exhibit A

INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT

BETWEEN

Clark Public Utilities (CPU)
P.O. Box 1742
Vancouver, Washington 98668

And

Clark County Public Transportation Benefit Area (C-Tran)
P.O. Box 2529
Vancouver, Washington 98668-2529

And

Clark County
4700 NE 78th Street
Vancouver, Washington 98665

And

City of Vancouver, Washington
415 West 6th Street
Vancouver, Washington 98668

And

The City of Longview, Washington
254 Oregon Way
P.O. Box 128
Longview, Washington 98632-7080

And

Cowlitz County Public Works
1600 13th Ave South
Kelso, Washington 98626

This Interlocal Agreement ("Agreement") is entered into between Public Utility District No. 1 of Clark County ("CPU"), Clark County Public Transportation Benefit Area (C-Tran), Clark County Public Works, the City of Vancouver Washington, The City of Longview, Washington, and Cowlitz County Public Works (collectively known as the "Parties").

WHEREAS, the Parties to this Agreement are public agencies as defined in Chapter 39.34 RCW and through these provisions of Washington state law are authorized to enter into Interlocal Agreements for cooperative purchasing; and

WHEREAS, the Parties have been working together to identify a common vendor to provide renewable diesel and renewable diesel fuel blends; and

WHEREAS, the Parties recognize that renewable diesel can reduce greenhouse gases within the transportation industry; and

WHEREAS, the Parties have elected to work cooperatively to reduce the cost of purchasing renewable diesel and renewable diesel fuel blends; and

WHEREAS, CPU is in the process of developing a materials bid for the purchase of these fuels and will require the selected vendor to allow purchases by other municipal entities.

NOW THEREFORE, in consideration of the mutual promises contained herein, it is agreed between the Parties as follows:

1. Purpose. The purpose of this Agreement is to allow the Parties to purchase renewable diesel and renewable diesel fuel blends under CPU's future purchase contract for these materials.
2. No Entity Created/Administration. No new or separate legal entity is created to administer this Agreement. The Parties shall individually and/or jointly administer this Agreement as necessary.
3. Term. This Agreement shall be effective on the last date signed below and shall be continue until September 31, 2023, unless terminated in writing by any Party. In the event one Party issues a notice of termination, such termination shall be effective only as to that

Party. The terminating Party shall provide copies of its notice of termination to all Parties. This Agreement may be extended by written agreement of the Parties.

4. Purchasing Policies/Indemnification. Each Party to this Agreement has adopted its own contracting procedures pertaining to the purchasing and award of contracts. Each Party shall be responsible for compliance with its bidding requirements and insuring compliance with the laws pertaining to its material acquisitions. CPU will followed its procedures for the bid and award of the renewable diesel and renewable diesel fuel blends contract. Under CPU's purchase contract, other municipalities will be permitted to purchase these fuels directly from the vendor under separate agreement. Any Party making such purchases will be solely responsible for those transactions.

The other Parties shall not be liable for any breach or other violation, either alleged or actual, by a procuring Party under its agreement with the vendor. The procuring Party shall also indemnify and hold harmless the other Parties from any claim that may arise from the procuring Party's transactions with the fuel vendor.

5. Property. Ownership of any property acquired pursuant to this Agreement shall vest in the Party making the procurement, which shall have the sole right of disposal of the property.
6. Payment. Each Party shall pay for its own procurements.
7. Compliance. Each party accepts responsibility for compliance with federal, state, or local laws and regulations, including the bidding requirements, applicable to its acquisition of the materials purchased under this Agreement.
8. Publication. Each Party shall either file an executed copy of this Agreement with the county auditor in its jurisdiction or post the Agreement on its website, as required by RCW 39.34.040.

9. **Governing Law.** This Agreement shall be deemed to have been executed and delivered within the State of Washington, and the rights and obligations of the Parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of Washington without regard to the principles of conflict of laws. Any action or suit brought in connection with this Agreement shall be brought in the Superior Court of Clark County, Washington.

Public Utility District No. 1 of Clark County:

Name: _____

Title: _____

Date: _____

Clark County Public Transportation Benefit Area (C-Tran):

Name: _____

Title: _____

Date: _____

Clark County:

Name: _____

Title: _____

Date: _____

City of Vancouver, Washington

Anna L. Vogel

Name: Anna L. Vogel

Title: Procurement Manager

Date: November 21, 2018

City of Longview, Washington

Kurt H. Sacha

Name: KURT H. SACHA

Title: CITY MANAGER

Date: AUGUST 23, 2018

Cowlitz County Public Works

Name: _____

Title: _____

Date: _____

ADVERTISEMENT FOR BIDS

Clark Public Utilities
Bid 550 - Renewable Diesel
Date of Bid Opening: September 28, 2018

NOTICE TO BIDDERS:

Bid Submittal: Sealed bids will be received for the above-referenced material by Clark Public Utilities, at the Purchasing Department, Ed Fischer Operations Center Building, 8600 NE 117th Avenue, Vancouver, WA 98662 (courier service or hand delivery only). There is no US Postal Service to this address.

The Bid Form must be received by the Utility at the location noted above no later than 11:00 A.M., Pacific Time, on Friday, September 28, 2018. Bids will then be publicly opened and read aloud.

Bids received after the date and hour stated above will not be accepted or considered.

Description: Clark Public Utilities is requesting bids for the purchase of 99% Renewable Diesel and Renewable Diesel blended with Ultra Low Sulfur Diesel (ULSD), strictly in accordance with specifications.

Bid Documents: Bidders may obtain or access plans, specifications, and addenda for this project through the following website: <https://www.ebidexchange.com/clarkpud>. If the Bidder is not currently registered, Bidder must register at the preceding website selecting the Supplemental Application "Public" category to access Bid Documents.

Bid Guaranty: Bidder shall submit with its bid either an original surety company bid bond on a form acceptable to the Owner, or a cashier's or certified check payable to the order of Clark Public Utilities, in an amount not less than five percent (5%) of the total amount of the Bid exclusive of sales tax. Bids not accompanied by an appropriate bid guaranty may be rejected as non-responsive. No bidder may withdraw its bid after the bid submission deadline, unless the award of the contract is delayed for a period exceeding 60 days from the bid submission deadline.

Questions: Questions about this project should be directed to the following individual. Depending on the nature of the question, the Utility may require the Bidder to put a question in writing.

Contact Person, Title: Cathy Wannamaker, Materials Manager
Phone Number: 360-992-8834
E-mail Address: cwannamaker@clarkpud.com

At its sole discretion, Clark Public Utilities reserves the right to reject any or all bids, and to waive as an informality any immaterial irregularities in the bids received.

By Order of the Commission,
Jane Van Dyke, Secretary

Date(s) of Publication: Thursday, September 13, 2018

END OF SECTION

**Affidavit of Publication
STATE OF WASHINGTON**

County of Clark

ss:

COLUMBIAN

CLARK PUBLIC UTILITIES-L
PO BOX 1742
VANCOUVER

WA

REFERENCE:

0000070077
0000025600 87014 BID 550

I, the undersigned say,

Than I am over the ad of eighteen and not interested in the above entitled matter; that I am now, and at all times embraced in the publication herein mentioned, was, the principal clerk of the printer of The Columbian, a daily newspaper printed, published and circulated in the said county and adjudged a newspaper of general circulation by the Superior Court of the County of Clark, State of Washington, under Proceeding No. 802006715; that the advertisement, of which the annexed is a true printed copy, was published in the above-named newspaper on the following dates, To wit:

PUBLISHED ON 09/13/2018.
TOTAL COST: 149.53
FILED ON: 09/13/2018

I Certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature

Andrea Burkett

ADVERTISEMENT FOR BIDS

Clark Public Utilities
Bid 550 - Renewable Diesel
Date of Bid Opening: September 28, 2018
NOTICE TO BIDDERS:

Bid Submittal: Sealed bids will be received for the above-referenced material by Clark Public Utilities, at the Purchasing Department, Ed Fischer Operations Center Building, 8600 NE 117th Avenue, Vancouver, WA 98662 (courier service or hand delivery only). There is no US Postal Service to this address.

The Bid Form must be received by the Utility at the location noted above no later than 11:00 A.M., Pacific Time, on Friday, September 28, 2018. Bids will then be publicly opened and read aloud.

Bids received after the date and hour stated above will not be accepted or considered.

Description: Clark Public Utilities is requesting bids for the purchase of 99% Renewable Diesel and Renewable Diesel blended with Ultra Low Sulfur Diesel (ULSD), strictly in accordance with specifications.

Bid Documents: Bidders may obtain or access plans, specifications, and addenda for this project through the following website: <https://www.ebidexchange.com/clarkpud>. If the Bidder is not currently registered, Bidder must register at the preceding website selecting the Supplemental Application "Public" category to access Bid Documents.

Bid Guaranty: Bidder shall submit with its bid either an original surety company bid bond on a form acceptable to the Owner, or a cashier's or certified check payable to the order of Clark Public Utilities, in an amount not less than five percent (5%) of the total amount of the Bid exclusive of sales tax. Bids not accompanied by an appropriate bid guaranty may be rejected as non-responsive. No bidder may withdraw its bid after the bid submission deadline, unless the award of the contract is delayed for a period exceeding 60 days from the bid submission deadline.

Questions: Questions about this project should be directed to the following individual. Depending on the nature of the question, the Utility may require the Bidder to put a question in writing.

Contact Person, Title:
Cathy Wannamaker, Materials Manager
Phone Number: 360-992-8834

E-mail Address:
cwannamaker@clarkpud.com
At its sole discretion, Clark Public Utilities reserves the right to reject any or all bids, and to waive as an informality any immaterial irregularities in the bids received.

By Order of the Commission,
Jane Van Dyke, Secretary
Date(s) of Publication:
Thursday, September 13, 2018
Sep. 13 - 25600

PURCHASE CONTRACT

This contract made and entered into this 6th day of November, 2018 by and between **PUBLIC UTILITY DISTRICT NO. 1 OF CLARK COUNTY**, a municipal corporation of the State of Washington, hereinafter designated "Utility" and **CECO, INC.**, having offices in Portland, OR., hereinafter designated "Company";

WITNESSETH:

The Company having heretofore submitted a bid, pursuant to the Utility's Bid Invitation No. B550 for the delivery of Renewable Diesel Fuel, as more specifically hereinafter described, of said bid having been accepted by the Utility;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

The Utility agrees to purchase from the Company, and the Company agrees to furnish and deliver to the Utility f.o.b. freight prepaid and allowed, the Utility's Ed Fischer Operations Center, 8600 N.E. 117th Avenue, Vancouver, Washington 98662, the following estimated quantities:

Description	Estimated 3 Year Usage	Estimated 3 Year Contract Total
Renewable Diesel Fuel	255,000 Gallons	\$914,219.58

strictly in accordance with the Utility's Bid Invitation No. B550, at the not to exceed Margin/Multipliers on the attached bid form and the Technical Specifications, Special Conditions and Instructions to Bidders issued in conjunction therewith, and the Company's bid thereon as accepted by the Utility on November 6, 2018, all the provisions of which are by reference incorporated herein.

As consideration for the furnishing of this material, the Utility agrees to pay, and the Company agrees to accept as the total price, the sum of Nine Hundred Fourteen Thousand Two Hundred Nineteen Dollars and Fifty-Eight Cents (\$914,219.58), together with applicable Washington State sales taxes, payable for material as delivered, for which payment shall be made within thirty (30) days from date of delivery and acceptance.

IN WITNESS WHEREOF, the parties have hereunto set their hands and caused this instrument to be executed by their duly authorized officers, respectively, as of the day and year first above written.

**PUBLIC UTILITY DISTRICT
NO. 1 OF CLARK COUNTY**


Wayne Nelson, CEO/General Manager

11-19-18
Date

CECO, INC.

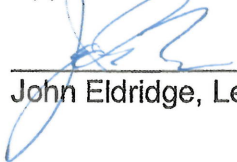


Corey McCon
Typed/Printed Name

Chief Operating Officer
Title

11/15/18
Date

Approved as to form:


John Eldridge, Legal Counsel

6. Receipt of Addendums No.: 1, 2, 3, 4, 5, ~~NA~~, ~~NA~~

SALES TAX:

Bidder agrees that the price(s) as quoted in the Bid Form(s) are all-inclusive and include(s) all material, supplies, equipment, special tools, costs, insurance, permits, all taxes (exclusive of Washington State sales tax and fuel taxes), shipping and delivery, overhead, profit, and all miscellaneous items to fulfill the Contract as specified.

(See Instructions to Bidders and Technical Specifications for Fuel Tax requirements)

CONTRACT EXECUTION:

- A. Contract Execution: If the Owner awards a contract based on this bid within sixty (60) calendar days of the bid submission deadline, the Bidder agrees to execute a contract for the above materials/equipment, for compensation computed from the above stated bid amounts, on the Public Utility District No. 1 of Clark County Purchase Contract form.
- B. Bonds: Bidder shall submit executed Contract and Performance Bond within ten (10) calendar days after receipt of award notice and Purchase Contract from the Owner.
- C. Failure to Execute Contract: If the successful bidder, upon award of a contract by the Owner, fails to execute the Purchase Contract or submit the Performance Bond as required within the time specified, Owner may revoke the award. The bid guaranty may be retained by Owner as liquidated damages, not as a penalty. If a contract is not awarded within sixty (60) days after the bid submission deadline, or if the Bidder delivers a signed Purchase Contract and Performance Bond, then the certified or cashier's check submitted as the bid guaranty shall be returned to the bidder, or the Bid Bond shall become void.

DECLARATION:

- A. Familiarity with Bid Documents: The undersigned Bidder hereby certifies to have personally and carefully examined the Bid Documents issued.
- B. Bid Guaranty: The Bidder has enclosed a Bid Guaranty in the amount of five percent (5%) of the Total Bid that could be awarded including Alternates, Additives, excluding sales tax in the form of a cashier's check, certified check, or bid bond.
- C. Validity of Bid: The Bidder agrees that this bid shall be valid and not withdrawn for a period of 60 days from the bid submission deadline.
- D. Proposal: The Bidder hereby proposes to furnish materials/equipment, and services in strict accordance with the Contract Documents for the Total Bid indicated above. The bid prices cover all expenses of the Bidder, including but not limited to, overhead, profit, insurance, and bonding, in accordance with the Contract Documents.

CECO, Inc.
Bidder's Business Name

3

MB
Initials of Bidder's Representative

Fuel Pricing Per Gallon				
OPIS Rack Reference City:	Portland, Oregon			
OPIS Rack Index:	Rack Average For Ultra Low Sulfur Distillate			
Fuel Product:	Ultra Low Sulfur Diesel No.2			
Each Delivery Quantity:	100 - 2,001 Gallons	2,001 – 5,000 Gallons	5,001 – 7,500 Gallons	7,500 – 10,000 Gallons >
(Not to Exceed) Margin / Multiplier FOB:	.0840	.0388	.0278	.0050

FUEL PRICING DISCLOSURE
 All Bidders must disclose if their price of fuel will, or will not include any fuel credits (LCFS) or renewable identification numbers (RINS). Disclosures must be specific to the type of fuel credit and the added cost (use cost based on the day prior to bid closing).

☐ Fuel price will include LCFS or RINS: \$ 0.00

☒ Fuel price will not include LCFS or RINS

Comments / Explanations:

Performance Bond Cost	\$ <u>949.00</u> monthly
-----------------------	-----------------------------

ADDITIONAL INFORMATION REQUIRED

- | | | | | |
|---|-------------------------------------|-----|-------------------------------------|----|
| 1. Fuel meets Motor Fuel Quality Requirements | ☒ | Yes | ☐ | No |
| 2. Fuel meets Low Carbon Fuel Standards | ☒ | Yes | ☐ | No |
| 3. Fuel meets ASTM D975 & D6866 Standards | ☒ | Yes | ☐ | No |
| 4. Fuel meets Low Carbon Intensity Requirement | ☒ | Yes | ☐ | No |
| 5. Any exceptions to the BID (must be attached to response) | ☐ | Yes | ☒ | No |

CECO, Inc.
Bidder's Business Name

2

UB
Initials of Bidder's Representative

BID FORM

TO: Clark Public Utilities
Ed Fischer Operations Center
Attn: Purchasing Dept.
8600 NE 117th Ave.
Vancouver, Washington 98662

BID:

Pursuant to and in compliance with the Bid Documents, the undersigned hereby proposes to furnish and deliver the specified materials/equipment in strict accordance with the Contract Documents for the price(s) indicated below.

Fuel Pricing Per Gallon				
OPIS Rack Reference City:	Portland, Oregon			
OPIS Rack Index:	Rack Average For R99 Ultra Low Sulfur Distillate			
Fuel Product:	99% Renewable Diesel			
Each Delivery Quantity:	100 - 2,001 Gallons	2,001 - 5,000 Gallons	5,001 - 7,500 Gallons	7,500 - 10,000 Gallons >
(Not to Exceed) Margin / Multiplier FOB:	.0790	.0338	.0228	-.0025

FUEL PRICING DISCLOSURE
All Bidders must disclose if their price of fuel will, or will not include any fuel credits (LCFS) or renewable identification numbers (RINS). Disclosures must be specific to the type of fuel credit and the added cost (use cost based on the day prior to bid closing).

☐ Fuel price will include LCFS or RINS: \$ 0.00

☒ Fuel price will not include LCFS or RINS

Comments / Explanations:

CECO, Inc.
Bidder's Business Name

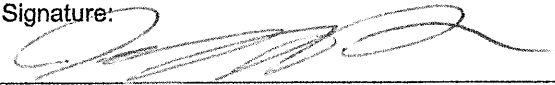
1

LLB
Initials of Bidder's Representative

- E. Non-Collusion: The Bidder affirms that the bid is a genuine and not a sham or collusive bid, or made in the interest or on behalf of any person not therein named. The Bidder has not directly or indirectly induced or solicited any bidder on the work to put in a sham bid, or any other person or corporation to refrain from bidding, and that the Bidder has not in any manner sought by collusion to secure for itself an advantage over any other bidder or bidders. The Bidder has not entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free, competitive bidding in the preparation and submission of this bid to the Owner for the project described in the Bid Documents.
- F. Compliance with Applicable Laws and Regulations: Bidder agrees that if awarded the contract, Bidder will comply with the requirements of all applicable federal, state, and local laws and regulations.

Bidder's Business Name: <u>CECO, Inc.</u>		
Type of Business: ☐ Sole Proprietorship ☐ Partnership ☒ Corporation (State of Incorporation: <u>OR</u>) ☐ Other		
Bidder's Washington UBI No: <u>409015595</u>		
Physical Business Address (Must not be a P.O. Box): <u>3125 NW 35th AVE</u>		
City: <u>Portland</u>	State: <u>OR</u>	Zip Code: <u>97210</u>
Business Telephone Number: <u>503.224.8500</u>	Business Fax Number: <u>503.224.2456</u>	Business E-mail Address: <u>benz@CarsonTeam.com</u>
Receipt is hereby acknowledged of Addenda No(s): <u>1 2 3 4 5</u> <u>pk</u>		

OFFICIAL AUTHORIZED TO SIGN FOR BIDDER:

"I certify (or declare) under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct":	
Signature: 	Date: <u>10.9.18</u>
Print Name and Title: <u>Jeff Rouse VP. Bus. Dev.</u>	Location or Place Executed: (City, State) <u>Portland, OR</u>

END OF SECTION

CECO, Inc.
Bidder's Business Name

4

MB
Initials of Bidder's Representative



Clark Public Utilities

BID DOCUMENTS

RENEWABLE DIESEL

BID 550

September 13, 2018

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APPENDICES

Appendix A

- Purchase Contract
- Purchase Order Terms and Conditions
- Performance Bond

Appendix B

- Contractor Profile

ATTACHMENTS

Exhibit A

- Potential Other Governmental Agencies
(Estimate Annual Usage/Delivery Requirements)

ADVERTISEMENT FOR BIDS

Clark Public Utilities
Bid 550 - Renewable Diesel
Date of Bid Opening: September 28, 2018

NOTICE TO BIDDERS:

Bid Submittal: Sealed bids will be received for the above-referenced material by Clark Public Utilities, at the Purchasing Department, Ed Fischer Operations Center Building, 8600 NE 117th Avenue, Vancouver, WA 98662 (courier service or hand delivery only). There is no US Postal Service to this address.

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Bid Guaranty: Bidder shall submit with its bid either an original surety company bid bond on a form acceptable to the Owner, or a cashier's or certified check payable to the order of Clark Public Utilities, in an amount not less than five percent (5%) of the total amount of the Bid exclusive of sales tax. Bids not accompanied by an appropriate bid guaranty may be rejected as non-responsive. No bidder may withdraw its bid after the bid submission deadline, unless the award of the contract is delayed for a period exceeding 60 days from the bid submission deadline.

Questions: Questions about this project should be directed to the following individual. Depending on the nature of the question, the Utility may require the Bidder to put a question in writing.

Contact Person, Title: Paul Chamberlain, Fleet Manager
Phone Number: 360-992-8804
E-mail Address: pchamberlain@clarkpud.com

At its sole discretion, Clark Public Utilities reserves the right to reject any or all bids, and to waive as an informality any immaterial irregularities in the bids received.

By Order of the Commission,
Jane Van Dyke, Secretary

Date(s) of Publication: Thursday, September 13, 2018

END OF SECTION

INSTRUCTIONS TO BIDDERS

1. BID DOCUMENTS:

Bidders may obtain or access plans, specifications, and addenda for this project through the following website: <https://www.ebidexchange.com/clarkpud>. If the Bidder is not currently registered, Bidder must register at the preceding website selecting the Supplemental Application "Public" category to access Bid Documents.

2. PREPARATION OF BIDS

Bidder shall comply with the following instructions in preparing its bid.

- A. Complete Bid Form: The name, address, of Bidder, and other information required shall be typed or printed on the Bid Form in the spaces provided. The Bidder's business name must match the name on the bid guaranty.
- B. Use Bid Form: Bidders must submit bids on the Bid Form (or photocopy of the Bid Form) provided by the Owner.
- C. Fill in Blanks: All blank spaces on the Bid Form must be filled in by the Bidder. Bidder must submit a bid amount for all Alternates, Additives, Deductives, unit prices, and other prices indicated on the Bid Form. When bidding on items for which there is no charge, Bidder shall write the words "No Charge," "zero," or "0.00" in the space provided on the Bid Form. If a Bidder fails to submit a bid price for any item, notes "no bid" or similar language for any item, or does not fill in all blank spaces on the Bid Form, the bid may be rejected as non-responsive.
- D. Clarity of Bid Amount: In the event the Owner is unable to read or discern what number or numbers the Bidder included as part of its Bid price, the Owner reserves the right to reject the Bid as nonresponsive.
- E. Sign Bid Form: The Bidder shall manually sign the Bid Form in ink by an authorized representative of the Bidder.
- F. Initial Corrections: Any correction to entries made on the Bid Form shall be initialed by an authorized representative of the Bidder.
- G. Acknowledge Addenda: Bidders shall acknowledge receipt of all addenda by identifying the addendum number in the space provided on the Bid Form.

3. BID PRICES

- A. Estimated Quantities: Any quantities on the Bid Form are estimates and are stated for bid comparison purposes. The Owner does not warrant expressly or by implication that the actual quantities of work will correspond with the estimated quantities. The Owner will pay based on actual quantities of each item delivered in accordance with the Contract Documents.
- B. Freight Terms/FOB Point: Awards will be made on the basis of total cost to the Utility. Delivery of material to be complete, FOB, freight prepaid and allowed to the Utility's

INSTRUCTIONS TO BIDDERS

Operations Center located at 8600 NE 117th Avenue, Vancouver, Washington 98662 or designated mobile fueling sites.

The Contractor shall retain title and control of all goods and services until delivery and off and off-loading is completed. All risk of transportation and all related charges shall be the responsibility of the Contractor.

- C. Site Visit: Bidders are responsible to inspect fueling facility and site to familiarize themselves with the requirements to accommodate this goods and services contract.
- D. Taxes: The bid shall include all material, supplies, equipment, special tools, costs, insurance, permits, all taxes (exclusive of Washington State sales tax and fuel taxes), shipping and delivery, overhead, profit, and all miscellaneous items to fulfill the Contract as specified. Washington State Sales tax and fuel taxes shall not be included in the bid price. The Owner will pay the Contractor for Washington State sales tax and any applicable fuel taxes; these taxes shall be shown as a separate item on invoices and will be paid on the bases of items received and accepted.
- E. Fuel Taxes: Contractor must identify all applicable government imposed fuel related taxes and other required fees applicable to fuel purchases as a separate line item on each invoice on a pass thru basis. Contractor must not to include these taxes and fees in its price per gallon multiplier / bid margin.

Because the Utility is a governmental entity, it is exempt from Federal excise taxes on diesel fuel purchases. The Utility is not exempt from Washington State sales tax and any other government imposed pass thru taxes or required fees on diesel fuel purchases. If required, Contractor may request an exempt certificate.

- F. Insurance and Bonds: Bidder shall include in its bid the cost of all insurance and bond costs required by the Contract Documents.

4. EXAMINATION / CLARIFICATION OF CONTRACT DOCUMENTS

- A. Interpretation of Documents: Each Bidder shall thoroughly examine and be familiar with the Contract Drawings, Specifications, and other Contract Documents, and submission of a bid shall constitute an acknowledgement upon which the Utility may rely that they Bidder has thoroughly examined all Contract Documents. No claim for additional compensation will be allowed which is based upon a lack of knowledge of the Contract Documents.
- B. It shall be the bidder's responsibility to advise the Utility, before the time specified for receipt of proposals, of conflicting requirements or omissions of information, which require clarification. Those questions not resolved by addenda shall be listed in the space provided on the proposal form, together with statements of the basis upon which the proposal is made as affected by each question.

5. SPECIFIED PRODUCTS

- A. Bid Products Identified: Specifications may appear to be written around a specific manufactured unit which represents the ultimate desire by the Utility. The Utility will consider alternate proposals that closely approximate the attached specifications, but

reserves the right to select equipment best suited to the overall interest of the Utility. The Utility shall be the final arbiter in all interpretations of this bid and the best interests of the Utility.

- B. Alternate Bids: Bidders taking exception to Utility specifications shall submit an alternate bid proposal. Alternate bids will be accepted on the Utility's bid form clearly labeled "Alternate Bid". Each bidder shall prepare a supplemental letter outlining specific items where alternate bid does not meet specifications and also specific items where alternate bid exceeds basic bid specifications.

6. BID GUARANTY

- A. Form and Amount: Bidder shall submit with its bid either an original surety company bid bond on the form provided by the Owner and included as part of the bid documents, or a cashier's or certified check payable to the order of the Clark Public Utilities, in an amount not less than five percent (5%) of the total amount of the Bid that could be awarded excluding sales tax and any Additives and Alternates. Bids not accompanied by an appropriate bid guaranty may be rejected as non-responsive.
- B. Bids Valid: The award of a contract, if awarded, shall be made within 60 calendar days after the bid submission deadline. No Bidder may withdraw its bid after the bid submission deadline, unless the award of the contract is delayed for a period exceeding 60 days from the bid submission deadline. The Owner reserves the right, for a period of 60 calendar days following the bid submittal deadline, to initiate or rescind acceptance of any Alternate or Additive Bid in the amounts bid on the Bid Form.
- C. Holding Bid Guaranties: Owner reserves the right to hold the bid guaranties of all Bidders until the successful Bidder has entered into a contract with the Owner, or for a period of 60 days, whichever is the shorter time.
- D. Forfeiture of Bid Guaranty: If the successful Bidder fails to enter into a contract with the Owner and provide a satisfactory performance bond within the days specified herein, the bid guaranty shall be forfeited to the Owner.

7. SUBMISSION OF BIDS

- A. Bid Receipt Deadline: Bidders must submit their bids on the Bid Form included with the Bid Documents prior to the deadline established in the Advertisement for Bids. Any bid received after the bid submission deadline will not be accepted or considered and will be returned unopened. The official time for determining whether a bid has been submitted in a timely manner is based on the time stamp clock in the Purchasing office located at 8600 NE 117th Ave, Vancouver, WA 98662. Bids received prior to the bid submission deadline will be publicly opened and read aloud shortly after the deadline.
- B. Sealed Bid Envelope: Bids and bid modifications must be submitted in sealed envelopes or packages (1) addressed to the office specified in the Advertisement for Bids and (2) showing the name of the project, bid opening date and time, and the name and address of Bidder.

INSTRUCTIONS TO BIDDERS

- C. Evidence of Bid Receipt: The only acceptable evidence to establish the time of receipt of a bid at the office designated in the Advertisement for Bids is the time/date stamped or printed by Owner on the bid envelope or other documentary evidence of receipt maintained by Owner.
- D. Prohibited Forms of Bids: Receipt of bids and bid modifications by e-mail, telegram, facsimile, telephone, other electronic means, or orally will not be considered.
- E. Withdrawal and Resubmission of Bid: After submitting a bid to the Owner, a Bidder may withdraw its bid if the Owner receives a request from a Bidder to withdraw the bid prior to the bid submission deadline. Any request to withdraw a bid which is received after the bid submission deadline will not be considered. The Bidder may revise such a bid and resubmit it if the revised bid is received prior to the bid submission deadline.
- F. Modification of Bid: After a Bidder has withdrawn its bid as described in the paragraph above, submitting a bid to the Owner, a Bidder may revise its bid if the Owner receives the revised bid on the required Bid Form prior to the bid submission deadline, and the revised bid shall be submitted in a properly marked and sealed envelope prior to the bid submission deadline. Any bid modification which is received after the bid submission deadline will not be considered.

8. BID SUBMITTAL INFORMATION

- A. Bidders shall be prepared to submit, upon request of the Utility, the following information:
 - 1. Information on the product and services providing to meet bid specifications and requirements.
 - 2. The name, location and contact information of the Account Manager to be assigned to coordinate, monitor and maintain account.
 - 3. A listing of other active contracts similar in scope, size, or discipline to the services and product requested.
 - 4. A listing of at least three (3) local references where services similar in scope, size or discipline to the services requested are actively performed.
 - 5. Completed copy of Appendix B - Contractor Profile Form
 - 6. Copy of existing Insurance coverage

9. CLAIM OF ERROR

- A. Submission of Claim of Error: A Bidder who wishes to claim error after the bids have been opened shall submit a signed statement, accompanied by actual work sheets used in the preparation of the bid, requesting relief from the responsibilities of award. The statement shall describe the specific error(s) and certify that the work sheets are the actuals used in the preparation of the Bid. The statement and actual work sheets shall be submitted in person or by courier to:

Clark Public Utilities – Purchasing Department
8600 NE 117th Avenue
Vancouver, Washington 98662

or via email to cwannamaker@clarkpud.com by 5:00 p.m. on the Business Day after the bid submission deadline or the claim will not be considered. The Owner reserves the right to extend this deadline at its discretion.

- B. Review by Owner: The Owner will review the certified work sheets to determine the validity of the claimed error. If the Owner concurs in the claim of error, the Bidder will be relieved of responsibility, the bid will be withdrawn from the bid pool, and the bid guaranty of the Bidder will be returned. Thereafter, at the discretion of the Owner, all bids may be rejected or award made to the next lowest responsible Bidder. A low Bidder who claims error and fails to enter into a contract is prohibited from bidding on the same project if the project is rebid.

10. BID EVALUATION

- A. Non-Responsive Bids: Bids which are incomplete, conditioned or qualified in any way, contain erasures or alterations, include alternate bids or other items not called for on the Bid Form and in the Bid Documents, are not in conformity with the law or with these Instructions, contain a statement by the Bidder reserving the right to accept or reject an award or to enter into the contract, or include any other irregularity shall be rejected as nonresponsive if the irregularity is material and may be rejected as nonresponsive if the irregularity is not material. Only the amounts and information asked for on the Bid Form furnished will be considered as the bid.
- B. Tied Bids: After bids have been opened, if two or more of the lowest responsive bids have Total Bid amounts that are exactly equal, then the following drawing process will be used to break the tied bids and determine the successful Bidder. Two or more slips of paper will be marked as follows: one marked "Winner" and the other(s) marked "Unsuccessful." The slips will be folded to make the marking unseen. The slips will be placed inside a box. One authorized representative of each Bidder shall draw a slip from the box. Bidders shall draw in alphabetic order by the name of the firm as designated on the bid form. The slips shall be unfolded and the firm with the slip marked "Winner" will be determined to be the successful Bidder and eligible for award of the contract. Only those Bidders who submitted a Total Bid amount that is exactly equal to the lowest responsive Bid are eligible to draw.
- C. Waiving Irregularities: Owner reserves the right to reject any or all bids, and to waive as an informality any immaterial irregularities in the bids received.
- D. Correcting Bid Prices: After bid opening, bids will be checked for correctness of bid item price extensions and the total bid price. A discrepancy between a bid item price and the extended amount of any bid item shall be resolved by accepting the bid item price as correct. If a minimum bid amount has been established for any item and the Bidder's unit or lump sum price is less than the minimum specified amount, the Owner will unilaterally revise the unit or lump sum price, to the minimum specified amount and recalculate the extension.
- E. Award of Additives, Alternates, Deductives: The low bid shall be determined by the sum of the Base Bid (the summation of bid item price extensions, corrected where necessary), plus any combination of Additives, Alternatives, and/or Deductives that the Owner decides, in its sole discretion, to include in the contract award. Additives, Alternates, and/or Deductives may be selected in any order that the Owner chooses. The numbering

of the Additives, Alternates, and/or Deductives on the Bid Form bears no relationship to the order in which they may be selected by the Owner. The summation of extensions, corrected where necessary, and including any applicable Additives, Alternatives, Deductives, and sales taxes, will be used to fix the awarded contract price and the amount of the performance bond.

11. CONTRACT AWARD AND EXECUTION

- A. Award: The Owner reserves the right to award bid by partible item, an item, or groups of items based upon the overall best interest of the Utility. The formal acceptance by the Owner, through an award by its Board of Commissioners, of the lowest responsive bid that is within the budget available, will be in the form of a written notice of award of purchase contract to the Bidder issued by the Owner and mailed to the Bidder's address shown on the Bid Form.
- B. Contract Execution: Within ten (10) calendar days after the notice of award date, Bidder shall submit two (2) signed originals of the Contract (see Appendix A) and a Performance Bond for 100% of the Contract Award Amount plus Washington State Sales Tax. The bond shall be on the form furnished by the Owner (see Appendix A). The bond must be signed by an approved surety (or sureties) that:
 - 1. Appears on the current Authorized List in the State of Washington published by the Office of the Insurance Commissioner; and
 - 2. Has a current rating of at least A-VII in A.M. Best's Key Rating Guide or is included in the U.S. Department of the Treasury's Listing of Approved Sureties (Circular 570).
- C. Failure to Execute Contract: If the successful Bidder, after award of the Contract, fails to execute the Contract or provide the performance bond as required within the time specified, Owner may revoke award of the Contract and the bid guaranty may be retained by Owner.

12. LICENSES

All Bidders operating in Washington State are required to have a Washington State Business License number.

13. TERMS AND CONDITIONS

- A. Upon execution of the Purchase Contract, a purchase order will be issued with the terms and conditions as attached in Appendix A. No additional terms or modifications will be accepted.

14. PUBLIC BID DISCLOSURE

Submittals received by the Utility in response to this bid become public records and are subject to Chapter 42.56 RCW, the Public Records Act. The Bidder should clearly identify in its submittal any specific information that it claims to be confidential or proprietary. If the Utility receives a Public Records Act request to view the information so marked in the Bidder's submittal following a bid award, its sole obligations shall be to notify the bidder (1) of the request and (2) of the date

that such information will be released to the requester unless the bidder produces a court order to enjoin that disclosure, pursuant to RCW 42.56.540, within ten (10) days of such notice.

15. DEFINITION AND SECTION TITLES

- A. Bid Documents: The Bid Documents include all of the documents issued by the Owner as part of soliciting bids for the Project, including, but not limited to, the following: Advertisement for Bids, Instructions to Bidders, Bid Form, Special Conditions, Specifications and Drawings.
- B. Captions and Headings: The titles of sections in these Instructions to Bidders are for convenience only and do not define or limit the contents.

END OF SECTION

SPECIAL CONDITIONS

1. INTERLOCAL COOPERATIVE PURCHASING

In accordance with the Washington State Interlocal Cooperative Act RCW 39.34, the Bidder agrees to allow other governmental agencies to purchase goods and services under this contract in accordance with the terms and prices indicated.

The contract awarded is anticipated to be used by other government agencies. Clark Public Utilities has entered into Intergovernmental (Interlocal) Agreements pursuant to RCW 39.34 with these other government agencies.

The Utility does not accept any responsibility or involvement in the purchase orders or contracts issued by other governmental agencies.

2. CONTRACT PERIOD

The Contract shall be in effect for (36) months from the Notice of Award date unless terminated otherwise in accordance with the provisions of the Contract Documents.

The Utility reserves the right to extend the contract on a year-by-year basis, for up to two (2) additional years.

3. BID EVALUATION/AWARD

Oil Price Information Service (OPIS) which is an established industry standard familiar to all providers, will serve as the base foundation for establishing pricing along with a non-adjustable Contractor multiplier/margin.

Note: The lump sum contract amount awarded will be based on the Utility's estimated 85,000 gallons per year (various combination of Renewable Diesel or Renewable Diesel Fuel blends) using the Portland, OR - OPIS Wholesale Rack Average Price listed the day prior to the bid closing.

All Bidders must also disclose on the Bid Form if their price of fuel will or will not include any fuel credits (LCFS) or renewable identification numbers (RINS). Disclosures must be specific to the type of fuel credit and the added cost (use cost based on the day prior to bid closing).

Bidders not including this information on the Bid Form will be rejected as non-responsive.

The Utility reserves the right to evaluate bid submittals and participate in the award of this contract of which will be based on price, product, and compliance to specifications.

4. ESCALATION / DE-ESCALATION

The Not-Subject to Change Multiplier/Margin in combination with the OPIS index price allows the Contractor to protect profit, regardless of market fluctuation. Furthermore, because government imposed fuel related taxes and required fees are passed-through, any government imposed fuel related taxes and required fees should not impact the Contractor.

The Not-Subject to Change Multiplier/Margin(s) at time of bid shall be firm for the full contract term.

If, however, during any term of the contract lower prices and rates become effective for like quantities of products under similar terms and conditions, through reduction in contractor's list prices, promotional discounts, clean fuel credits or other circumstances, purchasers must be given immediate benefit of such lower prices and rates

5. **BID QUANTITY INCREASE/DECREASE**

The estimated quantities specified herein are not a guarantee of actual quantities. The Utility does not guarantee any particular quantity or combination of Renewable Diesel or Renewable Diesel Fuel blends will be purchased during the contract term. The quantities may vary depending upon the actual needs of the Utility. The quantities specified herein are good faith estimates of usage during the contract term.

Clark Public Utilities Ed Fisher Operations Center 8600 NE 117 th Ave. Vancouver, WA 98662			
Fuel Tank Size	Tank Type (UST / AST)	Estimated Annual Usage	Delivery Requirements
12,000 gallons	UST	85,000 gallons (various combination of Renewable Diesel or Renewable Diesel fuel blends)	Scheduled Bulk Deliveries

The estimated quantities provided for potential purchases by other governmental agencies (shown in Exhibit A), may vary depending upon the actual needs of each agency.

The Utility shall not be liable for any contractual agreements/obligations between the Contractor and other governmental entities for fuel purchases.

6. **SAFETY**

All items bid must comply with current Federal and Washington State Equipment Safety Laws, codes, rules and regulations.

It will be the responsibility of the Contractor's carrier to equip each vehicle entering the facility with appropriate personal protective equipment (PPE) for the safe offloading and spill cleanup associated with normal fuel delivery procedures.

The Utility reserves the right to request the Contractor replace any delivery personnel who refuses to comply with rules and regulations.

7. **PAYMENT TERMS**

Payment will be made Net 30 after receipt and acceptance of materials delivered to the specified delivery address.

8. **TERMINATION**

A. **Termination for Default.** If the Contractor defaults by failing to perform any of the obligations of the contract or becomes insolvent or is declared bankrupt or makes an assignment for the benefit of creditors, the Utility may, by depositing written notice to the Contractor in the U.S. Mail, postage prepaid, terminate the contract, and at the Utility's option, purchase goods and services elsewhere. If the contract is terminated

for default, the Contractor shall not be entitled to receive any further payments under the contract. Any extra cost or damage to the Utility resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor agrees to bear any extra expenses incurred by the Utility in purchasing goods and services required under this contract, and all damage sustained, or which may be sustained by the Utility 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 Utility may terminate the contract in whole or in part whenever the Utility determines, in its sole discretion that such termination is in the interests of the Utility. Whenever the contract is terminated in accordance with this paragraph, the Contractor shall be entitled to payment for actual purchased goods and services completed. An equitable adjustment in the contract price for partially completed items may be made, but such adjustment shall not include provision for loss of anticipated profit on deleted goods or services. Termination of this contract by the Utility at any time during the term, whether for default or convenience, shall not constitute a breach of contract by the Utility.
- C. Termination Due to Insufficient Funds. If sufficient funds for payment under this contract are not appropriated or allocated or are withdrawn, reduced, or otherwise limited, the Utility may terminate this contract upon thirty (30) days written notice to the Contractor. No penalty or expense shall accrue to the Utility in the event this provision applies.
- D. Termination Procedure. The following provisions apply in the event that this Agreement is terminated:
 - (a) The Contractor shall cease to perform delivery of any goods and services required hereunder as of the effective date of termination and shall comply with all reasonable instructions contained in the notice of termination, if any.
 - (b) The Contractor shall provide the Utility with an accounting of authorized goods and services provided through the effective date of termination.
 - (c) If the Agreement has been terminated for default, the Utility may withhold a sum from the final payment to the Contractor that the Utility determines necessary to protect itself against loss or liability.

9. INSURANCE REQUIREMENTS

- A. General Requirements: Contractor shall, at their own expense, obtain and keep in force insurance as follows until completion of the contract. Contractor shall furnish evidence in the form of a Certificate of Insurance satisfactory to the Utility that insurance in the following kinds and minimum amounts has been secured within fifteen (15) calendar days of receipt of notice of award. Failure to provide proof of insurance, as required, shall result in contract cancellation.

Contractor agrees to assume full liability for all claims arising from this contract including claims resulting from negligent acts of all subcontractor(s). Contractor is responsible to ensure subcontractor(s) have insurance as needed. Failure of subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

All insurance provided in compliance with this contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the Utility.

B. Specific Requirements:

- a. Workers Compensation Insurance: The Contractor shall at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable and shall maintain Workers Compensation insurance.
- b. Commercial General Liability Insurance: The Contractor shall at all times during the term of this contract, carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of services provided under this contract. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or servants.

The insurance shall also cover bodily injury, including disease, illness, and death and property damage arising out of the Contractor's premises/operations, independent Contractors, products/completed operations, personal injury and contractual liability (including the tort liability of another assumed in a business contract).

Contractor waives all rights against the Utility for the recovery of damages to the extent they are covered by general liability or umbrella insurance.

- c. Business Auto Policy (BAP): In the event that services delivered pursuant to this contract involve the use of vehicles, or the transportation of clients, automobile liability insurance shall be required. The coverage provided shall protect against claims for bodily injury, including illness, disease and death; and property damage caused by an occurrence arising out of or in consequence of the performance of this service by the Contractor, subcontractor, or anyone employed by either. The business auto liability shall include Hired and Non-Owned coverage.

Contractor waives all rights against the utility for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.

- d. Pollution Liability: Contractor shall obtain pollution legal liability coverage for the duration of the contract, including investigation and legal defense costs, for bodily injury and property damage, including loss of use of damaged property or of property that has not been physically damaged or destroyed. Such

coverage shall provide coverage for both on-site and off-site clean-up costs and cover gradual and sudden pollution.

The limits of liability insurance for shall not be less than:

1. Workers' Compensation: Statutory requirements of the State of residency
2. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a \$2,000,000 aggregate limit.
3. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
4. Pollution Liability: \$1,000,000. Coverage to include loading and unloading of all petroleum products.

C. Additional Provisions: Above insurance policies shall include the following provisions:

- a. Additional Insured: Clark Public Utilities shall be named as an additional insured on all general liability and pollution liability policies. Contractor shall provide endorsement forms from their carrier evidencing such coverage. All policies shall be primary over any other valid and collectable insurance.
- b. Notice of policy(ies) cancellation/non-renewal: For insurers subject to RCW 48.18 (Admitted and regulated by the Washington State Insurance Commissioner) a written notice shall be given to the Utility thirty (30) calendar days prior to cancellation or any material change to the policy(ies) as it relates to this contract.

If cancellation on any policy is due to non-payment of premium, the utility shall be given a written notice ten (10) calendar days prior to cancellation.

- c. Excess Coverage: The limits of all insurance required to be provided by the Contractor shall be no less than the minimum amounts specified. However, coverage in the amounts of these minimum limits shall not be construed to relieve the Contractor from liability in excess of such limits.

10. INDEMNIFICATION

To the fullest extent permitted by law, Contractor hereby agrees to indemnify and hold harmless the Utility, its appointed and elective officers, and its employees (collectively "Indemnitees"), from and against any and all suits, liabilities, claims, actions, losses, costs, penalties, fines, and damages of whatever kind and nature, including attorney fees, expert witness fees, and costs, by reason of any and all claims and demands on the Indemnitees, arising out of or in any manner related to or connected with (directly or indirectly) any operations, presence, services, work, or activities of Contractor, or its agent and/or anyone directly or indirectly employed or engaged by Contractor, including, without limitation, its employees, subcontractors and suppliers, at any level or subtier (collectively the "Contractors"). Such liabilities shall include, without limitation, claims for bodily injury, personal injury, or death, including, without limitation, injury to or death of any employees of the Contractors, personal and real property damage, including, without limitation, loss of and

loss of use of any and all such property, breach of warranty, breach of standard of care, errors and omissions, breach of contract, patent infringement, penalties imposed or any damages or loss as a result of the violation of any law, order, code, citation, rule, regulation, standard, ordinance or statute.

The indemnity and hold harmless obligations set forth herein shall apply regardless of the active or passive negligence, other fault, or liability of the Indemnitees; provided, however, that (i) in no event shall Contractor be obligated to indemnify the Indemnitees, for liabilities or damages arising out of, caused by, or resulting from the sole negligence of the Indemnitees; and (ii) with respect to indemnification against liabilities for damages arising out of, caused by, or resulting from the concurrent negligence of (a) the Indemnitees, and of (b) the Contractors, Contractor's said indemnification obligations extend only to the extent caused by the negligence of the Contractors.

CONTRACTOR AGREES THAT IT SHALL NOT BE ENTITLED TO ASSERT AN IMMUNITY OR DEFENSE AGAINST THE UTILITY, OR LIMIT IN ANY WAY ITS INDEMNIFICATION OBLIGATION TO THE UTILITY, BASED UPON WORKERS' COMPENSATION LAWS, AS SET FORTH IN THE WASHINGTON INDUSTRIAL INSURANCE ACT (RCW TITLE 51), FOR ANY CLAIMS (INCLUDING, WITHOUT LIMITATION, PERSONAL INJURY OR DEATH) AGAINST THE UTILITY BY AN EMPLOYEE OF THE CONTRACTOR, AND THE CONTRACTOR SPECIFICALLY AND EXPRESSLY WAIVES ANY IMMUNITY UNDER SUCH ACTS. THIS WAIVER WILL NOT BE INTERPRETED OR CONSTRUED AS A WAIVER OF THE CONTRACTOR'S RIGHT TO ASSERT DIRECTLY AGAINST ANY OF ITS OWN EMPLOYEES ANY SUCH IMMUNITY THAT MAY BE AFFORDED BY THE WASHINGTON INDUSTRIAL INSURANCE ACT, RCW TITLE 51.

END OF SECTION

TECHNICAL SPECIFICATIONS

1.0 OVERVIEW

Clark Public Utilities (Utility) along with Clark County Public Transportation Benefit Area, (C-Tran), Clark County, City of Vancouver, City of Longview, and Cowlitz County Public Works have entered into an intergovernmental purchasing agreement, pursuant to RCW 39.34, for the purpose of procuring 99% percent Renewable Diesel, better known as (R99) and Renewable Diesel blended with Ultra Low Sulfur Diesel, better known as (ULSD).

Each of these municipalities manages an assortment of fuel storage tanks that support a variety of vehicles and equipment.

The Utility is acting as the lead to bid the procurement of this fuel. The other agencies have indicated their intention to piggyback on the Utility's awarded contract and purchase fuel in the estimated amounts and for delivery at the locations indicated in Exhibit A.

1.1 DELIVERY SITE LOCATIONS

The Utility's delivery location will be: Clark Public Utilities, Ed Fisher Operations Center located at 8600 NE 117th Ave. Vancouver, WA 98682.

Potential other agency delivery site locations are indicated in Exhibit A.

1.2 CONTRACT PURPOSE

The purpose of this contract is to procure fuel from the selected Contractor who can provide an on-going supply of Renewable Diesel that when splashed or injected with a variety of ULSD diesel fuel blends is safe to dispense and use in all diesel operated vehicles and equipment without damaging or fouling the engines.

The Renewable Diesel requesting in this solicitation must be made from 100% percent raw renewable products.

The selected Contractor will have to maintain throughout the contract term, and any extension thereof, an adequate stocking level of 99 percent pure Renewable Diesel (better known as R99) to ensure large and small deliveries can be made to the Utility on a regularly scheduled basis and during emergency request.

1.3 SCOPE OF WORK

The scope of this fuel purchasing solicitation is to establish an on-going replenishment of R99 and R99 / ULSD fuel blends, at an OPIS index price combined with a profit multiplier/ margin, for the "as needed" purchase of delivered fuels and fuel blends in the following categories:

- a) 99% Renewable Diesel / 1% Ultra Low Sulfur Diesel #2
- b) 80% Renewable Diesel / 20% Ultra Low Sulfur Diesel #2

- c) 70% Renewable Diesel / 30% Ultra Low Sulfur Diesel #2
- d) 50% Renewable Diesel / 50% Ultra Low Sulfur Diesel #2
- e) 30% Renewable Diesel / 70% Ultra Low Sulfur Diesel #2
- f) 20% Renewable Diesel / 80% Ultra Low Sulfur Diesel #2

2.0 RENEWABLE DIESEL DEFINED

This specification covers the requirements for a 99% percent pure Renewable Diesel fuel that must be suitable for use in diesel engines operating in industrial and heavy mobile, and over-the-road vehicle service applications.

For this purpose, "Renewable Diesel" means a hydrogenation-derived diesel fuel that is not a fossil fuel, instead is produced from non-petroleum renewable resources such as soybean, canola, or rapeseed oil; animal tallow; and natural fats and vegetable oils that are chemically not a mono-alkyl ester and thus distinct from bio-diesel. Producing hydrogenated diesel involves hydrogenating triglycerides to remove metals and compounds with oxygen and nitrogen using existing refinery infrastructure that produces a finished product that meets American Society for Testing and Materials (ASTM) D975 standards as set for diesel fuels. Renewable diesel is chemically the same as petro-diesel, but is produced from recent living biomass.

2.1 ULTRA LOW SULFUR DIESEL DEFINED

This specification covers the requirements for Ultra Low Sulfur #2 Diesel fuel that must be suitable for use in diesel engines operating in industrial and heavy mobile, and off-road and over-the-road vehicle and truck service applications.

For this purpose, "ULSD #2 Diesel" means a distilled, petroleum-derived fossil fuel that contains a lower content of sulfur and consist of large, saturated hydrocarbon molecules that are primarily made up of paraffin's and cycloparaffins, and aromatic hydrocarbons. These are then processed to a finished product that meets ASTM D975 standards for all properties including standards for aromatic and lubricity and sulfur content no higher than 15 parts per million (PPM). ULSD #2 is chemically the same as renewable diesel but produced from crude oil.

3.0 FUEL REQUIREMENTS

For the purpose of fuel requirements within the solicitation, both Renewable Diesel and "ULSD #2 Diesel" must meet all standards under ASTM D975.

Both Renewable Diesel and "ULSD #2 Diesel" must be registered as a motor vehicle fuel or fuel additive under 40 CFR Part 79 and the Environmental Protection Agency (EPA) under section 7545 Clean Air Act section 211. Both Renewable Diesel and "ULSD #2 Diesel" and must meet or exceed the latest versions of the following specifications and standards.

- ASTM - D975-12a: Defines diesel fuels that can be used as a motor vehicle fuel
- ASTM - D6866: This test utilizes Carbon 14 dating to verify the percentage of bio-based of a fuel and petroleum

- The 99% Renewable Diesel fuel to be approved shall have a CI pathway that achieves a 60% or greater GHG reduction when compared to Ultra Low Sulfur #2 diesel.
- Carbon Intensity (CI) #: The CI as measured in (gCO₂e/MJ) for 99% Renewable Diesel shall be no more than 32 to 39gCO₂e/MJ when measured as direct emissions.
- The 99% Renewable Diesel fuel must be approved shall be an ultra-clean burning sustainable, “drop-in” replacement fuel approved for diesel engines.
- The 99% Renewable Diesel fuel and blends thereof shall require no changes or modifications to vehicle or fueling infrastructure.
- The 99% Renewable Diesel fuel shall be capable of injection, neat or splash blend mixing with Ultra Low Sulfur #2 Diesel fuel,
- The 99% Renewable Diesel fuel and blends thereof shall have the potential to make all over-the-road diesel powered vehicles an alternative fueled vehicle (AFV).

Contractor shall provide written notice, two (2) business days prior to delivery whenever there is a change in the Carbon Intensity Value, fuel type feedstock, and/or Carbon Intensity pathway for any Renewable Diesel to be delivered under this contract. Each change shall include a labeled, representative sample for the Utility's record of retention.

4.0 FUEL QUALITY ASSURANCE

Contractor shall provide traceability and specifications of all properties of diesel fuel products provided and delivered. If a request is made to Contractor by the Utility, Contractor shall provide a response tracing of any shipment back to the refinery and product specifications showing testing, ASTM method used in testing, ASTM specification and results of product testing. All request shall be received within ten (10) business days of request.

The delivered product properties shall be inspected and tested according to the methods specified in active standards under ASTM D975-12a using testing methods such as D5453 for sulfur, D5186 for aromatics, D613 for cetane, and D6079 for lubricity as well as all other testing methods stated under ASTM D975-12a.

The quality of all diesel fuel to be purchased under this contract shall also meet or exceed the requirements set forth in the Revised Code of Washington, Chapter 19.112 RCW – Motor Fuel Quality Act.

Contractor shall ensure that all transporting vessels shall be drained, cleaned, and inspected prior to loading if the previous load contained other petroleum product(s) that would contaminate the diesel fuels to be provided.

The finished diesel fuel shall be visually free of un-dissolved water, sediment, and suspended matter and done so in accordance to ASTM D975-12a active standards.

5.0 FUEL STORAGE LIFE

The diesel fuel to be provided shall not deteriorate in ordinary storage and shall not form excessive gum, resin, or deposits.

6.0 FUEL CONTAMINATION

Contractor shall provide diesel fuels that are free from impurities that may cause vehicle/equipment failure.

7.0 FUEL SAMPLING

Contractor shall provide a sample (1000 ml) of the diesel fuel delivered from each truckload. The delivered diesel fuel may be subject to routine testing for confirming concentrations and specification compliance. The Utility shall also have the right to reject any fuel delivery that it determines is unacceptable by its visual inspection.

If the test analysis shows that the delivered fuel does not comply with the ASTM standards and specifications, the Contractor shall be responsible for all the cost related to the test analysis, including shipping and lab test(s), and the Contractor may be required to remove the remaining non-complying fuel. This will assist the Utility in identifying and correcting the source of a fuel quality problems, should they arise.

8.0 FUEL DELIVERY SERVICES

Contractors must be capable of providing 99% Renewable Diesel and a variety of Renewable Diesel and Ultra Low Sulfur Diesel blends.

Contractor shall be required to deliver 99% Renewable Diesel and 99% Renewable Diesel / Ultra Low Sulfur Diesel fuel blends for emergency, bulk, and low volume fuel requests as ordered for large and small capacity underground and above ground fuel tanks in centralized, decentralized, and remote locations, regardless of the volume of fuel to be delivered. **There will be no minimum on fuel order quantities.**

8.1 EMERGENCY DELIVERIES

Emergency deliveries shall be defined as a catastrophic event, man-made or natural disaster, anywhere in the Utility's territory, where providing fuel is vital for any type of relief effort. The range of events can include hurricanes, tornadoes, ice storms, wildfires, earthquakes, floods, oil spills, and power outages. The Contractor shall furnish emergency order contact information and shall be required to receive and respond to all orders for emergency deliveries.

Emergency deliveries shall be a top priority and the Contractor shall be equipped and prepared to fulfill an emergency delivery 7-days a week, 365 days a year, 24-hours a day. In the event of an emergency request, Contractor shall guarantee fulfillment within 16 hours of a verbal, electronic, written or faxed order.

Emergency deliveries shall supersede any other type of delivery request and when invoicing, shall be identified as such.

8.2 BULK DELIVERIES

A bulk delivery shall be defined as a fuel delivery order of **5,001 gallons or more**.

8.3 SMALL TANK / LOW VOLUME DELIVERIES

A small tank / low volume delivery shall be defined as a fuel delivery order of **5,000 gallons or less**.

8.4 SCHEDULED WILL-CALL DELIVERIES

Scheduled will-call deliveries shall be defined as a bulk or small tank / low volume fuel delivery that has been requested verbally, electronically, or in writing for delivery during Monday thru Friday. Contractor shall guarantee all order fulfillments within two (2) working days / 48 hours after receipt of request.

8.5 SCHEDULED HIGH VOLUME DELIVERIES

High volume will-call deliveries shall be defined as a scheduled fuel delivery order of **5,001 gallons or more** every 7 days or less. Contractor shall guarantee fulfillment within 24-hours of a verbal, electronic, written or faxed delivery request.

8.6 DELIVERY ADDITIONS

The Utility shall reserve the right to include additional fuel delivery sites not identified on the pricing worksheets.

8.7 KEEP-FULL DELIVERIES

A keep-full delivery is defined as a guaranteed, pre-scheduled delivery service that is intended to refuel fuel tanks on a regularly scheduled basis.

It is the expectation that a keep-full delivery should result in a just-in-time refueling service to the Utility versus a will-call service. However, absent any written procedures between the Contractor and the Utility, the delivery service for keep full orders shall be the procedures as for a will-call delivery service.

8.8 KEEP-FULL DELIVERY SETUP

The keep-full delivery service requires the Utility and the Contractor to have a post award dialog in setting up a schedule that meets the Utility's requirements. With the keep-full delivery service, the Contractor is to guarantee that fuel storage tanks always retain sufficient inventory to satisfy the Utility's requirements and never go dry.

The expectation is that fuel tank levels shall never go below 20% of capacity before refueling occurs. However, the Utility shall be permitted to adjust this percentage up or down and do so in writing, depending upon its own unique business requirements.

If the Utility elects to keep-full, it shall insure that the Contractor is sufficiently informed of tank level volumes and, whenever possible, it shall notify the Contractor of any anticipated unusual increases in fuel demands.

8.9 KEEP-FULL COVERAGE

Prior to initiating a keep-full delivery, the Utility will provide the Contractor with a completed delivery profile questionnaire, which identifies such information as:

1. Fuel tank profile information (i.e. site location, site contact, tank size, fuel type, etc.)
2. Available delivery times and or the days and times when deliveries can or cannot occur.
3. Minimum allowable tank level capacity before refueling is to occur.
4. Delivery access procedures and protocols and or special instructions if any.
5. Requested activation date (not to exceed 5-calander days of request).
6. Keep-full delivery service fees, if any.

Once the Contractor is in receipt of the completed profile, the Contractor is to identify how often fuel tank level readings are to be provided to ensure that the fuel tanks shall never go dry. Afterwards, the Contractor is to sign and return the completed profile questionnaire to the Utility's designated representative and keep-full coverage shall then, and not before, become active.

8.10 KEEP-FULL INVENTORY MANAGEMENT

The Contractor is ultimately responsible for monitoring fuel tank inventory levels. But, if the Utility elects to keep-full, it will provide tank level data to the Contractor. If keep-full fuel tanks are equipped with an electronic tank level monitoring system, the Utility may choose to grant the Contractor remote access to the data on a read only basis.

Additionally, if both parties agree, the Contractor (at their own expense) may equip fuel tanks with electronic tank level monitoring equipment. The Contractor will be responsible for the cost of maintaining this equipment.

8.11 ADDITIONAL FUEL TANKS

During the life of the contract, the Utility may add or delete fuel requirements and delivery locations.

9.0 FUEL TANK SIZES AND LOCATIONS

Contractor shall be required to provide delivery coverage for all tanks and all locations identified within this bid request.

9.1 REMOTE SMALL CAPACITY TANKS

Contractor is also required to deliver to all remote locations with small tanks.

10.0 EQUIPMENT FOR FUEL DELIVERIES

When making deliveries under this contract, the successful Contractor shall use equipment that complies with all applicable Federal, State and local governmental regulations.

10.1 BULK FUEL DELIVERY EQUIPMENT

Bulk fuel delivery equipment shall be defined as a metered or non-metered, truck and trailer capable of delivering 5,001 gallons or more.

10.2 SMALL TANK / LOW VOLUME FUEL DELIVERY EQUIPMENT

Small tank / low volume delivery equipment shall be defined as a metered tank truck wagon capable of hauling 5,000 gallons or less.

11.0 PROOF OF DELIVERIES

To verify that a delivery has been completed, Contractor must provide supporting documentation for each individual delivery. This may include, but may not be limited to, a "Load Ticket" or similar document showing,

- The description and blend of each type of fuel delivered, in gallons,
- The total quantity of fuel delivered for each location,
- The before and after delivery stick level readings used to validate the volume of fuel delivered,
- The Utility's name and account number,
- The date and time of each fuel delivery,

Contractor delivery staff shall measure the fill status of the fuel tank before dispensing any fuel and upon completing any fuel delivery.

12.0 SPILLAGE

The Utility has a "zero" leakage standards for fuel transfer operations. The Contractor shall provide equipment for and training of delivery staff to minimize the chance of spillage during connection and disconnection of hoses and transfer of fuel. In the event of a leakage or spillage, it shall be the Contractors responsibility to provide containment, cleanup, disposal, and restoration activities. Contractor shall be responsible for all costs arising from any leakage or spillage of fuel that results from a fuel delivery under this contract.

12.1 OIL SPILL CONTINGENCY PLAN

Contractor fuel deliveries must comply with the Washington States Oil Spill prevention measures and it must notify all governing regulating parties of any fuel spills during deliveries.

Contractor must have an approved "Oil Spill Contingency Plan."

Contractor delivery staff must immediately suspend any fuel delivery creating an alarm condition. Deliveries must not exceed 90% ullage of fuel tank capacity.

13.0 REQUIREMENTS AND QUALIFICATIONS

Contractor must be an authorized provider of the fuels and blends delivered under this contract.

Contractor must have the capability to begin fulfillment of contract and start deliveries within 15 business days of contract award date.

Contractor may be required to provide a copy of their fuel supply contract and a letter from their supplier, showing sufficient sources and volume to perform in accord to contract terms and conditions.

14.0 STANDARDS AND CODES

Contractor shall fully comply with and meet all applicable laws, regulations, standards and codes in effect to the within the State of Washington. In the event of any conflict between the requirements of this proposal and any legal requirements, the legal requirements shall prevail.

15.0 SAFETY DATA SHEETS

Federal law requires that all potentially hazardous materials must be identified and be accompanied with a "Safety Data Sheet" (SDS) at the delivery site. Contractor shall provide a Material Safety Data Sheet (SDS) for the fuels, chemicals or additives to be delivered or added to the fuels to be delivered.

16.0 FUEL PRICING

OPIS Wholesale Rack prices are the oil industry's most widely used benchmarks in the fuels market today and the most used for establishing cost before marking up or marking down. Benchmark data is critical for invoice reconciliation and OPIS is deemed the best method that provides a fixed point to reconcile and evaluate pricing.

Because the market dictates pricing on a *daily basis*, the Portland, Oregon OPIS Wholesale Rack Average pricing will be the primary factor for this contract and will be allowed to fluctuate with the market on a *daily basis* for the life of this contract, so as long as the multipliers / margins stays the same.

For Renewable Diesel, the Portland, Oregon OPIS Wholesale Rack Average price for R99 Ultra Low Sulfur Distillate will be deemed the price to be used for establishing cost before marking up or marking down and will serve as the basis for establishing the delivered fuel price on the day the fuel is delivered.

For Ultra Low Sulfur Diesel #2, the Portland, Oregon OPIS Wholesale Rack Average price for Ultra Low Sulfur Diesel Distillate No. 2 will be deemed the price to be used for establishing cost before marking up or marking down and will serve as the basis for establishing the delivered fuel price on the day the fuel is delivered.

In the event the OPIS publication is not available, due to holidays, etc..., the following day OPIS publication will be the basis for establishing the delivered fuel price.

16.1 FUEL PRICING DISCLOSURE

All Bidders must disclose on the Bid Form if their price of fuel will, or will not include any fuel credits (LCFS) or renewable identification numbers (RINS). Disclosures must be specific to the type of fuel credit and the added cost (use cost based on the day prior to bid closing).

Bidders not including this information on the Bid Form will be rejected as non-responsive.

16.2 OPIS UNAVAILABILITY

Should the Portland, Oregon OPIS Wholesale Rack pricing become unavailable or should the Portland, Oregon OPIS Wholesale Rack Average price for R99 Ultra Low Sulfur Distillate used for pricing become unavailable, this contract can be terminated with a thirty (30) day notice.

The Utility reserve the right to negotiate a substitute pricing mechanism with the Contractor which shall then result in a mutually agreed upon contract amendment.

17.0 SERVICE FEES

No service or delivery fee shall be included as an additional separate line item charge. All overheads and profit margins must be incorporated into the multiplier/margin.

All fuel pricing must be **F.O.B.**, to delivered site for the full term of this contract.

18.0 PRICE MULTIPLIER/MARGIN

All Contractors responding to this BID must specify a firm fixed fee/price also known as a multiplier or margin (i.e., Not Subject to Change) per gallon for each gallon of fuel to be provided. The multiplier / margin must not be more than four (4) digits past the decimal point (example \$.1234) on a cost per gallon basis.

Price “per gallon” is a calculation of the Portland, Oregon OPIS Wholesale Rack Average price for R99 Ultra Low Sulfur Distillate and the contractor’s multiplier / margin on the day the fuel is delivered, as per fuel pricing stated in Section 16.

The “per gallon” multiplier / margin is a firm fixed price markup or mark down per gallon of fuel and shall include all administrative charges, all overheads, all profits, all transportation fees, all surcharges, and other incidental cost associated with managing this contract.

Do not list as separate pricing any fees associated with a small tank delivery, emergency delivery or remote location with small volume capacity tank delivery, as these fees must be included in the multiplier / margin.

The computation below illustrates an example of how the fuel would be priced on a per gallon basis:

Portland R99 Rack Average	Fuel Credit (LCRS/RINS)	Multiplier / Margin	Gallons	Delivered Fuel Price
\$3.50 per gallon	\$0.20 gallon	\$0.02 gallon	9,001	\$33,483.72

19.0 FUEL TAXES

Contractor must identify all applicable government imposed fuel related taxes and other required fees applicable to fuel purchases as a separate line item on each invoice on a pass thru basis. Contractor must not to include these taxes and fees in its price per gallon multiplier / bid margin.

Because the Utility is a governmental entity, it is exempt from Federal excise taxes on diesel fuel purchases. The Utility is not exempt from Washington State sales tax and any other government imposed pass thru taxes or required fees on diesel fuel purchases. If required, Contractor may request an exempt certificate.

20.0 FUEL PRICE ADJUSTMENTS

The Utility recognizes that the petroleum market fluctuates. The Not-Subject to Change Multiplier / Margin in combination with the OPIS index price allows the Contractor to protect profit, regardless of market fluctuation. Furthermore, because government imposed fuel related taxes and required fees are passed-through, any government imposed fuel related taxes and required fees should not impact the Contractor.

The Not-Subject to Change Multiplier/Margin(s) at time of bid shall be firm for the full contract term.

If, however, during any term of the contract lower prices and rates become effective for like quantities of products under similar terms and conditions, through reduction in contractor's list prices, promotional discounts, clean fuel credits or other circumstances, purchasers must be given immediate benefit of such lower prices and rates.

21.0 INVOICING REQUIREMENTS

Contractor shall provide a properly completed invoice for each purchase of fuel. All invoices shall be provided for delivery of fuel, within 48 hours of delivery.

Each invoice shall be identified by the Utility's unique information, date of purchase, order number, and remit to address and shall be payable in U.S. dollars.

Hard copy credit memos must be issued when there have been overcharges.

Invoices will not be processed for payment until receipt of a properly completed invoice denominated in U.S. dollars and until all invoiced items are received and satisfactory performance of Contractor has been accepted by the Utility. If an adjustment in payment is necessary due to damage or dispute, payment period shall commence on the date final approval for payment is authorized.

21.1 VALIDATION OF INVOICES

Contractors should recognize that the ability to validate contract pricing and terms have been fulfilled is imperative. Therefore, to streamline invoice auditing, invoices must be accompanied with all supporting documentation to verify that contract prices have been correctly calculated and that all terms have been fulfilled. This may include but may not be limited to,

- A copy of the applicable OPIS posting used to calculate contract pricing
- A copy of the meter ticket or bill of lading as applicable
- Record of before & after delivery stick level readings
- Delivery receipt signed by the appropriate customer representative

Supporting documentation must be sent to the Utility within 2-3 business days of the delivery and electronic invoices are to be followed up with mailed and hard copies. To ensure that invoices are processed in a timely manner, Contractor must be diligent in preparing invoices accurately as incorrect invoices may be returned unpaid for correction, reissue, and will likely result in delayed payments.

END OF SECTION

BID FORM

TO: Clark Public Utilities
Ed Fischer Operations Center
Attn: Purchasing Dept.
8600 NE 117th Ave.
Vancouver, Washington 98662

BID:

Pursuant to and in compliance with the Bid Documents, the undersigned hereby proposes to furnish and deliver the specified materials/equipment in strict accordance with the Contract Documents for the price(s) indicated below.

Fuel Pricing Per Gallon				
OPIS Rack Reference City:	Portland, Oregon			
OPIS Rack Index:	Rack Average For R99 Ultra Low Sulfur Distillate			
Fuel Product:	99% Renewable Diesel			
Each Delivery Quantity:	100 - 2,001 Gallons	2,001 – 5,000 Gallons	5,001 – 7,500 Gallons	7,500 – 10,000 Gallons ➤
(Not to Exceed) Margin / Multiplier FOB:				
<u>FUEL PRICING DISCLOSURE</u> All Bidders must disclose if their price of fuel will, or will not include any fuel credits (LCFS) or renewable identification numbers (RINS). Disclosures must be specific to the type of fuel credit and the added cost (use cost based on the day prior to bid closing). ☐ Fuel price will include LCFS or RINS: \$ _____ ☐ Fuel price will not include LCFS or RINS Comments / Explanations:				

Fuel Pricing Per Gallon				
OPIS Rack Reference City:	Portland, Oregon			
OPIS Rack Index:	Rack Average For Ultra Low Sulfur Distillate			
Fuel Product:	Ultra Low Sulfur Diesel No.2			
Each Delivery Quantity:	100 - 2,001 Gallons	2,001 – 5,000 Gallons	5,001 – 7,500 Gallons	7,500 – 10,000 Gallons >
(Not to Exceed) Margin / Multiplier FOB:				
<u>FUEL PRICING DISCLOSURE</u> All Bidders must disclose if their price of fuel will, or will not include any fuel credits (LCFS) or renewable identification numbers (RINS). Disclosures must be specific to the type of fuel credit and the added cost (use cost based on the day prior to bid closing). ☐ Fuel price will include LCFS or RINS: \$ _____ ☐ Fuel price will not include LCFS or RINS Comments / Explanations:				

ADDITIONAL INFORMATION REQUIRED

- | | | |
|---|-----------|----------|
| 1. Fuel meets Motor Fuel Quality Requirements | _____ Yes | _____ No |
| 2. Fuel meets Low Carbon Fuel Standards | _____ Yes | _____ No |
| 3. Fuel meets ASTM D975 & D6866 Standards | _____ Yes | _____ No |
| 4. Fuel meets Low Carbon Intensity Requirement | _____ Yes | _____ No |
| 5. Any exceptions to the BID (must be attached to response) | _____ Yes | _____ No |

SALES TAX:

Bidder agrees that the price(s) as quoted in the Bid Form(s) are all-inclusive and include(s) all material, supplies, equipment, special tools, costs, insurance, permits, all taxes (exclusive of Washington State sales tax and fuel taxes), shipping and delivery, overhead, profit, and all miscellaneous items to fulfill the Contract as specified.

(See Instructions to Bidders and Technical Specifications for Fuel Tax requirements)

CONTRACT EXECUTION:

- A. Contract Execution: If the Owner awards a contract based on this bid within sixty (60) calendar days of the bid submission deadline, the Bidder agrees to execute a contract for the above materials/equipment, for compensation computed from the above stated bid amounts, on the Public Utility District No. 1 of Clark County Purchase Contract form.
- B. Bonds: Bidder shall submit executed Contract and Performance Bond within ten (10) calendar days after receipt of award notice and Purchase Contract from the Owner.
- C. Failure to Execute Contract: If the successful bidder, upon award of a contract by the Owner, fails to execute the Purchase Contract or submit the Performance Bond as required within the time specified, Owner may revoke the award. The bid guaranty may be retained by Owner as liquidated damages, not as a penalty. If a contract is not awarded within sixty (60) days after the bid submission deadline, or if the Bidder delivers a signed Purchase Contract and Performance Bond, then the certified or cashier's check submitted as the bid guaranty shall be returned to the bidder, or the Bid Bond shall become void.

DECLARATION:

- A. Familiarity with Bid Documents: The undersigned Bidder hereby certifies to have personally and carefully examined the Bid Documents issued.
- B. Bid Guaranty: The Bidder has enclosed a Bid Guaranty in the amount of five percent (5%) of the Total Bid that could be awarded including Alternates, Additives, excluding sales tax in the form of a cashier's check, certified check, or bid bond.
- C. Validity of Bid: The Bidder agrees that this bid shall be valid and not withdrawn for a period of 60 days from the bid submission deadline.
- D. Proposal: The Bidder hereby proposes to furnish materials/equipment, and services in strict accordance with the Contract Documents for the Total Bid indicated above. The bid prices cover all expenses of the Bidder, including but not limited to, overhead, profit, insurance, and bonding, in accordance with the Contract Documents.
- E. Non-Collusion: The Bidder affirms that the bid is a genuine and not a sham or collusive bid, or made in the interest or on behalf of any person not therein named. The Bidder has not directly or indirectly induced or solicited any bidder on the work to put in a sham bid, or any other person or corporation to refrain from bidding, and that the Bidder has not in

any manner sought by collusion to secure for itself an advantage over any other bidder or bidders. The Bidder has not entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free, competitive bidding in the preparation and submission of this bid to the Owner for the project described in the Bid Documents.

- F. Compliance with Applicable Laws and Regulations: Bidder agrees that if awarded the contract, Bidder will comply with the requirements of all applicable federal, state, and local laws and regulations.

Bidder's Business Name:		
Type of Business: ☐ Sole Proprietorship ☐ Partnership ☐ Corporation (State of Incorporation: _____) ☐ Other		
Bidder's Washington UBI No:		
Physical Business Address (Must not be a P.O. Box):		
City:	State:	Zip Code:
Business Telephone Number:	Business Fax Number:	Business E-mail Address:
Receipt is hereby acknowledged of Addenda No(s): _____		

OFFICIAL AUTHORIZED TO SIGN FOR BIDDER:

"I certify (or declare) under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct":	
Signature:	Date:
Print Name and Title	Location or Place Executed: (City, State)

END OF SECTION

BID BOND
to Public Utility District No. 1 of Clark County

KNOW ALL BY THESE PRESENTS: That we _____, as Principal, and _____, as Surety, are jointly and severally held and firmly bound unto Public Utility District No. 1 of Clark County, hereinafter called the Obligee, each in the penal sum of five percent (5%) of the Principal's Total Bid price for the work, this sum not to exceed _____ Dollars (\$_____) (hereinafter referred to as "penal sum") of lawful money of the United States, for the payment whereof unto the Obligee.

WHEREAS, the Principal is herewith submitting its offer for the fulfillment of:

(Project Name) _____ (Project Number) _____

NOW, THEREFORE the condition of this obligation is such that if the Principal is awarded the Contract, and if the Principal, within the time specified, fulfills all of the requirements of the Contract Documents which are conditions precedent to the execution of the Contract, enters into, executes and delivers to the Obligee an agreement on the form provided by the Obligee complete with evidences of insurance, and if the Principal, within the time specified, gives to the Obligee the Performance and Payment Bonds on the forms provided by the Obligee, then this obligation shall be void; otherwise, the Principal and Surety shall pay unto the Obligee the penal sum; provided however, in no event shall the Surety's liability exceed the penal sum.

AND IT IS HERBY DECLARED AND AGREED that the Surety shall be liable under this obligation as Principal, and that nothing of any kind or nature whatsoever that will not discharge the Principal shall operate as a discharge or a release of liability of the Surety.

IT IS HEREBY FURTHER DECLARED AND AGREED that this obligation shall be binding upon and inure to the benefit of the Principal, the Surety and the Obligee and their respective heirs, executors, administrators, successors and assigns.

SIGNED AND SEALED this ____ day of _____, 20__.

Principal: _____

Surety: _____

Authorized Signature

Authorized Signature

Printed Name and Title

Printed Name and Title

Business Address

Business Address

City, State, Zip

City, State, Zip

Telephone

Telephone

Note: A currently dated power of attorney must be provided which appoints the Surety's true and lawful attorney-in-fact to make, execute, seal and deliver this bid bond.

Last Revised: March 12, 2018

APPENDIX A

- PURCHASE CONTRACT
- PURCHASE ORDER TERMS AND CONDITIONS
- PERFORMANCE BOND

PURCHASE CONTRACT

This contract made and entered into this _____ day of _____, 20__
by and between **PUBLIC UTILITY DISTRICT NO. 1 OF CLARK COUNTY**, a municipal
corporation of the State of Washington, hereinafter designated "Utility" and
«nameall_caps__bold», having offices in «Office_in», hereinafter designated "Company";

WITNESSETH:

The Company having heretofore submitted a bid, pursuant to the Utility's Bid
Invitation No. «bid_no» for the delivery of «Items_awarded», as more specifically
hereinafter described, of said bid having been accepted by the Utility;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

The Utility agrees to purchase from the Company, and the Company agrees to
furnish and deliver to the Utility f.o.b. freight prepaid and allowed, the Utility's Ed Fischer
Operations Center, 8600 N.E. 117th Avenue, Vancouver, Washington 98662, the
following estimated quantities:

Item	Quantity	Description
		«Items_awarded»

strictly in accordance with the Utility's Bid Invitation No. «bid_no», at unit prices shown on
the attached bid form and the Technical Specifications, Special Conditions and
Instructions to Bidders issued in conjunction therewith, and the Company's bid thereon as
accepted by the Utility on «award_date», all the provisions of which are by reference
incorporated herein.

As consideration for the furnishing of this material, the Utility agrees to pay, and the Company agrees to accept as the total price, the sum of «amount_in_words» (\$«amount»), together with applicable Washington State sales taxes, payable for material as delivered, for which payment shall be made within thirty (30) days from date of delivery and acceptance.

IN WITNESS WHEREOF, the parties have hereunto set their hands and caused this instrument to be executed by their duly authorized officers, respectively, as of the day and year first above written.

**PUBLIC UTILITY DISTRICT
NO. 1 OF CLARK COUNTY**

«nameall_caps__bold»

Wayne Nelson, CEO/General Manager

Date

Typed/Printed Name

Title

Date

Approved as to form:

John Eldridge, Legal Counsel

CLARK PUBLIC UTILITIES
Terms and Conditions

1. **ACCEPTANCE** Buyer recognizes that Seller may for operating convenience desire to utilize its own form in acknowledging this order, or otherwise acknowledge it than by simple acceptance. Therefore, it is agreed that any provision in the form of acceptance used which modifies, conflicts with, or contradicts any provision of this order shall be deemed to be waived. This order can be accepted only on the terms set forth hereon.
2. **AGREEMENT AND MODIFICATIONS** This purchase order and any applicable bid documents, represent the entire agreement between Buyer and Seller and there are no prior or contemporaneous, or written understandings or agreements binding on Buyer affecting the subject matter of this order other than expressly referred to therein. No agreement or other understanding in any way modifying the conditions of the contract resulting from the acceptance of this order will be binding upon Buyer, unless made in writing and signed by its authorized representative.
3. **WARRANTY – PRICE** This order must not be filled at prices higher than shown hereon without Buyers approval.
4. **WARRANTY – PRODUCT** Seller warrants that all goods and work shall conform exactly to specification, drawings, and/or other description free from any defects in materials and workmanship and be merchantable. All goods received shall be subject to District inspection within a reasonable time (not less than ten (10) days) after receipt at designated receiving station. Buyer reserves the right to hold at Seller's risk or to return any goods which are not approved or do not comply with any condition hereof, and Seller will bear and reimburse Buyer for all expenditures incurred by Buyer in connection with any such goods so returned. Product substitutions of materials and supplies will not be allowed without prior consent in writing from Buyer. In addition, bid documents (if applicable) will outline specific product warranties.
5. **PRIOR DELIVERY – FORCE MAJEURE** Unless otherwise provided in this order, or in other written agreement, delivery in whole or in part shall not be made more than fifteen (15) days prior to the agreed delivery date or dates, and earlier deliveries may be returned at Seller's risk and expense. The delivery date(s) stated is material, and any delay may result in additional costs to Buyer. However, the agreed schedule may be changed if the Buyer determines that the delay was due to unforeseeable causes beyond the control and without the fault or negligence of Seller and Seller notifies Buyer in writing of the cause of such delay within a reasonable time from the beginning thereof or such longer period as Buyer may grant in writing. Failure to meet scheduled delivery may result in termination of Purchase Order.
6. **ASSIGNMENT** (a) Seller may not assign this Purchase Order or any interest herein without prior written consent of Buyer except that claims for monies due or to become due under the contract may be assigned to a bank, trust company, or other party providing financing without consent. Buyer shall be furnished with two executed copies of any such assignment. Payment to an assignee of any such claim shall be subject to setoff or recoupment for any present or future claim or claims which Buyer may have against Seller except to the extent that any such claims are expressly waived in writing by Buyer. Buyer reserves the right to make direct settlement or adjustments in the price with Seller under terms of this contract notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee (b) Seller shall obtain Buyer's written approval before subcontracting the Purchase Order, components, or any portion hereof, provided, however, this limitation shall not apply to purchase by Seller of standard commercial supplies or raw material. If Buyer approved subcontracting, Seller shall select subcontractors, including suppliers, on a competitive basis.
7. **DELIVERY TERMS, TITLE, AND RISK OF LOSS F.O.B.** destination, freight prepaid, unless delivery terms are specified otherwise. The title and risk of loss of goods shall not pass to Buyer until Buyer actually receives and takes possession of the goods at the point or points of delivery.
8. **CHARGES AND FREIGHT** No charges will be allowed for packaging, boxing, crating or cartage, except by specific agreement. All shipments must be prepaid.
9. **TERMINATION** Buyer shall have the right to terminate this contract or order at any time by notice in writing. In the event of any termination, the Buyer may pay the costs, if any, of setting or discharging the Seller's obligations for materials received prior to termination date.
10. **PATENTS** Unless otherwise agreed in writing, Seller agrees to assume defense of any suit for infringement of patents brought against Buyer or its vendees, based upon the goods covered by this order constituting an infringement, and to indemnify Buyer and said vendees against any decree, costs, and/or attorney's fees in such suit.
11. **PERFORMANCE** Failure of the Buyer to insist on strict performance or observance by the Seller of the within order, or of these conditions, or of Buyer's rights, in any one or more instances shall not constitute a waiver by the Buyer of such performance, conditions, or rights either then or for the future.
12. **ATTORNEY'S FEES** If Buyer consults or retains an attorney because of any failure by Seller to perform any obligation hereunder or because of any dispute with Seller as to the meaning of this agreement, regardless of whether or not litigation or other grievance procedures are commenced, Seller shall pay Buyer all attorney's fees so incurred by Buyer.
13. **GOVERNING LAW AND JURISDICTION** This Purchase order is made pursuant to the laws of the State of Washington and shall be construed, interpreted, and governed under such law. The parties have expressly referred to RCW Ch. 62A, herein, and intend that the Uniform Commercial Code as enacted in that chapter shall govern all disputes arising under the Purchase Order. If litigation arises hereunder or as a consequence of any transaction contemplated or resulting from this Purchase Order or either party's performance or breach thereof, jurisdiction and venue of such litigation shall be in the Superior Court for the State of Washington, Clark County.
14. **RIGHT TO ADEQUATE ASSURANCE OF PERFORMANCE** The provisions of RCW 62A.2-609 shall apply to this transaction.
15. **MATERIAL REQUIREMENTS** The materials furnished hereunder shall conform to minimum specification, standards, and/or requirements of R.E.A., D.S.H.A., and/or W.I.S.H.A., A.N.S.I., N.F.P.A., I.P.C.E.A., N.E.M.A., A.S.T.M., A.E.I.C., where applicable.
16. **ERRORS AND OMISSIONS** Buyer is not to be held responsible for typographical or clerical mistakes.

Last revised: June 2016

PUBLIC WORKS PERFORMANCE BOND
to Public Utility District No. 1 of Clark County, Washington

Bond No. _____

The Public Utility District No. 1 of Clark County, Washington (Utility) has awarded to _____ (Principal), a contract for the construction of the project designated _____ as

Project No. _____ in _____, Washington (Contract), and said Principal is required to furnish a bond for performance of all obligations under the Contract.

The Principal, and _____ (Surety), a corporation, organized under the laws of the State of _____ and licensed to do business in the State of Washington as surety and named in the current list of "Surety Companies Acceptable in Federal Bonds" as published in the Federal Register by the Audit Staff Bureau of Accounts, U.S. Treasury Dept., are jointly and severally held and firmly bound to the Utility, in the sum of _____ US Dollars (\$ _____) Contract Award Amount, subject to the provisions herein.

This statutory performance bond shall become null and void, if and when the Principal, its heirs, executors, administrators, successors, or assigns shall well and faithfully perform all of the Principal's obligations under the Contract and fulfill all the terms and conditions of all duly authorized modifications, additions, and changes to said Contract that may hereafter be made, at the time and in the manner therein specified; and if such performance obligations have not been fulfilled, this bond shall remain in full force and effect.

The Surety for value received agrees that no change, extension of time, alteration or addition to the terms of the Contract, the specifications accompanying the Contract, or to the work to be performed under the Contract shall in any way affect its obligation on this bond, and waives notice of any change, extension of time, alteration or addition to the terms of the Contract or the work performed. The Surety agrees that modifications and changes to the terms and conditions of the Contract that increase the total amount to be paid the Principal shall automatically increase the obligation of the Surety on this bond and notice to Surety is not required for such increased obligation.

This bond may be executed in two (2) original counterparts, and shall be signed by the parties' duly authorized officers. This bond will only be accepted if it is accompanied by a fully executed and original power of attorney for the officer executing on behalf of the surety.

PRINCIPAL

SURETY

Principal Signature _____ Date _____

Surety Signature _____ Date _____

Printed Name _____

Printed Name _____

Title _____

Title _____

Name, address, and telephone of local office/agent of Surety Company is:

APPENDIX B
CONTRACTOR PROFILE

Company Name: _____

Business Address: _____

Federal Tax ID #: _____

Contract Administrator: _____

Contact Information Phone: _____ Email: _____

A/Receivable Address: _____

Contact Information Phone: _____ Email: _____

A/Payable Address: _____

Contact Information Phone: _____ Email: _____

24/7 Emergency Contact Information

Contact Name: _____

Dispatch Contact #: _____

Business Address: _____

Contact Information Phone: _____ Email: _____

Printed Name and Title

Authorized Signature

Date



Clark Public Utilities

BID DOCUMENTS

RENEWABLE DIESEL

BID 550

September 13, 2018

TABLE OF CONTENTS

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APPENDICES

Appendix A

- Purchase Contract
- Purchase Order Terms and Conditions
- Performance Bond

Appendix B

- Contractor Profile

ATTACHMENTS

Exhibit A

- Potential Other Governmental Agencies
(Estimate Annual Usage/Delivery Requirements)

ADVERTISEMENT FOR BIDS

Clark Public Utilities
Bid 550 - Renewable Diesel
Date of Bid Opening: September 28, 2018

NOTICE TO BIDDERS:

Bid Submittal: Sealed bids will be received for the above-referenced material by Clark Public Utilities, at the Purchasing Department, Ed Fischer Operations Center Building, 8600 NE 117th Avenue, Vancouver, WA 98662 (courier service or hand delivery only). There is no US Postal Service to this address.

The Bid Form must be received by the Utility at the location noted above no later than 11:00 A.M., Pacific Time, on Friday, September 28, 2018. Bids will then be publicly opened and read aloud.

Bids received after the date and hour stated above will not be accepted or considered.

Description: Clark Public Utilities is requesting bids for the purchase of 99% Renewable Diesel and Renewable Diesel blended with Ultra Low Sulfur Diesel (ULSD), strictly in accordance with specifications.

Bid Documents: Bidders may obtain or access plans, specifications, and addenda for this project through the following website: <https://www.ebidexchange.com/clarkpud>. If the Bidder is not currently registered, Bidder must register at the preceding website selecting the Supplemental Application "Public" category to access Bid Documents.

Bid Guaranty: Bidder shall submit with its bid either an original surety company bid bond on a form acceptable to the Owner, or a cashier's or certified check payable to the order of Clark Public Utilities, in an amount not less than five percent (5%) of the total amount of the Bid exclusive of sales tax. Bids not accompanied by an appropriate bid guaranty may be rejected as non-responsive. No bidder may withdraw its bid after the bid submission deadline, unless the award of the contract is delayed for a period exceeding 60 days from the bid submission deadline.

Questions: Questions about this project should be directed to the following individual. Depending on the nature of the question, the Utility may require the Bidder to put a question in writing.

Contact Person, Title: Paul Chamberlain, Fleet Manager
Phone Number: 360-992-8804
E-mail Address: pchamberlain@clarkpud.com

At its sole discretion, Clark Public Utilities reserves the right to reject any or all bids, and to waive as an informality any immaterial irregularities in the bids received.

By Order of the Commission,
Jane Van Dyke, Secretary

Date(s) of Publication: Thursday, September 13, 2018

END OF SECTION

INSTRUCTIONS TO BIDDERS

1. BID DOCUMENTS:

Bidders may obtain or access plans, specifications, and addenda for this project through the following website: <https://www.ebidexchange.com/clarkpud>. If the Bidder is not currently registered, Bidder must register at the preceding website selecting the Supplemental Application "Public" category to access Bid Documents.

2. PREPARATION OF BIDS

Bidder shall comply with the following instructions in preparing its bid.

- A. Complete Bid Form: The name, address, of Bidder, and other information required shall be typed or printed on the Bid Form in the spaces provided. The Bidder's business name must match the name on the bid guaranty.
- B. Use Bid Form: Bidders must submit bids on the Bid Form (or photocopy of the Bid Form) provided by the Owner.
- C. Fill in Blanks: All blank spaces on the Bid Form must be filled in by the Bidder. Bidder must submit a bid amount for all Alternates, Additives, Deductives, unit prices, and other prices indicated on the Bid Form. When bidding on items for which there is no charge, Bidder shall write the words "No Charge," "zero," or "0.00" in the space provided on the Bid Form. If a Bidder fails to submit a bid price for any item, notes "no bid" or similar language for any item, or does not fill in all blank spaces on the Bid Form, the bid may be rejected as non-responsive.
- D. Clarity of Bid Amount: In the event the Owner is unable to read or discern what number or numbers the Bidder included as part of its Bid price, the Owner reserves the right to reject the Bid as nonresponsive.
- E. Sign Bid Form: The Bidder shall manually sign the Bid Form in ink by an authorized representative of the Bidder.
- F. Initial Corrections: Any correction to entries made on the Bid Form shall be initialed by an authorized representative of the Bidder.
- G. Acknowledge Addenda: Bidders shall acknowledge receipt of all addenda by identifying the addendum number in the space provided on the Bid Form.

3. BID PRICES

- A. Estimated Quantities: Any quantities on the Bid Form are estimates and are stated for bid comparison purposes. The Owner does not warrant expressly or by implication that the actual quantities of work will correspond with the estimated quantities. The Owner will pay based on actual quantities of each item delivered in accordance with the Contract Documents.
- B. Freight Terms/FOB Point: Awards will be made on the basis of total cost to the Utility. Delivery of material to be complete, FOB, freight prepaid and allowed to the Utility's

Operations Center located at 8600 NE 117th Avenue, Vancouver, Washington 98662 or designated mobile fueling sites.

The Contractor shall retain title and control of all goods and services until delivery and off and off-loading is completed. All risk of transportation and all related charges shall be the responsibility of the Contractor.

- C. Site Visit: Bidders are responsible to inspect fueling facility and site to familiarize themselves with the requirements to accommodate this goods and services contract.
- D. Taxes: The bid shall include all material, supplies, equipment, special tools, costs, insurance, permits, all taxes (exclusive of Washington State sales tax and fuel taxes), shipping and delivery, overhead, profit, and all miscellaneous items to fulfill the Contract as specified. Washington State Sales tax and fuel taxes shall not be included in the bid price. The Owner will pay the Contractor for Washington State sales tax and any applicable fuel taxes; these taxes shall be shown as a separate item on invoices and will be paid on the bases of items received and accepted.
- E. Fuel Taxes: Contractor must identify all applicable government imposed fuel related taxes and other required fees applicable to fuel purchases as a separate line item on each invoice on a pass thru basis. Contractor must not to include these taxes and fees in its price per gallon multiplier / bid margin.

Because the Utility is a governmental entity, it is exempt from Federal excise taxes on diesel fuel purchases. The Utility is not exempt from Washington State sales tax and any other government imposed pass thru taxes or required fees on diesel fuel purchases. If required, Contractor may request an exempt certificate.

- F. Insurance and Bonds: Bidder shall include in its bid the cost of all insurance and bond costs required by the Contract Documents.

4. EXAMINATION / CLARIFICATION OF CONTRACT DOCUMENTS

- A. Interpretation of Documents: Each Bidder shall thoroughly examine and be familiar with the Contract Drawings, Specifications, and other Contract Documents, and submission of a bid shall constitute an acknowledgement upon which the Utility may rely that they Bidder has thoroughly examined all Contract Documents. No claim for additional compensation will be allowed which is based upon a lack of knowledge of the Contract Documents.
- B. It shall be the bidder's responsibility to advise the Utility, before the time specified for receipt of proposals, of conflicting requirements or omissions of information, which require clarification. Those questions not resolved by addenda shall be listed in the space provided on the proposal form, together with statements of the basis upon which the proposal is made as affected by each question.

5. SPECIFIED PRODUCTS

- A. Bid Products Identified: Specifications may appear to be written around a specific manufactured unit which represents the ultimate desire by the Utility. The Utility will consider alternate proposals that closely approximate the attached specifications, but

reserves the right to select equipment best suited to the overall interest of the Utility. The Utility shall be the final arbiter in all interpretations of this bid and the best interests of the Utility.

- B. Alternate Bids: Bidders taking exception to Utility specifications shall submit an alternate bid proposal. Alternate bids will be accepted on the Utility's bid form clearly labeled "Alternate Bid". Each bidder shall prepare a supplemental letter outlining specific items where alternate bid does not meet specifications and also specific items where alternate bid exceeds basic bid specifications.

6. BID GUARANTY

- A. Form and Amount: Bidder shall submit with its bid either an original surety company bid bond on the form provided by the Owner and included as part of the bid documents, or a cashier's or certified check payable to the order of the Clark Public Utilities, in an amount not less than five percent (5%) of the total amount of the Bid that could be awarded excluding sales tax and any Additives and Alternates. Bids not accompanied by an appropriate bid guaranty may be rejected as non-responsive.
- B. Bids Valid: The award of a contract, if awarded, shall be made within 60 calendar days after the bid submission deadline. No Bidder may withdraw its bid after the bid submission deadline, unless the award of the contract is delayed for a period exceeding 60 days from the bid submission deadline. The Owner reserves the right, for a period of 60 calendar days following the bid submittal deadline, to initiate or rescind acceptance of any Alternate or Additive Bid in the amounts bid on the Bid Form.
- C. Holding Bid Guaranties: Owner reserves the right to hold the bid guaranties of all Bidders until the successful Bidder has entered into a contract with the Owner, or for a period of 60 days, whichever is the shorter time.
- D. Forfeiture of Bid Guaranty: If the successful Bidder fails to enter into a contract with the Owner and provide a satisfactory performance bond within the days specified herein, the bid guaranty shall be forfeited to the Owner.

7. SUBMISSION OF BIDS

- A. Bid Receipt Deadline: Bidders must submit their bids on the Bid Form included with the Bid Documents prior to the deadline established in the Advertisement for Bids. Any bid received after the bid submission deadline will not be accepted or considered and will be returned unopened. The official time for determining whether a bid has been submitted in a timely manner is based on the time stamp clock in the Purchasing office located at 8600 NE 117th Ave, Vancouver, WA 98662. Bids received prior to the bid submission deadline will be publicly opened and read aloud shortly after the deadline.
- B. Sealed Bid Envelope: Bids and bid modifications must be submitted in sealed envelopes or packages (1) addressed to the office specified in the Advertisement for Bids and (2) showing the name of the project, bid opening date and time, and the name and address of Bidder.

INSTRUCTIONS TO BIDDERS

- C. Evidence of Bid Receipt: The only acceptable evidence to establish the time of receipt of a bid at the office designated in the Advertisement for Bids is the time/date stamped or printed by Owner on the bid envelope or other documentary evidence of receipt maintained by Owner.
- D. Prohibited Forms of Bids: Receipt of bids and bid modifications by e-mail, telegram, facsimile, telephone, other electronic means, or orally will not be considered.
- E. Withdrawal and Resubmission of Bid: After submitting a bid to the Owner, a Bidder may withdraw its bid if the Owner receives a request from a Bidder to withdraw the bid prior to the bid submission deadline. Any request to withdraw a bid which is received after the bid submission deadline will not be considered. The Bidder may revise such a bid and resubmit it if the revised bid is received prior to the bid submission deadline.
- F. Modification of Bid: After a Bidder has withdrawn its bid as described in the paragraph above, submitting a bid to the Owner, a Bidder may revise its bid if the Owner receives the revised bid on the required Bid Form prior to the bid submission deadline, and the revised bid shall be submitted in a properly marked and sealed envelope prior to the bid submission deadline. Any bid modification which is received after the bid submission deadline will not be considered.

8. BID SUBMITTAL INFORMATION

- A. Bidders shall be prepared to submit, upon request of the Utility, the following information:
 - 1. Information on the product and services providing to meet bid specifications and requirements.
 - 2. The name, location and contact information of the Account Manager to be assigned to coordinate, monitor and maintain account.
 - 3. A listing of other active contracts similar in scope, size, or discipline to the services and product requested.
 - 4. A listing of at least three (3) local references where services similar in scope, size or discipline to the services requested are actively performed.
 - 5. Completed copy of Appendix B - Contractor Profile Form
 - 6. Copy of existing Insurance coverage

9. CLAIM OF ERROR

- A. Submission of Claim of Error: A Bidder who wishes to claim error after the bids have been opened shall submit a signed statement, accompanied by actual work sheets used in the preparation of the bid, requesting relief from the responsibilities of award. The statement shall describe the specific error(s) and certify that the work sheets are the actuals used in the preparation of the Bid. The statement and actual work sheets shall be submitted in person or by courier to:

Clark Public Utilities – Purchasing Department
8600 NE 117th Avenue
Vancouver, Washington 98662

or via email to cwannamaker@clarkpud.com by 5:00 p.m. on the Business Day after the bid submission deadline or the claim will not be considered. The Owner reserves the right to extend this deadline at its discretion.

- B. Review by Owner: The Owner will review the certified work sheets to determine the validity of the claimed error. If the Owner concurs in the claim of error, the Bidder will be relieved of responsibility, the bid will be withdrawn from the bid pool, and the bid guaranty of the Bidder will be returned. Thereafter, at the discretion of the Owner, all bids may be rejected or award made to the next lowest responsible Bidder. A low Bidder who claims error and fails to enter into a contract is prohibited from bidding on the same project if the project is rebid.

10. BID EVALUATION

- A. Non-Responsive Bids: Bids which are incomplete, conditioned or qualified in any way, contain erasures or alterations, include alternate bids or other items not called for on the Bid Form and in the Bid Documents, are not in conformity with the law or with these Instructions, contain a statement by the Bidder reserving the right to accept or reject an award or to enter into the contract, or include any other irregularity shall be rejected as nonresponsive if the irregularity is material and may be rejected as nonresponsive if the irregularity is not material. Only the amounts and information asked for on the Bid Form furnished will be considered as the bid.
- B. Tied Bids: After bids have been opened, if two or more of the lowest responsive bids have Total Bid amounts that are exactly equal, then the following drawing process will be used to break the tied bids and determine the successful Bidder. Two or more slips of paper will be marked as follows: one marked "Winner" and the other(s) marked "Unsuccessful." The slips will be folded to make the marking unseen. The slips will be placed inside a box. One authorized representative of each Bidder shall draw a slip from the box. Bidders shall draw in alphabetic order by the name of the firm as designated on the bid form. The slips shall be unfolded and the firm with the slip marked "Winner" will be determined to be the successful Bidder and eligible for award of the contract. Only those Bidders who submitted a Total Bid amount that is exactly equal to the lowest responsive Bid are eligible to draw.
- C. Waiving Irregularities: Owner reserves the right to reject any or all bids, and to waive as an informality any immaterial irregularities in the bids received.
- D. Correcting Bid Prices: After bid opening, bids will be checked for correctness of bid item price extensions and the total bid price. A discrepancy between a bid item price and the extended amount of any bid item shall be resolved by accepting the bid item price as correct. If a minimum bid amount has been established for any item and the Bidder's unit or lump sum price is less than the minimum specified amount, the Owner will unilaterally revise the unit or lump sum price, to the minimum specified amount and recalculate the extension.
- E. Award of Additives, Alternates, Deductives: The low bid shall be determined by the sum of the Base Bid (the summation of bid item price extensions, corrected where necessary), plus any combination of Additives, Alternatives, and/or Deductives that the Owner decides, in its sole discretion, to include in the contract award. Additives, Alternates, and/or Deductives may be selected in any order that the Owner chooses. The numbering

of the Additives, Alternates, and/or Deductives on the Bid Form bears no relationship to the order in which they may be selected by the Owner. The summation of extensions, corrected where necessary, and including any applicable Additives, Alternatives, Deductives, and sales taxes, will be used to fix the awarded contract price and the amount of the performance bond.

11. CONTRACT AWARD AND EXECUTION

- A. Award: The Owner reserves the right to award bid by partible item, an item, or groups of items based upon the overall best interest of the Utility. The formal acceptance by the Owner, through an award by its Board of Commissioners, of the lowest responsive bid that is within the budget available, will be in the form of a written notice of award of purchase contract to the Bidder issued by the Owner and mailed to the Bidder's address shown on the Bid Form.
- B. Contract Execution: Within ten (10) calendar days after the notice of award date, Bidder shall submit two (2) signed originals of the Contract (see Appendix A) and a Performance Bond for 100% of the Contract Award Amount plus Washington State Sales Tax. The bond shall be on the form furnished by the Owner (see Appendix A). The bond must be signed by an approved surety (or sureties) that:
 - 1. Appears on the current Authorized List in the State of Washington published by the Office of the Insurance Commissioner; and
 - 2. Has a current rating of at least A-VII in A.M. Best's Key Rating Guide or is included in the U.S. Department of the Treasury's Listing of Approved Sureties (Circular 570).
- C. Failure to Execute Contract: If the successful Bidder, after award of the Contract, fails to execute the Contract or provide the performance bond as required within the time specified, Owner may revoke award of the Contract and the bid guaranty may be retained by Owner.

12. LICENSES

All Bidders operating in Washington State are required to have a Washington State Business License number.

13. TERMS AND CONDITIONS

- A. Upon execution of the Purchase Contract, a purchase order will be issued with the terms and conditions as attached in Appendix A. No additional terms or modifications will be accepted.

14. PUBLIC BID DISCLOSURE

Submittals received by the Utility in response to this bid become public records and are subject to Chapter 42.56 RCW, the Public Records Act. The Bidder should clearly identify in its submittal any specific information that it claims to be confidential or proprietary. If the Utility receives a Public Records Act request to view the information so marked in the Bidder's submittal following a bid award, its sole obligations shall be to notify the bidder (1) of the request and (2) of the date

that such information will be released to the requester unless the bidder produces a court order to enjoin that disclosure, pursuant to RCW 42.56.540, within ten (10) days of such notice.

15. DEFINITION AND SECTION TITLES

- A. Bid Documents: The Bid Documents include all of the documents issued by the Owner as part of soliciting bids for the Project, including, but not limited to, the following: Advertisement for Bids, Instructions to Bidders, Bid Form, Special Conditions, Specifications and Drawings.
- B. Captions and Headings: The titles of sections in these Instructions to Bidders are for convenience only and do not define or limit the contents.

END OF SECTION

SPECIAL CONDITIONS

1. INTERLOCAL COOPERATIVE PURCHASING

In accordance with the Washington State Interlocal Cooperative Act RCW 39.34, the Bidder agrees to allow other governmental agencies to purchase goods and services under this contract in accordance with the terms and prices indicated.

The contract awarded is anticipated to be used by other government agencies. Clark Public Utilities has entered into Intergovernmental (Interlocal) Agreements pursuant to RCW 39.34 with these other government agencies.

The Utility does not accept any responsibility or involvement in the purchase orders or contracts issued by other governmental agencies.

2. CONTRACT PERIOD

The Contract shall be in effect for (36) months from the Notice of Award date unless terminated otherwise in accordance with the provisions of the Contract Documents.

The Utility reserves the right to extend the contract on a year-by-year basis, for up to two (2) additional years.

3. BID EVALUATION/AWARD

Oil Price Information Service (OPIS) which is an established industry standard familiar to all providers, will serve as the base foundation for establishing pricing along with a non-adjustable Contractor multiplier/margin.

Note: The lump sum contract amount awarded will be based on the Utility's estimated 85,000 gallons per year (various combination of Renewable Diesel or Renewable Diesel Fuel blends) using the Portland, OR - OPIS Wholesale Rack Average Price listed the day prior to the bid closing.

All Bidders must also disclose on the Bid Form if their price of fuel will or will not include any fuel credits (LCFS) or renewable identification numbers (RINS). Disclosures must be specific to the type of fuel credit and the added cost (use cost based on the day prior to bid closing).

Bidders not including this information on the Bid Form will be rejected as non-responsive.

The Utility reserves the right to evaluate bid submittals and participate in the award of this contract of which will be based on price, product, and compliance to specifications.

4. ESCALATION / DE-ESCALATION

The Not-Subject to Change Multiplier/Margin in combination with the OPIS index price allows the Contractor to protect profit, regardless of market fluctuation. Furthermore, because government imposed fuel related taxes and required fees are passed-through, any government imposed fuel related taxes and required fees should not impact the Contractor.

The Not-Subject to Change Multiplier/Margin(s) at time of bid shall be firm for the full contract term.

If, however, during any term of the contract lower prices and rates become effective for like quantities of products under similar terms and conditions, through reduction in contractor's list prices, promotional discounts, clean fuel credits or other circumstances, purchasers must be given immediate benefit of such lower prices and rates

5. **BID QUANTITY INCREASE/DECREASE**

The estimated quantities specified herein are not a guarantee of actual quantities. The Utility does not guarantee any particular quantity or combination of Renewable Diesel or Renewable Diesel Fuel blends will be purchased during the contract term. The quantities may vary depending upon the actual needs of the Utility. The quantities specified herein are good faith estimates of usage during the contract term.

Clark Public Utilities Ed Fisher Operations Center 8600 NE 117 th Ave. Vancouver, WA 98662			
Fuel Tank Size	Tank Type (UST / AST)	Estimated Annual Usage	Delivery Requirements
12,000 gallons	UST	85,000 gallons (various combination of Renewable Diesel or Renewable Diesel fuel blends)	Scheduled Bulk Deliveries

The estimated quantities provided for potential purchases by other governmental agencies (shown in Exhibit A), may vary depending upon the actual needs of each agency.

The Utility shall not be liable for any contractual agreements/obligations between the Contractor and other governmental entities for fuel purchases.

6. **SAFETY**

All items bid must comply with current Federal and Washington State Equipment Safety Laws, codes, rules and regulations.

It will be the responsibility of the Contractor's carrier to equip each vehicle entering the facility with appropriate personal protective equipment (PPE) for the safe offloading and spill cleanup associated with normal fuel delivery procedures.

The Utility reserves the right to request the Contractor replace any delivery personnel who refuses to comply with rules and regulations.

7. **PAYMENT TERMS**

Payment will be made Net 30 after receipt and acceptance of materials delivered to the specified delivery address.

8. **TERMINATION**

A. **Termination for Default.** If the Contractor defaults by failing to perform any of the obligations of the contract or becomes insolvent or is declared bankrupt or makes an assignment for the benefit of creditors, the Utility may, by depositing written notice to the Contractor in the U.S. Mail, postage prepaid, terminate the contract, and at the Utility's option, purchase goods and services elsewhere. If the contract is terminated

for default, the Contractor shall not be entitled to receive any further payments under the contract. Any extra cost or damage to the Utility resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor agrees to bear any extra expenses incurred by the Utility in purchasing goods and services required under this contract, and all damage sustained, or which may be sustained by the Utility 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 Utility may terminate the contract in whole or in part whenever the Utility determines, in its sole discretion that such termination is in the interests of the Utility. Whenever the contract is terminated in accordance with this paragraph, the Contractor shall be entitled to payment for actual purchased goods and services completed. An equitable adjustment in the contract price for partially completed items may be made, but such adjustment shall not include provision for loss of anticipated profit on deleted goods or services. Termination of this contract by the Utility at any time during the term, whether for default or convenience, shall not constitute a breach of contract by the Utility.
- C. Termination Due to Insufficient Funds. If sufficient funds for payment under this contract are not appropriated or allocated or are withdrawn, reduced, or otherwise limited, the Utility may terminate this contract upon thirty (30) days written notice to the Contractor. No penalty or expense shall accrue to the Utility in the event this provision applies.
- D. Termination Procedure. The following provisions apply in the event that this Agreement is terminated:
 - (a) The Contractor shall cease to perform delivery of any goods and services required hereunder as of the effective date of termination and shall comply with all reasonable instructions contained in the notice of termination, if any.
 - (b) The Contractor shall provide the Utility with an accounting of authorized goods and services provided through the effective date of termination.
 - (c) If the Agreement has been terminated for default, the Utility may withhold a sum from the final payment to the Contractor that the Utility determines necessary to protect itself against loss or liability.

9. INSURANCE REQUIREMENTS

- A. General Requirements: Contractor shall, at their own expense, obtain and keep in force insurance as follows until completion of the contract. Contractor shall furnish evidence in the form of a Certificate of Insurance satisfactory to the Utility that insurance in the following kinds and minimum amounts has been secured within fifteen (15) calendar days of receipt of notice of award. Failure to provide proof of insurance, as required, shall result in contract cancellation.

Contractor agrees to assume full liability for all claims arising from this contract including claims resulting from negligent acts of all subcontractor(s). Contractor is responsible to ensure subcontractor(s) have insurance as needed. Failure of subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

All insurance provided in compliance with this contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the Utility.

B. Specific Requirements:

- a. Workers Compensation Insurance: The Contractor shall at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable and shall maintain Workers Compensation insurance.
- b. Commercial General Liability Insurance: The Contractor shall at all times during the term of this contract, carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of services provided under this contract. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or servants.

The insurance shall also cover bodily injury, including disease, illness, and death and property damage arising out of the Contractor's premises/operations, independent Contractors, products/completed operations, personal injury and contractual liability (including the tort liability of another assumed in a business contract).

Contractor waives all rights against the Utility for the recovery of damages to the extent they are covered by general liability or umbrella insurance.

- c. Business Auto Policy (BAP): In the event that services delivered pursuant to this contract involve the use of vehicles, or the transportation of clients, automobile liability insurance shall be required. The coverage provided shall protect against claims for bodily injury, including illness, disease and death; and property damage caused by an occurrence arising out of or in consequence of the performance of this service by the Contractor, subcontractor, or anyone employed by either. The business auto liability shall include Hired and Non-Owned coverage.

Contractor waives all rights against the utility for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.

- d. Pollution Liability: Contractor shall obtain pollution legal liability coverage for the duration of the contract, including investigation and legal defense costs, for bodily injury and property damage, including loss of use of damaged property or of property that has not been physically damaged or destroyed. Such

coverage shall provide coverage for both on-site and off-site clean-up costs and cover gradual and sudden pollution.

The limits of liability insurance for shall not be less than:

1. Workers' Compensation: Statutory requirements of the State of residency
2. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a \$2,000,000 aggregate limit.
3. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
4. Pollution Liability: \$1,000,000. Coverage to include loading and unloading of all petroleum products.

C. **Additional Provisions:** Above insurance policies shall include the following provisions:

- a. **Additional Insured:** Clark Public Utilities shall be named as an additional insured on all general liability and pollution liability policies. Contractor shall provide endorsement forms from their carrier evidencing such coverage. All policies shall be primary over any other valid and collectable insurance.
- b. **Notice of policy(ies) cancellation/non-renewal:** For insurers subject to RCW 48.18 (Admitted and regulated by the Washington State Insurance Commissioner) a written notice shall be given to the Utility thirty (30) calendar days prior to cancellation or any material change to the policy(ies) as it relates to this contract.

If cancellation on any policy is due to non-payment of premium, the utility shall be given a written notice ten (10) calendar days prior to cancellation.

- c. **Excess Coverage:** The limits of all insurance required to be provided by the Contractor shall be no less than the minimum amounts specified. However, coverage in the amounts of these minimum limits shall not be construed to relieve the Contractor from liability in excess of such limits.

10. INDEMNIFICATION

To the fullest extent permitted by law, Contractor hereby agrees to indemnify and hold harmless the Utility, its appointed and elective officers, and its employees (collectively "Indemnitees"), from and against any and all suits, liabilities, claims, actions, losses, costs, penalties, fines, and damages of whatever kind and nature, including attorney fees, expert witness fees, and costs, by reason of any and all claims and demands on the Indemnitees, arising out of or in any manner related to or connected with (directly or indirectly) any operations, presence, services, work, or activities of Contractor, or its agent and/or anyone directly or indirectly employed or engaged by Contractor, including, without limitation, its employees, subcontractors and suppliers, at any level or subtier (collectively the "Contractors"). Such liabilities shall include, without limitation, claims for bodily injury, personal injury, or death, including, without limitation, injury to or death of any employees of the Contractors, personal and real property damage, including, without limitation, loss of and

loss of use of any and all such property, breach of warranty, breach of standard of care, errors and omissions, breach of contract, patent infringement, penalties imposed or any damages or loss as a result of the violation of any law, order, code, citation, rule, regulation, standard, ordinance or statute.

The indemnity and hold harmless obligations set forth herein shall apply regardless of the active or passive negligence, other fault, or liability of the Indemnitees; provided, however, that (i) in no event shall Contractor be obligated to indemnify the Indemnitees, for liabilities or damages arising out of, caused by, or resulting from the sole negligence of the Indemnitees; and (ii) with respect to indemnification against liabilities for damages arising out of, caused by, or resulting from the concurrent negligence of (a) the Indemnitees, and of (b) the Contractors, Contractor's said indemnification obligations extend only to the extent caused by the negligence of the Contractors.

CONTRACTOR AGREES THAT IT SHALL NOT BE ENTITLED TO ASSERT AN IMMUNITY OR DEFENSE AGAINST THE UTILITY, OR LIMIT IN ANY WAY ITS INDEMNIFICATION OBLIGATION TO THE UTILITY, BASED UPON WORKERS' COMPENSATION LAWS, AS SET FORTH IN THE WASHINGTON INDUSTRIAL INSURANCE ACT (RCW TITLE 51), FOR ANY CLAIMS (INCLUDING, WITHOUT LIMITATION, PERSONAL INJURY OR DEATH) AGAINST THE UTILITY BY AN EMPLOYEE OF THE CONTRACTOR, AND THE CONTRACTOR SPECIFICALLY AND EXPRESSLY WAIVES ANY IMMUNITY UNDER SUCH ACTS. THIS WAIVER WILL NOT BE INTERPRETED OR CONSTRUED AS A WAIVER OF THE CONTRACTOR'S RIGHT TO ASSERT DIRECTLY AGAINST ANY OF ITS OWN EMPLOYEES ANY SUCH IMMUNITY THAT MAY BE AFFORDED BY THE WASHINGTON INDUSTRIAL INSURANCE ACT, RCW TITLE 51.

END OF SECTION

TECHNICAL SPECIFICATIONS

1.0 OVERVIEW

Clark Public Utilities (Utility) along with Clark County Public Transportation Benefit Area, (C-Tran), Clark County, City of Vancouver, City of Longview, and Cowlitz County Public Works have entered into an intergovernmental purchasing agreement, pursuant to RCW 39.34, for the purpose of procuring 99% percent Renewable Diesel, better known as (R99) and Renewable Diesel blended with Ultra Low Sulfur Diesel, better known as (ULSD).

Each of these municipalities manages an assortment of fuel storage tanks that support a variety of vehicles and equipment.

The Utility is acting as the lead to bid the procurement of this fuel. The other agencies have indicated their intention to piggyback on the Utility's awarded contract and purchase fuel in the estimated amounts and for delivery at the locations indicated in Exhibit A.

1.1 DELIVERY SITE LOCATIONS

The Utility's delivery location will be: Clark Public Utilities, Ed Fisher Operations Center located at 8600 NE 117th Ave. Vancouver, WA 98682.

Potential other agency delivery site locations are indicated in Exhibit A.

1.2 CONTRACT PURPOSE

The purpose of this contract is to procure fuel from the selected Contractor who can provide an on-going supply of Renewable Diesel that when splashed or injected with a variety of ULSD diesel fuel blends is safe to dispense and use in all diesel operated vehicles and equipment without damaging or fouling the engines.

The Renewable Diesel requesting in this solicitation must be made from 100% percent raw renewable products.

The selected Contractor will have to maintain throughout the contract term, and any extension thereof, an adequate stocking level of 99 percent pure Renewable Diesel (better known as R99) to ensure large and small deliveries can be made to the Utility on a regularly scheduled basis and during emergency request.

1.3 SCOPE OF WORK

The scope of this fuel purchasing solicitation is to establish an on-going replenishment of R99 and R99 / ULSD fuel blends, at an OPIS index price combined with a profit multiplier/ margin, for the "as needed" purchase of delivered fuels and fuel blends in the following categories:

- a) 99% Renewable Diesel / 1% Ultra Low Sulfur Diesel #2
- b) 80% Renewable Diesel / 20% Ultra Low Sulfur Diesel #2

- c) 70% Renewable Diesel / 30% Ultra Low Sulfur Diesel #2
- d) 50% Renewable Diesel / 50% Ultra Low Sulfur Diesel #2
- e) 30% Renewable Diesel / 70% Ultra Low Sulfur Diesel #2
- f) 20% Renewable Diesel / 80% Ultra Low Sulfur Diesel #2

2.0 RENEWABLE DIESEL DEFINED

This specification covers the requirements for a 99% percent pure Renewable Diesel fuel that must be suitable for use in diesel engines operating in industrial and heavy mobile, and over-the-road vehicle service applications.

For this purpose, "Renewable Diesel" means a hydrogenation-derived diesel fuel that is not a fossil fuel, instead is produced from non-petroleum renewable resources such as soybean, canola, or rapeseed oil; animal tallow; and natural fats and vegetable oils that are chemically not a mono-alkyl ester and thus distinct from bio-diesel. Producing hydrogenated diesel involves hydrogenating triglycerides to remove metals and compounds with oxygen and nitrogen using existing refinery infrastructure that produces a finished product that meets American Society for Testing and Materials (ASTM) D975 standards as set for diesel fuels. Renewable diesel is chemically the same as petro-diesel, but is produced from recent living biomass.

2.1 ULTRA LOW SULFUR DIESEL DEFINED

This specification covers the requirements for Ultra Low Sulfur #2 Diesel fuel that must be suitable for use in diesel engines operating in industrial and heavy mobile, and off-road and over-the-road vehicle and truck service applications.

For this purpose, "ULSD #2 Diesel" means a distilled, petroleum-derived fossil fuel that contains a lower content of sulfur and consist of large, saturated hydrocarbon molecules that are primarily made up of paraffin's and cycloparaffins, and aromatic hydrocarbons. These are then processed to a finished product that meets ASTM D975 standards for all properties including standards for aromatic and lubricity and sulfur content no higher than 15 parts per million (PPM). ULSD #2 is chemically the same as renewable diesel but produced from crude oil.

3.0 FUEL REQUIREMENTS

For the purpose of fuel requirements within the solicitation, both Renewable Diesel and "ULSD #2 Diesel" must meet all standards under ASTM D975.

Both Renewable Diesel and "ULSD #2 Diesel" must be registered as a motor vehicle fuel or fuel additive under 40 CFR Part 79 and the Environmental Protection Agency (EPA) under section 7545 Clean Air Act section 211. Both Renewable Diesel and "ULSD #2 Diesel" and must meet or exceed the latest versions of the following specifications and standards.

- ASTM - D975-12a: Defines diesel fuels that can be used as a motor vehicle fuel
- ASTM - D6866: This test utilizes Carbon 14 dating to verify the percentage of bio-based of a fuel and petroleum

- The 99% Renewable Diesel fuel to be approved shall have a CI pathway that achieves a 60% or greater GHG reduction when compared to Ultra Low Sulfur #2 diesel.
- Carbon Intensity (CI) #: The CI as measured in (gCO₂e/MJ) for 99% Renewable Diesel shall be no more than 32 to 39gCO₂e/MJ when measured as direct emissions.
- The 99% Renewable Diesel fuel must be approved shall be an ultra-clean burning sustainable, “drop-in” replacement fuel approved for diesel engines.
- The 99% Renewable Diesel fuel and blends thereof shall require no changes or modifications to vehicle or fueling infrastructure.
- The 99% Renewable Diesel fuel shall be capable of injection, neat or splash blend mixing with Ultra Low Sulfur #2 Diesel fuel,
- The 99% Renewable Diesel fuel and blends thereof shall have the potential to make all over-the-road diesel powered vehicles an alternative fueled vehicle (AFV).

Contractor shall provide written notice, two (2) business days prior to delivery whenever there is a change in the Carbon Intensity Value, fuel type feedstock, and/or Carbon Intensity pathway for any Renewable Diesel to be delivered under this contract. Each change shall include a labeled, representative sample for the Utility's record of retention.

4.0 FUEL QUALITY ASSURANCE

Contractor shall provide traceability and specifications of all properties of diesel fuel products provided and delivered. If a request is made to Contractor by the Utility, Contractor shall provide a response tracing of any shipment back to the refinery and product specifications showing testing, ASTM method used in testing, ASTM specification and results of product testing. All request shall be received within ten (10) business days of request.

The delivered product properties shall be inspected and tested according to the methods specified in active standards under ASTM D975-12a using testing methods such as D5453 for sulfur, D5186 for aromatics, D613 for cetane, and D6079 for lubricity as well as all other testing methods stated under ASTM D975-12a.

The quality of all diesel fuel to be purchased under this contract shall also meet or exceed the requirements set forth in the Revised Code of Washington, Chapter 19.112 RCW – Motor Fuel Quality Act.

Contractor shall ensure that all transporting vessels shall be drained, cleaned, and inspected prior to loading if the previous load contained other petroleum product(s) that would contaminate the diesel fuels to be provided.

The finished diesel fuel shall be visually free of un-dissolved water, sediment, and suspended matter and done so in accordance to ASTM D975-12a active standards.

5.0 FUEL STORAGE LIFE

The diesel fuel to be provided shall not deteriorate in ordinary storage and shall not form excessive gum, resin, or deposits.

6.0 FUEL CONTAMINATION

Contractor shall provide diesel fuels that are free from impurities that may cause vehicle/equipment failure.

7.0 FUEL SAMPLING

Contractor shall provide a sample (1000 ml) of the diesel fuel delivered from each truckload. The delivered diesel fuel may be subject to routine testing for confirming concentrations and specification compliance. The Utility shall also have the right to reject any fuel delivery that it determines is unacceptable by its visual inspection.

If the test analysis shows that the delivered fuel does not comply with the ASTM standards and specifications, the Contractor shall be responsible for all the cost related to the test analysis, including shipping and lab test(s), and the Contractor may be required to remove the remaining non-complying fuel. This will assist the Utility in identifying and correcting the source of a fuel quality problems, should they arise.

8.0 FUEL DELIVERY SERVICES

Contractors must be capable of providing 99% Renewable Diesel and a variety of Renewable Diesel and Ultra Low Sulfur Diesel blends.

Contractor shall be required to deliver 99% Renewable Diesel and 99% Renewable Diesel / Ultra Low Sulfur Diesel fuel blends for emergency, bulk, and low volume fuel requests as ordered for large and small capacity underground and above ground fuel tanks in centralized, decentralized, and remote locations, regardless of the volume of fuel to be delivered. **There will be no minimum on fuel order quantities.**

8.1 EMERGENCY DELIVERIES

Emergency deliveries shall be defined as a catastrophic event, man-made or natural disaster, anywhere in the Utility's territory, where providing fuel is vital for any type of relief effort. The range of events can include hurricanes, tornadoes, ice storms, wildfires, earthquakes, floods, oil spills, and power outages. The Contractor shall furnish emergency order contact information and shall be required to receive and respond to all orders for emergency deliveries.

Emergency deliveries shall be a top priority and the Contractor shall be equipped and prepared to fulfill an emergency delivery 7-days a week, 365 days a year, 24-hours a day. In the event of an emergency request, Contractor shall guarantee fulfillment within 16 hours of a verbal, electronic, written or faxed order.

Emergency deliveries shall supersede any other type of delivery request and when invoicing, shall be identified as such.

8.2 BULK DELIVERIES

A bulk delivery shall be defined as a fuel delivery order of **5,001 gallons or more**.

8.3 SMALL TANK / LOW VOLUME DELIVERIES

A small tank / low volume delivery shall be defined as a fuel delivery order of **5,000 gallons or less**.

8.4 SCHEDULED WILL-CALL DELIVERIES

Scheduled will-call deliveries shall be defined as a bulk or small tank / low volume fuel delivery that has been requested verbally, electronically, or in writing for delivery during Monday thru Friday. Contractor shall guarantee all order fulfillments within two (2) working days / 48 hours after receipt of request.

8.5 SCHEDULED HIGH VOLUME DELIVERIES

High volume will-call deliveries shall be defined as a scheduled fuel delivery order of **5,001 gallons or more** every 7 days or less. Contractor shall guarantee fulfillment within 24-hours of a verbal, electronic, written or faxed delivery request.

8.6 DELIVERY ADDITIONS

The Utility shall reserve the right to include additional fuel delivery sites not identified on the pricing worksheets.

8.7 KEEP-FULL DELIVERIES

A keep-full delivery is defined as a guaranteed, pre-scheduled delivery service that is intended to refuel fuel tanks on a regularly scheduled basis.

It is the expectation that a keep-full delivery should result in a just-in-time refueling service to the Utility versus a will-call service. However, absent any written procedures between the Contractor and the Utility, the delivery service for keep full orders shall be the procedures as for a will-call delivery service.

8.8 KEEP-FULL DELIVERY SETUP

The keep-full delivery service requires the Utility and the Contractor to have a post award dialog in setting up a schedule that meets the Utility's requirements. With the keep-full delivery service, the Contractor is to guarantee that fuel storage tanks always retain sufficient inventory to satisfy the Utility's requirements and never go dry.

The expectation is that fuel tank levels shall never go below 20% of capacity before refueling occurs. However, the Utility shall be permitted to adjust this percentage up or down and do so in writing, depending upon its own unique business requirements.

If the Utility elects to keep-full, it shall insure that the Contractor is sufficiently informed of tank level volumes and, whenever possible, it shall notify the Contractor of any anticipated unusual increases in fuel demands.

8.9 KEEP-FULL COVERAGE

Prior to initiating a keep-full delivery, the Utility will provide the Contractor with a completed delivery profile questionnaire, which identifies such information as:

1. Fuel tank profile information (i.e. site location, site contact, tank size, fuel type, etc.)
2. Available delivery times and or the days and times when deliveries can or cannot occur.
3. Minimum allowable tank level capacity before refueling is to occur.
4. Delivery access procedures and protocols and or special instructions if any.
5. Requested activation date (not to exceed 5-calander days of request).
6. Keep-full delivery service fees, if any.

Once the Contractor is in receipt of the completed profile, the Contractor is to identify how often fuel tank level readings are to be provided to ensure that the fuel tanks shall never go dry. Afterwards, the Contractor is to sign and return the completed profile questionnaire to the Utility's designated representative and keep-full coverage shall then, and not before, become active.

8.10 KEEP-FULL INVENTORY MANAGEMENT

The Contractor is ultimately responsible for monitoring fuel tank inventory levels. But, if the Utility elects to keep-full, it will provide tank level data to the Contractor. If keep-full fuel tanks are equipped with an electronic tank level monitoring system, the Utility may choose to grant the Contractor remote access to the data on a read only basis.

Additionally, if both parties agree, the Contractor (at their own expense) may equip fuel tanks with electronic tank level monitoring equipment. The Contractor will be responsible for the cost of maintaining this equipment.

8.11 ADDITIONAL FUEL TANKS

During the life of the contract, the Utility may add or delete fuel requirements and delivery locations.

9.0 FUEL TANK SIZES AND LOCATIONS

Contractor shall be required to provide delivery coverage for all tanks and all locations identified within this bid request.

9.1 REMOTE SMALL CAPACITY TANKS

Contractor is also required to deliver to all remote locations with small tanks.

10.0 EQUIPMENT FOR FUEL DELIVERIES

When making deliveries under this contract, the successful Contractor shall use equipment that complies with all applicable Federal, State and local governmental regulations.

10.1 BULK FUEL DELIVERY EQUIPMENT

Bulk fuel delivery equipment shall be defined as a metered or non-metered, truck and trailer capable of delivering 5,001 gallons or more.

10.2 SMALL TANK / LOW VOLUME FUEL DELIVERY EQUIPMENT

Small tank / low volume delivery equipment shall be defined as a metered tank truck wagon capable of hauling 5,000 gallons or less.

11.0 PROOF OF DELIVERIES

To verify that a delivery has been completed, Contractor must provide supporting documentation for each individual delivery. This may include, but may not be limited to, a "Load Ticket" or similar document showing,

- The description and blend of each type of fuel delivered, in gallons,
- The total quantity of fuel delivered for each location,
- The before and after delivery stick level readings used to validate the volume of fuel delivered,
- The Utility's name and account number,
- The date and time of each fuel delivery,

Contractor delivery staff shall measure the fill status of the fuel tank before dispensing any fuel and upon completing any fuel delivery.

12.0 SPILLAGE

The Utility has a "zero" leakage standards for fuel transfer operations. The Contractor shall provide equipment for and training of delivery staff to minimize the chance of spillage during connection and disconnection of hoses and transfer of fuel. In the event of a leakage or spillage, it shall be the Contractors responsibility to provide containment, cleanup, disposal, and restoration activities. Contractor shall be responsible for all costs arising from any leakage or spillage of fuel that results from a fuel delivery under this contract.

12.1 OIL SPILL CONTINGENCY PLAN

Contractor fuel deliveries must comply with the Washington States Oil Spill prevention measures and it must notify all governing regulating parties of any fuel spills during deliveries.

Contractor must have an approved "Oil Spill Contingency Plan."

Contractor delivery staff must immediately suspend any fuel delivery creating an alarm condition. Deliveries must not exceed 90% ullage of fuel tank capacity.

13.0 REQUIREMENTS AND QUALIFICATIONS

Contractor must be an authorized provider of the fuels and blends delivered under this contract.

Contractor must have the capability to begin fulfillment of contract and start deliveries within 15 business days of contract award date.

Contractor may be required to provide a copy of their fuel supply contract and a letter from their supplier, showing sufficient sources and volume to perform in accord to contract terms and conditions.

14.0 STANDARDS AND CODES

Contractor shall fully comply with and meet all applicable laws, regulations, standards and codes in effect to the within the State of Washington. In the event of any conflict between the requirements of this proposal and any legal requirements, the legal requirements shall prevail.

15.0 SAFETY DATA SHEETS

Federal law requires that all potentially hazardous materials must be identified and be accompanied with a "Safety Data Sheet" (SDS) at the delivery site. Contractor shall provide a Material Safety Data Sheet (SDS) for the fuels, chemicals or additives to be delivered or added to the fuels to be delivered.

16.0 FUEL PRICING

OPIS Wholesale Rack prices are the oil industry's most widely used benchmarks in the fuels market today and the most used for establishing cost before marking up or marking down. Benchmark data is critical for invoice reconciliation and OPIS is deemed the best method that provides a fixed point to reconcile and evaluate pricing.

Because the market dictates pricing on a *daily basis*, the Portland, Oregon OPIS Wholesale Rack Average pricing will be the primary factor for this contract and will be allowed to fluctuate with the market on a *daily basis* for the life of this contract, so as long as the multipliers / margins stays the same.

For Renewable Diesel, the Portland, Oregon OPIS Wholesale Rack Average price for R99 Ultra Low Sulfur Distillate will be deemed the price to be used for establishing cost before marking up or marking down and will serve as the basis for establishing the delivered fuel price on the day the fuel is delivered.

For Ultra Low Sulfur Diesel #2, the Portland, Oregon OPIS Wholesale Rack Average price for Ultra Low Sulfur Diesel Distillate No. 2 will be deemed the price to be used for establishing cost before marking up or marking down and will serve as the basis for establishing the delivered fuel price on the day the fuel is delivered.

In the event the OPIS publication is not available, due to holidays, etc..., the following day OPIS publication will be the basis for establishing the delivered fuel price.

16.1 FUEL PRICING DISCLOSURE

All Bidders must disclose on the Bid Form if their price of fuel will, or will not include any fuel credits (LCFS) or renewable identification numbers (RINS). Disclosures must be specific to the type of fuel credit and the added cost (use cost based on the day prior to bid closing).

Bidders not including this information on the Bid Form will be rejected as non-responsive.

16.2 OPIS UNAVAILABILITY

Should the Portland, Oregon OPIS Wholesale Rack pricing become unavailable or should the Portland, Oregon OPIS Wholesale Rack Average price for R99 Ultra Low Sulfur Distillate used for pricing become unavailable, this contract can be terminated with a thirty (30) day notice.

The Utility reserve the right to negotiate a substitute pricing mechanism with the Contractor which shall then result in a mutually agreed upon contract amendment.

17.0 SERVICE FEES

No service or delivery fee shall be included as an additional separate line item charge. All overheads and profit margins must be incorporated into the multiplier/margin.

All fuel pricing must be **F.O.B.**, to delivered site for the full term of this contract.

18.0 PRICE MULTIPLIER/MARGIN

All Contractors responding to this BID must specify a firm fixed fee/price also known as a multiplier or margin (i.e., Not Subject to Change) per gallon for each gallon of fuel to be provided. The multiplier / margin must not be more than four (4) digits past the decimal point (example \$.1234) on a cost per gallon basis.

Price "per gallon" is a calculation of the Portland, Oregon OPIS Wholesale Rack Average price for R99 Ultra Low Sulfur Distillate and the contractor's multiplier / margin on the day the fuel is delivered, as per fuel pricing stated in Section 16.

The "per gallon" multiplier / margin is a firm fixed price markup or mark down per gallon of fuel and shall include all administrative charges, all overheads, all profits, all transportation fees, all surcharges, and other incidental cost associated with managing this contract.

Do not list as separate pricing any fees associated with a small tank delivery, emergency delivery or remote location with small volume capacity tank delivery, as these fees must be included in the multiplier / margin.

The computation below illustrates an example of how the fuel would be priced on a per gallon basis:

Portland R99 Rack Average	Fuel Credit (LCRS/RINS)	Multiplier / Margin	Gallons	Delivered Fuel Price
\$3.50 per gallon	\$0.20 gallon	\$0.02 gallon	9,001	\$33,483.72

19.0 FUEL TAXES

Contractor must identify all applicable government imposed fuel related taxes and other required fees applicable to fuel purchases as a separate line item on each invoice on a pass thru basis. Contractor must not to include these taxes and fees in its price per gallon multiplier / bid margin.

Because the Utility is a governmental entity, it is exempt from Federal excise taxes on diesel fuel purchases. The Utility is not exempt from Washington State sales tax and any other government imposed pass thru taxes or required fees on diesel fuel purchases. If required, Contractor may request an exempt certificate.

20.0 FUEL PRICE ADJUSTMENTS

The Utility recognizes that the petroleum market fluctuates. The Not-Subject to Change Multiplier / Margin in combination with the OPIS index price allows the Contractor to protect profit, regardless of market fluctuation. Furthermore, because government imposed fuel related taxes and required fees are passed-through, any government imposed fuel related taxes and required fees should not impact the Contractor.

The Not-Subject to Change Multiplier/Margin(s) at time of bid shall be firm for the full contract term.

If, however, during any term of the contract lower prices and rates become effective for like quantities of products under similar terms and conditions, through reduction in contractor's list prices, promotional discounts, clean fuel credits or other circumstances, purchasers must be given immediate benefit of such lower prices and rates.

21.0 INVOICING REQUIREMENTS

Contractor shall provide a properly completed invoice for each purchase of fuel. All invoices shall be provided for delivery of fuel, within 48 hours of delivery.

Each invoice shall be identified by the Utility's unique information, date of purchase, order number, and remit to address and shall be payable in U.S. dollars.

Hard copy credit memos must be issued when there have been overcharges.

Invoices will not be processed for payment until receipt of a properly completed invoice denominated in U.S. dollars and until all invoiced items are received and satisfactory performance of Contractor has been accepted by the Utility. If an adjustment in payment is necessary due to damage or dispute, payment period shall commence on the date final approval for payment is authorized.

21.1 VALIDATION OF INVOICES

Contractors should recognize that the ability to validate contract pricing and terms have been fulfilled is imperative. Therefore, to streamline invoice auditing, invoices must be accompanied with all supporting documentation to verify that contract prices have been correctly calculated and that all terms have been fulfilled. This may include but may not be limited to,

- A copy of the applicable OPIS posting used to calculate contract pricing
- A copy of the meter ticket or bill of lading as applicable
- Record of before & after delivery stick level readings
- Delivery receipt signed by the appropriate customer representative

Supporting documentation must be sent to the Utility within 2-3 business days of the delivery and electronic invoices are to be followed up with mailed and hard copies. To ensure that invoices are processed in a timely manner, Contractor must be diligent in preparing invoices accurately as incorrect invoices may be returned unpaid for correction, reissue, and will likely result in delayed payments.

END OF SECTION

BID FORM

TO: Clark Public Utilities
Ed Fischer Operations Center
Attn: Purchasing Dept.
8600 NE 117th Ave.
Vancouver, Washington 98662

BID:

Pursuant to and in compliance with the Bid Documents, the undersigned hereby proposes to furnish and deliver the specified materials/equipment in strict accordance with the Contract Documents for the price(s) indicated below.

Fuel Pricing Per Gallon				
OPIS Rack Reference City:	Portland, Oregon			
OPIS Rack Index:	Rack Average For R99 Ultra Low Sulfur Distillate			
Fuel Product:	99% Renewable Diesel			
Each Delivery Quantity:	100 - 2,001 Gallons	2,001 – 5,000 Gallons	5,001 – 7,500 Gallons	7,500 – 10,000 Gallons ➤
(Not to Exceed) Margin / Multiplier FOB:				
<u>FUEL PRICING DISCLOSURE</u> All Bidders must disclose if their price of fuel will, or will not include any fuel credits (LCFS) or renewable identification numbers (RINS). Disclosures must be specific to the type of fuel credit and the added cost (use cost based on the day prior to bid closing). ☐ Fuel price will include LCFS or RINS: \$ _____ ☐ Fuel price will not include LCFS or RINS Comments / Explanations:				

Fuel Pricing Per Gallon				
OPIS Rack Reference City:	Portland, Oregon			
OPIS Rack Index:	Rack Average For Ultra Low Sulfur Distillate			
Fuel Product:	Ultra Low Sulfur Diesel No.2			
Each Delivery Quantity:	100 - 2,001 Gallons	2,001 – 5,000 Gallons	5,001 – 7,500 Gallons	7,500 – 10,000 Gallons >
(Not to Exceed) Margin / Multiplier FOB:				
<u>FUEL PRICING DISCLOSURE</u> All Bidders must disclose if their price of fuel will, or will not include any fuel credits (LCFS) or renewable identification numbers (RINS). Disclosures must be specific to the type of fuel credit and the added cost (use cost based on the day prior to bid closing). ☐ Fuel price will include LCFS or RINS: \$ _____ ☐ Fuel price will not include LCFS or RINS Comments / Explanations:				

ADDITIONAL INFORMATION REQUIRED

- | | | |
|---|----------|---------|
| 1. Fuel meets Motor Fuel Quality Requirements | ____ Yes | ____ No |
| 2. Fuel meets Low Carbon Fuel Standards | ____ Yes | ____ No |
| 3. Fuel meets ASTM D975 & D6866 Standards | ____ Yes | ____ No |
| 4. Fuel meets Low Carbon Intensity Requirement | ____ Yes | ____ No |
| 5. Any exceptions to the BID (must be attached to response) | ____ Yes | ____ No |

SALES TAX:

Bidder agrees that the price(s) as quoted in the Bid Form(s) are all-inclusive and include(s) all material, supplies, equipment, special tools, costs, insurance, permits, all taxes (exclusive of Washington State sales tax and fuel taxes), shipping and delivery, overhead, profit, and all miscellaneous items to fulfill the Contract as specified.

(See Instructions to Bidders and Technical Specifications for Fuel Tax requirements)

CONTRACT EXECUTION:

- A. Contract Execution: If the Owner awards a contract based on this bid within sixty (60) calendar days of the bid submission deadline, the Bidder agrees to execute a contract for the above materials/equipment, for compensation computed from the above stated bid amounts, on the Public Utility District No. 1 of Clark County Purchase Contract form.
- B. Bonds: Bidder shall submit executed Contract and Performance Bond within ten (10) calendar days after receipt of award notice and Purchase Contract from the Owner.
- C. Failure to Execute Contract: If the successful bidder, upon award of a contract by the Owner, fails to execute the Purchase Contract or submit the Performance Bond as required within the time specified, Owner may revoke the award. The bid guaranty may be retained by Owner as liquidated damages, not as a penalty. If a contract is not awarded within sixty (60) days after the bid submission deadline, or if the Bidder delivers a signed Purchase Contract and Performance Bond, then the certified or cashier's check submitted as the bid guaranty shall be returned to the bidder, or the Bid Bond shall become void.

DECLARATION:

- A. Familiarity with Bid Documents: The undersigned Bidder hereby certifies to have personally and carefully examined the Bid Documents issued.
- B. Bid Guaranty: The Bidder has enclosed a Bid Guaranty in the amount of five percent (5%) of the Total Bid that could be awarded including Alternates, Additives, excluding sales tax in the form of a cashier's check, certified check, or bid bond.
- C. Validity of Bid: The Bidder agrees that this bid shall be valid and not withdrawn for a period of 60 days from the bid submission deadline.
- D. Proposal: The Bidder hereby proposes to furnish materials/equipment, and services in strict accordance with the Contract Documents for the Total Bid indicated above. The bid prices cover all expenses of the Bidder, including but not limited to, overhead, profit, insurance, and bonding, in accordance with the Contract Documents.
- E. Non-Collusion: The Bidder affirms that the bid is a genuine and not a sham or collusive bid, or made in the interest or on behalf of any person not therein named. The Bidder has not directly or indirectly induced or solicited any bidder on the work to put in a sham bid, or any other person or corporation to refrain from bidding, and that the Bidder has not in

any manner sought by collusion to secure for itself an advantage over any other bidder or bidders. The Bidder has not entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free, competitive bidding in the preparation and submission of this bid to the Owner for the project described in the Bid Documents.

- F. Compliance with Applicable Laws and Regulations: Bidder agrees that if awarded the contract, Bidder will comply with the requirements of all applicable federal, state, and local laws and regulations.

Bidder's Business Name:		
Type of Business: ☐ Sole Proprietorship ☐ Partnership ☐ Corporation (State of Incorporation: _____) ☐ Other		
Bidder's Washington UBI No:		
Physical Business Address (Must not be a P.O. Box):		
City:	State:	Zip Code:
Business Telephone Number:	Business Fax Number:	Business E-mail Address:
Receipt is hereby acknowledged of Addenda No(s): _____		

OFFICIAL AUTHORIZED TO SIGN FOR BIDDER:

"I certify (or declare) under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct":	
Signature:	Date:
Print Name and Title	Location or Place Executed: (City, State)

END OF SECTION

BID BOND
to Public Utility District No. 1 of Clark County

KNOW ALL BY THESE PRESENTS: That we _____, as Principal, and _____, as Surety, are jointly and severally held and firmly bound unto Public Utility District No. 1 of Clark County, hereinafter called the Obligee, each in the penal sum of five percent (5%) of the Principal's Total Bid price for the work, this sum not to exceed _____ Dollars (\$_____) (hereinafter referred to as "penal sum") of lawful money of the United States, for the payment whereof unto the Obligee.

WHEREAS, the Principal is herewith submitting its offer for the fulfillment of:

(Project Name) _____ (Project Number) _____

NOW, THEREFORE the condition of this obligation is such that if the Principal is awarded the Contract, and if the Principal, within the time specified, fulfills all of the requirements of the Contract Documents which are conditions precedent to the execution of the Contract, enters into, executes and delivers to the Obligee an agreement on the form provided by the Obligee complete with evidences of insurance, and if the Principal, within the time specified, gives to the Obligee the Performance and Payment Bonds on the forms provided by the Obligee, then this obligation shall be void; otherwise, the Principal and Surety shall pay unto the Obligee the penal sum; provided however, in no event shall the Surety's liability exceed the penal sum.

AND IT IS HERBY DECLARED AND AGREED that the Surety shall be liable under this obligation as Principal, and that nothing of any kind or nature whatsoever that will not discharge the Principal shall operate as a discharge or a release of liability of the Surety.

IT IS HEREBY FURTHER DECLARED AND AGREED that this obligation shall be binding upon and inure to the benefit of the Principal, the Surety and the Obligee and their respective heirs, executors, administrators, successors and assigns.

SIGNED AND SEALED this ____ day of _____, 20__.

Principal: _____

Surety: _____

Authorized Signature

Authorized Signature

Printed Name and Title

Printed Name and Title

Business Address

Business Address

City, State, Zip

City, State, Zip

Telephone

Telephone

Note: A currently dated power of attorney must be provided which appoints the Surety's true and lawful attorney-in-fact to make, execute, seal and deliver this bid bond.

Last Revised: March 12, 2018

APPENDIX A

- PURCHASE CONTRACT
- PURCHASE ORDER TERMS AND CONDITIONS
- PERFORMANCE BOND

PURCHASE CONTRACT

This contract made and entered into this _____ day of _____, 20__
by and between **PUBLIC UTILITY DISTRICT NO. 1 OF CLARK COUNTY**, a municipal
corporation of the State of Washington, hereinafter designated "Utility" and
«nameall_caps__bold», having offices in «Office_in», hereinafter designated "Company";

WITNESSETH:

The Company having heretofore submitted a bid, pursuant to the Utility's Bid
Invitation No. «bid_no» for the delivery of «Items_awarded», as more specifically
hereinafter described, of said bid having been accepted by the Utility;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

The Utility agrees to purchase from the Company, and the Company agrees to
furnish and deliver to the Utility f.o.b. freight prepaid and allowed, the Utility's Ed Fischer
Operations Center, 8600 N.E. 117th Avenue, Vancouver, Washington 98662, the
following estimated quantities:

Item	Quantity	Description
		«Items_awarded»

strictly in accordance with the Utility's Bid Invitation No. «bid_no», at unit prices shown on
the attached bid form and the Technical Specifications, Special Conditions and
Instructions to Bidders issued in conjunction therewith, and the Company's bid thereon as
accepted by the Utility on «award_date», all the provisions of which are by reference
incorporated herein.

As consideration for the furnishing of this material, the Utility agrees to pay, and the Company agrees to accept as the total price, the sum of «amount_in_words» (\$«amount»), together with applicable Washington State sales taxes, payable for material as delivered, for which payment shall be made within thirty (30) days from date of delivery and acceptance.

IN WITNESS WHEREOF, the parties have hereunto set their hands and caused this instrument to be executed by their duly authorized officers, respectively, as of the day and year first above written.

**PUBLIC UTILITY DISTRICT
NO. 1 OF CLARK COUNTY**

«nameall_caps__bold»

Wayne Nelson, CEO/General Manager

Date

Typed/Printed Name

Title

Date

Approved as to form:

John Eldridge, Legal Counsel

CLARK PUBLIC UTILITIES
Terms and Conditions

1. **ACCEPTANCE** Buyer recognizes that Seller may for operating convenience desire to utilize its own form in acknowledging this order, or otherwise acknowledge it than by simple acceptance. Therefore, it is agreed that any provision in the form of acceptance used which modifies, conflicts with, or contradicts any provision of this order shall be deemed to be waived. This order can be accepted only on the terms set forth hereon.
2. **AGREEMENT AND MODIFICATIONS** This purchase order and any applicable bid documents, represent the entire agreement between Buyer and Seller and there are no prior or contemporaneous, or written understandings or agreements binding on Buyer affecting the subject matter of this order other than expressly referred to therein. No agreement or other understanding in any way modifying the conditions of the contract resulting from the acceptance of this order will be binding upon Buyer, unless made in writing and signed by its authorized representative.
3. **WARRANTY – PRICE** This order must not be filled at prices higher than shown hereon without Buyers approval.
4. **WARRANTY – PRODUCT** Seller warrants that all goods and work shall conform exactly to specification, drawings, and/or other description free from any defects in materials and workmanship and be merchantable. All goods received shall be subject to District inspection within a reasonable time (not less than ten (10) days) after receipt at designated receiving station. Buyer reserves the right to hold at Seller's risk or to return any goods which are not approved or do not comply with any condition hereof, and Seller will bear and reimburse Buyer for all expenditures incurred by Buyer in connection with any such goods so returned. Product substitutions of materials and supplies will not be allowed without prior consent in writing from Buyer. In addition, bid documents (if applicable) will outline specific product warranties.
5. **PRIOR DELIVERY – FORCE MAJEURE** Unless otherwise provided in this order, or in other written agreement, delivery in whole or in part shall not be made more than fifteen (15) days prior to the agreed delivery date or dates, and earlier deliveries may be returned at Seller's risk and expense. The delivery date(s) stated is material, and any delay may result in additional costs to Buyer. However, the agreed schedule may be changed if the Buyer determines that the delay was due to unforeseeable causes beyond the control and without the fault or negligence of Seller and Seller notifies Buyer in writing of the cause of such delay within a reasonable time from the beginning thereof or such longer period as Buyer may grant in writing. Failure to meet scheduled delivery may result in termination of Purchase Order.
6. **ASSIGNMENT** (a) Seller may not assign this Purchase Order or any interest herein without prior written consent of Buyer except that claims for monies due or to become due under the contract may be assigned to a bank, trust company, or other party providing financing without consent. Buyer shall be furnished with two executed copies of any such assignment. Payment to an assignee of any such claim shall be subject to setoff or recoupment for any present or future claim or claims which Buyer may have against Seller except to the extent that any such claims are expressly waived in writing by Buyer. Buyer reserves the right to make direct settlement or adjustments in the price with Seller under terms of this contract notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee (b) Seller shall obtain Buyer's written approval before subcontracting the Purchase Order, components, or any portion hereof, provided, however, this limitation shall not apply to purchase by Seller of standard commercial supplies or raw material. If Buyer approved subcontracting, Seller shall select subcontractors, including suppliers, on a competitive basis.
7. **DELIVERY TERMS, TITLE, AND RISK OF LOSS F.O.B.** destination, freight prepaid, unless delivery terms are specified otherwise. The title and risk of loss of goods shall not pass to Buyer until Buyer actually receives and takes possession of the goods at the point or points of delivery.
8. **CHARGES AND FREIGHT** No charges will be allowed for packaging, boxing, crating or cartage, except by specific agreement. All shipments must be prepaid.
9. **TERMINATION** Buyer shall have the right to terminate this contract or order at any time by notice in writing. In the event of any termination, the Buyer may pay the costs, if any, of setting or discharging the Seller's obligations for materials received prior to termination date.
10. **PATENTS** Unless otherwise agreed in writing, Seller agrees to assume defense of any suit for infringement of patents brought against Buyer or its vendees, based upon the goods covered by this order constituting an infringement, and to indemnify Buyer and said vendees against any decree, costs, and/or attorney's fees in such suit.
11. **PERFORMANCE** Failure of the Buyer to insist on strict performance or observance by the Seller of the within order, or of these conditions, or of Buyer's rights, in any one or more instances shall not constitute a waiver by the Buyer of such performance, conditions, or rights either then or for the future.
12. **ATTORNEY'S FEES** If Buyer consults or retains an attorney because of any failure by Seller to perform any obligation hereunder or because of any dispute with Seller as to the meaning of this agreement, regardless of whether or not litigation or other grievance procedures are commenced, Seller shall pay Buyer all attorney's fees so incurred by Buyer.
13. **GOVERNING LAW AND JURISDICTION** This Purchase order is made pursuant to the laws of the State of Washington and shall be construed, interpreted, and governed under such law. The parties have expressly referred to RCW Ch. 62A, herein, and intend that the Uniform Commercial Code as enacted in that chapter shall govern all disputes arising under the Purchase Order. If litigation arises hereunder or as a consequence of any transaction contemplated or resulting from this Purchase Order or either party's performance or breach thereof, jurisdiction and venue of such litigation shall be in the Superior Court for the State of Washington, Clark County.
14. **RIGHT TO ADEQUATE ASSURANCE OF PERFORMANCE** The provisions of RCW 62A.2-609 shall apply to this transaction.
15. **MATERIAL REQUIREMENTS** The materials furnished hereunder shall conform to minimum specification, standards, and/or requirements of R.E.A., D.S.H.A., and/or W.I.S.H.A., A.N.S.I., N.F.P.A., I.P.C.E.A., N.E.M.A., A.S.T.M., A.E.I.C., where applicable.
16. **ERRORS AND OMISSIONS** Buyer is not to be held responsible for typographical or clerical mistakes.

Last revised: June 2016

PUBLIC WORKS PERFORMANCE BOND
to Public Utility District No. 1 of Clark County, Washington

Bond No. _____

The Public Utility District No. 1 of Clark County, Washington (Utility) has awarded to _____ (Principal), a contract for the construction of the project designated _____ as

Project No. _____ in _____, Washington (Contract), and said Principal is required to furnish a bond for performance of all obligations under the Contract.

The Principal, and _____ (Surety), a corporation, organized under the laws of the State of _____ and licensed to do business in the State of Washington as surety and named in the current list of "Surety Companies Acceptable in Federal Bonds" as published in the Federal Register by the Audit Staff Bureau of Accounts, U.S. Treasury Dept., are jointly and severally held and firmly bound to the Utility, in the sum of _____ US Dollars (\$ _____) Contract Award Amount, subject to the provisions herein.

This statutory performance bond shall become null and void, if and when the Principal, its heirs, executors, administrators, successors, or assigns shall well and faithfully perform all of the Principal's obligations under the Contract and fulfill all the terms and conditions of all duly authorized modifications, additions, and changes to said Contract that may hereafter be made, at the time and in the manner therein specified; and if such performance obligations have not been fulfilled, this bond shall remain in full force and effect.

The Surety for value received agrees that no change, extension of time, alteration or addition to the terms of the Contract, the specifications accompanying the Contract, or to the work to be performed under the Contract shall in any way affect its obligation on this bond, and waives notice of any change, extension of time, alteration or addition to the terms of the Contract or the work performed. The Surety agrees that modifications and changes to the terms and conditions of the Contract that increase the total amount to be paid the Principal shall automatically increase the obligation of the Surety on this bond and notice to Surety is not required for such increased obligation.

This bond may be executed in two (2) original counterparts, and shall be signed by the parties' duly authorized officers. This bond will only be accepted if it is accompanied by a fully executed and original power of attorney for the officer executing on behalf of the surety.

PRINCIPAL

SURETY

Principal Signature _____ Date _____

Surety Signature _____ Date _____

Printed Name _____

Printed Name _____

Title _____

Title _____

Name, address, and telephone of local office/agent of Surety Company is:

APPENDIX B
CONTRACTOR PROFILE

Company Name: _____

Business Address: _____

Federal Tax ID #: _____

Contract Administrator: _____

Contact Information Phone: _____ Email: _____

A/Receivable Address: _____

Contact Information Phone: _____ Email: _____

A/Payable Address: _____

Contact Information Phone: _____ Email: _____

24/7 Emergency Contact Information

Contact Name: _____

Dispatch Contact #: _____

Business Address: _____

Contact Information Phone: _____ Email: _____

Printed Name and Title

Authorized Signature

Date



Staff Report 102-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 7/15/2019

SUBJECT Carson Oil Contract for E10 Unleaded Fuel Purchases

Key Points

- The City initially contracted with Carson Oil through the Oregon State Contract #0472 for the purchase of E10 unleaded fuel for City of Vancouver fueling sites.
- The City's procurement rules and regulations provide that public works purchasing contracts below \$300,000 for which there is budget appropriation may be executed administratively without City council approval.
- Because the costs of the E10 unleaded fuel ordered to date was below \$300,000.00, the matter was not brought to City Council for approval. However, based on current needs, the City would like to engage Carson Oil for further fuel purchases, which would bring the total dollar expended under this contract to over \$300,000.00. Accordingly, staff is bringing this matter to Council for approval of expenditure over \$300,000.00.
- This contract does not expire until 12/30/2019. This contract cannot be extended beyond this date.
- The original contract was competitively bid and conforms with bidding requirements set forth by the State of Washington.

Strategic Plan Alignment

None.

Present Situation

The City uses State of Oregon contract #0472 with Carson Oil for purchases of E10 unleaded fuel.

Equipment Services would like authorization to continue to use the contract to purchase up to the

Council-approved annual budgeted amount for fuel purchases through the end of the contract, which is 12/30/2019.

The City will purchase up to the approved levels authorized by Council in 2019.

Advantage(s)

1. Currently, the City purchases E10 unleaded fuel through the State of Oregon contract that match the current fuel requirements of the City of Vancouver.
2. The vendor covered under this contract has continuously provided high quality; reliable delivery and service to the various City of Vancouver fueling locations.
3. The approval for continued use of this contract will enable Equipment Services to order the required E10 unleaded fuel while taking advantage of the Oregon State contract's competitive pricing.

Disadvantage(s)

None.

Budget Impact

- Utilizes an existing contract through the State of Oregon that is good through 12/30/2019.
- Actual expenditures under this contract are subject to current and future budget appropriations approved by City Council.
- The expenditures under this contract are anticipated to be \$310,000 in 2019. These expenditures are subject to current and any future budget appropriations approved by City Council.

Prior Council Review

None.

Action Requested

Authorize the City Manager or his designee to approve purchases under the Oregon State Contract #0472 for the life of the contract with Carson Oil.

Dan Zenger, Equipment Services Superintendent, 487-8205

ATTACHMENTS:

- ▢ State of Oregon Contract #072

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Carson Oil Co., Inc.
Bulk Fuel Deliveries, Unleaded Gas, Diesel

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Supplier Address

Carson Oil Co., Inc.
P.O. Box 10948
3125 NW 35th Ave
Portland, OR 97296-0948

Contact: Matt Benz
Phone: 1 (503) 471-4358
Fax:
Email: benz@carsonTeam.com

Receiving Address

See purchase order

Contract # 0472
Amendment # 19
Revision Date 05/07/2019
Contract Start Date 01/10/2007
Expiration Date 12/30/2019
Supplier Number 11103

All dates are mm/dd/yyyy

Contract Filed At
DAS PS

Attachments Exist

Secondary Suppliers Do Not Exist

Contract Administrator

State Procurement Office
1225 Ferry Street SE, U140
Salem, OR 97301-4285

Contact: Blake Schwabauer
Phone: 1 (503) 378-4653
Fax: 1 (503) 373-1626
Email: blake.j.schwabauer@oregon.gov

Amendment #19-THR-Amendment #26-Add Location: City of Vancouver

Revision #1 5/3/19 Updated Insurance Information PM

Amendment #18-THR Amendment #25- Amending- deleting some language from previous Amendment #24:
Deleting some tanks from Tillamook County from their Add Locations.

Amendment #17-THR-Amendment #24: Add Location Tillamook County; Previous Amendment #23: Add Location
was Neskowin Regional Water District.

Amendment #16-THR Amendment #23: Add Location

Revision #2 - uploaded Amd #21 adding WOU and Amd #22 adding four ODOT locations 2/28/19

Revision #1 - Amendments #19 & #20 have been revised to show the correct rack (Eugene KM). Removed
old #19 & #20 and replaced with revised amendments #19 & #20. 9/24/18 AC

Amendment #20 - add location Lane Transit District 9/4/18 AC

Amendment #19 - add new location Lane CC 8/28/18 AC

Revision #1 - Updated COI

Amendment #18 - Extended for time, add locations and Updated Buyers Guide - WS

Revision #2: Update contract administrator to Blake Schwabauer

Revision #1: Added Darwin Kumpula as the new contract administrator.

Amendment #17; to add customer drop location. Kulongoski Army Aviation Support Facility, Oregon
Department of the Military. 07/09/2017 - ND

Revision #1-Updating current insurance

Amendment #11 GFS | Extend Contract as per Approved Special Procurement DASPS-2707-16 | 11/30/2016

Revision #3 Insurance Update 11/08/2016 js

Revision #2-Added Greg F. Smith as the new contract administrator.

Revision #1: Update certificate of liability insurance expirations. 2/24/2016 ns

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Bulk Fuel Deliveries, Unleaded Gas, Diesel

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Amendment #10: Add final year to contract

Revision #1 - update contract administrator from Josh Rogers to Dave Reynolds. JS: 8/12/15

+++++

Amendment # 9 is actually agreement amendment no. 15, which adds a location. All other terms and conditions remain the same. JR 2/24/2015

Revision # 2: Update certificate of liability insurance expirations. 2/19/2015 ns

Revision # 1: Update certificate of liability insurance expirations. 12/9/2014 ns

Amendment # 8 is actually amendment no 14 to PA, which extends the PA for one year. All other terms and conditions remain the same. JR

Revision # 1 Update Certificate of Liability Insurance expiration. bjw 3/24/14

Amendment # 7 is actual Amendment no 13 to the Price Agreement, which adds locations. All other terms and conditions remain the same. JR 1/6/2014

Amendment # 6 is Actual Amendment No 12 to the Price Agreement. All other terms and conditions remain the same. JE 1/6/2014

Amendment # 5 is contrac Amendment No. 11; Adds a location. JR

Revision # 1 To update contract administrator to Joshua Rogers. JK 7/30/13

Amendment # 4: Extend term to 01/09/14

Revision # 2 Updated insurance Sadie Bye 10.11.12

Revision # 1: Update Insurance

Amendment # 3: Adding locations

Revision # 1- New Contract Administrator from Bill B. to Kim Leeker

Amendment # 2 - Add location - Sherwood, OR

wab 11/02/2011

Revision # 3 - Added W/C coverage SRY 10/14/11.

Revision # 2 - Revise order of insurance listing in ORPIN per certificate of insurance SRY 10/14/11.

Revision # 1 - Update insurance SRY 10/14/11.

Amendment # 1 _ Add new location; Albany

wab 7/19/2011

Revision # 4 Updated Insurance (CGL,Auto, Excess)ms 1/25/11

Revision # 3 Updated insurance (CGL) 10/5/10 Murray

Revision # 2 - Update Permitted Usrs

wab 9/7/2010

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Carson Oil Co., Inc.

Bulk Fuel Deliveries, Unleaded Gas, Diesel

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Revision # 1 - Update Permitted Users

wab 9/3/2010

Header Comments

This agreement (the "Price Agreement") is entered into as of the Effective Date by the State of Oregon, acting by and through the State Procurement Office of the Department of Administrative Services (the "State") and Carson Oil Company ("Contractor"). The State and the Contractor are collectively referred to as the "Parties". This is a requirement Contract for State Agencies subject to DAS authority for all items with the exception of the Bio-Diesel items. The Bio-Diesel items are included in this Contract as convenience items. The State issued ITB # 102-2118-5 seeking offers from qualified and responsible vendors to provide the Goods described in this Price Agreement to Authorized Purchasers.

Contractor submitted an offer in response to the ITB offering to provide the Goods described in this Price Agreement in strict accordance with the terms and conditions set forth in this Price Agreement

The State has awarded this Price Agreement to Contractor.

Items are listed as Unit Price. Unit Price is the Contractor Markup actual. Contract Price shall be calculated as follows:

"Contract Price "means the price calculated by adding the 10:00 a.m. Eastern Time OPIS Gross Daily Contract Average Price to the Location Mark-up.

Bio-Diesel - Carson Oil, Inc. will use the B2 thru B100 Contract Average OPIS Index from the associated Rack for B2 thru B100 deliveries. The mark up over the OPIS daily rack contract price for delivery will be the same whether the product is B2, B5, B10, B15, or B20 thru B100 for any location awarded. Transaction Price would be the contract price plus any applicable taxes.

Delivery Requirements

see contract summary

Payment Terms

Net 45

FOB

FOB Destination

Item #	Quantity / Unit	Description	Unit Cost
1	1 GALLON	Commodity No. 405-00 Regular Unleaded Fuel TANK WAGON DELIVERY LOCATION-HEBO Portland Rack	\$0.22
2	1 GALLON	Commodity No. 405-00 Regular Unleaded Fuel TANK WAGON DELIVERY LOCATION-NEHALEM, Bay State Park, Nehalem Fish Hatchery Portland Rack	\$0.22
3	1 GALLON	Commodity No. 405-00 # 2 H.S. Diesel TANK WAGON DELIVERY LOCATION-NEHALEM, Bay State Park, Nehalem Fish Hatchery Portland Rack	\$0.22
4	1 GALLON	Commodity No. 405-00 # 2 Ultra Low Sulfur Diesel TANK WAGON DELIVERY LOCATION-NEHALEM, Bay State Park, Nehalem Fish Hatchery	\$0.22

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Carson Oil Co., Inc.

Bulk Fuel Deliveries, Unleaded Gas, Diesel

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Item #	Quantity / Unit	Description	Unit Cost
		Portland Rack	
5	1 GALLON	Commodity No. 405-00 Regular Unleaded Fuel TANK WAGON DELIVERY LOCATION- NEWPORT, South Beach, Beverly Beach, Ona Beach State Parks Eugene Rack	\$0.09
6	1 GALLON	Commodity No. 405-00 # 2 H.S. Diesel TANK WAGON DELIVERY LOCATION- NEWPORT, South Beach, Beverly Beach, Ona Beach State Parks Eugene Rack	\$0.09
7	1 GALLON	Commodity No. 405-00 # 2 Ultra Low Sulfur Diesel TANK WAGON DELIVERY LOCATION- NEWPORT, South Beach, Beverly Beach, Ona Beach State Parks Eugene Rack	\$0.09
8	1 GALLON	Commodity No. 405-02 Bulk Fuel Delivery BioDiesel, E-10 unleaded Portland Rack Champoeg State Park	\$0.18
9	1 GALLON	Commodity No. 405-02 Alternative Fuels (Not Otherwise Classified) Biodiesel Portland Rack Tank Wagon Delivery Location: Silver Falls State Park	\$0.15
10	1 GALLON	Commodity No. 405-08 Distillates, Petroleum Portland Rack Tank Wagon Delivery Location: Salem - State Fair Grounds	\$0.20
11	1 EACH	Commodity No. 405-02 Alternative Fuels (Not Otherwise Classified) #2 Ultra Low Sulfur Diesel Tank Wagon Delivery Location: Alsea Eugene Rack	\$0.22
12	1 GALLON	Commodity No. 405-15-85 GASOLINE, UNLEADED REGULAR Tank Wagon Delivery Location: Alsea Eugene Rack	\$0.22
12.1	1 GALLON	12.1 BioDiesel	\$0.26

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Carson Oil Co., Inc.

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Item #	Quantity / Unit	Description	Unit Cost
		Location: Alsea Rack: Portland	
13	1 GALLON	Commodity No. 405-15-85 GASOLINE, UNLEADED REGULAR TANK WAGON DELIVERY LOCATION- LINCOLN CITY, Otis, Rose Lodge, Salmon River Hatchery Eugene rack	\$0.16
14	1 GALLON	Commodity No. 405-02 Fuel Oil, Diesel # 2 H.S. Diesel TANK WAGON DELIVERY LOCATION- LINCOLN CITY, Otis, Rose Lodge, Salmon River Hatchery Eugene rack	\$0.16
15	1 GALLON	Commodity No. 405-02 Fuel Oil, Diesel # 2 Ultra Low Sulfur Diesel TANK WAGON DELIVERY LOCATION- LINCOLN CITY, Otis, Rose Lodge, Salmon River Hatchery Eugene rack	\$0.16
15.1	1 GALLON	15.1 Bulk Fuel Location: LOCATION- LINCOLN CITY, Otis, Rose Lodge, Salmon River Hatchery Rack: Portland	\$0.19
16	1 GALLON	Commodity No. 405-07 Fuel Additives, Extenders, Octane Enhancers, etc. Winterization of # 2 Ultra Low Sulfur Diesel- ALL LOCATIONS **** NOTE-NOTE-NOTE-NOTE-NOTE **** Winterization as per the Contract is for the winterization of # 2 Ultra Low Sulfur Diesel only. The level of winterization needed for Bio-Diesel purchases may be different. It is the Authorized Purchaser's responsibility to determine the quantity of winterization agents that need to be added to their Bio-Diesel orders to prevent gelling.	\$0.03
17	1 GALLON	Commodity No. 405-02 Alternative Fuels (Not Otherwise Classified) Biodiesel - all locations	\$0.22
18	1 GALLON	Commodity No. 405-15-85 GASOLINE, UNLEADED REGULAR TANK WAGON DELIVERY LOCATION- SALEM, OSCI, DPSST, Keizer, City of Salem Portland Rack	\$0.10
19	1	Commodity No. 405-09	\$0.10

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Carson Oil Co., Inc.

Bulk Fuel Deliveries, Unleaded Gas, Diesel

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Item #	Quantity / Unit	Description	Unit Cost
	GALLON	Fuel Oil, Diesel # 2 H.S. Diesel TANK WAGON DELIVERY LOCATION- SALEM, OSCI, DPSST, Keizer, City of Salem Portland Rack	
20	1 GALLON	Commodity No. 405-02 Fuel Oil, Diesel # 2 Ultra Low Sulfur Diesel TANK WAGON DELIVERY LOCATION- SALEM, OSCI, DPSST, Keizer, City of Salem Portland Rack	\$0.10
21	1 GALLON	Commodity No. 405-15-85 Alternative Fuels (Not Otherwise Classified) Bio-Diesel Blend See header for information on how the purchase price of Bio-Diesel is determined. LOCATION- SALEM, OSCI, DPSST, Keizer, City of Salem, Portland Rack	\$0.11
22	1 GALLON	Commodity No. 405-09 GASOLINE, UNLEADED REGULAR TANK WAGON DELIVERY LOCATION- DALLAS Portland rack	\$0.11
23	1 GALLON	Commodity No. 405-09 Fuel Oil, Diesel # 2 H.S. Diesel TANK WAGON DELIVERY LOCATION- DALLAS Portland rack	\$0.11
24	1 GALLON	Commodity No. 405-15-85 Fuel Oil, Diesel # 2 Ultra Low Sulfur Diesel TANK WAGON DELIVERY LOCATION- DALLAS Portland rack	\$0.11
25	1 GALLON	Commodity No. 405-09 Bio-Diesel Blend See header for information on how the purchase price of Bio-Diesel is determined. LOCATION- DALLAS Portland rack	\$0.11
26	1 GALLON	Commodity No. 405-09 GASOLINE, UNLEADED REGULAR TANK WAGON DELIVERY LOCATION- DETROIT, Detroit State park, Silver Falls Portland rack	\$0.15

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Carson Oil Co., Inc.

Bulk Fuel Deliveries, Unleaded Gas, Diesel

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Item #	Quantity / Unit	Description	Unit Cost
27	1 GALLON	Commodity No. 405-02 Fuel Oil, Diesel # 2 H.S. Diesel TANK WAGON DELIVERY LOCATION- DETROIT, Detroit State park, Silver Falls Portland rack	\$0.15
28	1 GALLON	Commodity No. 405-15-85 Fuel Oil, Diesel # 2 Ultra Low Sulfur Diesel TANK WAGON DELIVERY LOCATION- DETROIT, Detroit State park, Silver Falls Portland rack	\$0.15
29	1 GALLON	Commodity No. 405-02 Alternative Fuels (Not Otherwise Classified) LOCATION- DETROIT, Detroit State park, Silver Falls Portland rack	\$0.15
30	1 GALLON	Commodity No. 405-15-85 GASOLINE, UNLEADED REGULAR TANK WAGON DELIVERY LOCATION- IDANHA Portland rack	\$0.16
31	1 GALLON	Commodity No. 405-09 Fuel Oil, Diesel # 2 H.S. Diesel TANK WAGON DELIVERY LOCATION- IDANHA Portland rack	\$0.16
32	1 GALLON	Commodity No. 405-09 Fuel Oil, Diesel # 2 Ultra Low Sulfur Diesel TANK WAGON DELIVERY LOCATION- IDANHA Portland rack	\$0.16
33	1 GALLON	Commodity No. 405-02 Alternative Fuels (Not Otherwise Classified) Bio-Diesel Blend See header for information on how the purchase price of Bio-Diesel is determined. LOCATION- IDANHA Portland rack	\$0.16
34	1 GALLON	Commodity No. 405-12 Fuel Oil, Heating # 1 Heating Oil TANK WAGON DELIVERY LOCATION- IDANHA Portland rack	\$0.16
35	1	Commodity No. 405-15-85	\$0.18

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Carson Oil Co., Inc.

Bulk Fuel Deliveries, Unleaded Gas, Diesel

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Item #	Quantity / Unit	Description	Unit Cost
	GALLON	GASOLINE, UNLEADED REGULAR TANK WAGON DELIVERY LOCATION- MARION FORKS Portland rack	
36	1 GALLON	Commodity No. 405-09 Fuel Oil, Diesel # 2 H.S. Diesel TANK WAGON DELIVERY LOCATION- MARION FORKS Portland rack	\$0.18
37	1 GALLON	Commodity No. 405-09 Fuel Oil, Diesel # 2 Ultra Low Sulfur Diesel TANK WAGON DELIVERY LOCATION- MARION FORKS Portland rack	\$0.18
38	1 GALLON	Commodity No. 405-02 Alternative Fuels (Not Otherwise Classified) See header for information on how the purchase price of Bio-Diesel is determined. LOCATION- MARION FORKS Portland rack	\$0.16
39	1 GALLON	Commodity No. 405-15-85 GASOLINE, UNLEADED REGULAR TANK WAGON DELIVERY LOCATION- MONMOUTH Portland rack	\$0.17
40	1 GALLON	Commodity No. 405-09 Fuel Oil, Diesel # 2 H.S. Diesel TANK WAGON DELIVERY LOCATION- MONMOUTH Portland rack	\$0.17
41	1 GALLON	Commodity No. 405-09 Fuel Oil, Diesel # 2 Ultra Low Sulfur Diesel TANK WAGON DELIVERY LOCATION- MONMOUTH Portland rack	\$0.17
42	1 GALLON	Commodity No. 405-02 Alternative Fuels (Not Otherwise Classified) B5 or B20 Bio-Diesel Blend See header for information on how the purchase price of Bio-Diesel is determined. LOCATION- MONMOUTH Portland rack	\$0.17

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Item #	Quantity / Unit	Description	Unit Cost
43	1 GALLON	Commodity No. 405-15-85 GASOLINE, UNLEADED REGULAR TANK WAGON DELIVERY LOCATION- NEWBERG, Champoeg state park Portland rack	\$0.20
44	1 GALLON	Commodity No. 405-09 Fuel Oil, Diesel # 2 H.S. Diesel TANK WAGON DELIVERY LOCATION- NEWBERG, Champoeg state park Portland rack	\$0.20
45	1 GALLON	Commodity No. 405-09 Fuel Oil, Diesel # 2 Ultra Low Sulfur Diesel TANK WAGON DELIVERY LOCATION- NEWBERG, Champoeg state park Portland rack	\$0.20
46	1 GALLON	Commodity No. 405-15-85 GASOLINE, UNLEADED REGULAR TANK WAGON DELIVERY LOCATION- SCIO Portland rack	\$0.18
47	1 GALLON	Commodity No. 405-12 Fuel Oil, Heating # 1 Heating Oil TANK WAGON DELIVERY LOCATION- SCIO Portland rack	\$0.18
48	1 GALLON	Commodity No. 405-15-85 GASOLINE, UNLEADED REGULAR TANK WAGON DELIVERY LOCATION- ST. PAUL Portland rack	\$0.19
49	1 GALLON	Commodity No. 405-09 Fuel Oil, Diesel # 2 H.S. Diesel TANK WAGON DELIVERY LOCATION- ST. PAUL Portland rack	\$0.19
50	1 GALLON	Commodity No. 405-09 Fuel Oil, Diesel # 2 Ultra Low Sulfur Diesel TANK WAGON DELIVERY LOCATION- ST. PAUL Portland rack	\$0.19
51	1 GALLON	Commodity No. 405-02 Alternative Fuels (Not Otherwise Classified) See header for information on how the purchase price of	\$0.18

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Item #	Quantity / Unit	Description	Unit Cost
		Bio-Diesel is determined. LOCATION- ST. PAUL Portland rack	
52	1 GALLON	Commodity No. 405-07 Fuel Additives, Extenders, Octane Enhancers, etc. Winterization of # 2 Ultra Low Sulfur Diesel- ALL LOCATIONS NOTE-NOTE-NOTE-NOTE-NOTE Winterization as per the Contract is for the winterization of # 2 Ultra Low Sulfur Diesel only. The level of winterization needed for Bio-Diesel purchases may be different. It is the Authorized Purchaser's responsibility to determine the quantity of winterization agents that need to be added to their Bio-Diesel orders to prevent gelling.	\$0.20
53	1 GALLON	Commodity No. 405-08 Distillates, Petroleum (Not Otherwise Classified) All petroleum products available TANK WAGON DELIVERY LOCATION- Depoe Bay Portland Rack	\$0.22
54	1 EACH	Commodity No. 405-02 Alternative Fuels (Not Otherwise Classified) Location: Albany Biodiesel Portland Rack	\$0.04
55	1 GALLON	Commodity No. 405-02 Alternative Fuels (Not Otherwise Classified) Location: Albany Unleaded 10% Ethanol Eugene Rack	\$0.02
56	1 GALLON	Commodity No. 405-08 Distillates, Petroleum (Not Otherwise Classified) Location: Sherwood, OR RACK: Portland Biodiesel and Unleaded gasoline w/Ethanol	\$0.18
57	1 GALLON	Commodity No. 405-08 Distillates, Petroleum (Not Otherwise Classified) Location: Port of Siuslaw RACK: Portland Unleaded gasoline Non -Ethanol	\$0.34

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Bulk Fuel Deliveries, Unleaded Gas, Diesel

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Item #	Quantity / Unit	Description	Unit Cost
58	1 GALLON	Commodity No. 405-08 Distillates, Petroleum (Not Otherwise Classified) Location: Port of Siuslaw RACK: Portland Marine Diesel	\$0.34
59	1 EACH	Commodity No. 405-15-60 GASOLINE, REGULAR Location - Cook County Road Dept (Prineville) Rack: Portland Unleaded Gasoline - 10% Ethanol Blend	\$0.12
60	1 EACH	Commodity No. 405-02 Alternative Fuels (Not Otherwise Classified) Location - Cook County Road Dept (Prineville) Rack: Portland Bio Diesel - B 5 Blend	\$0.09
61	1 GALLON	Commodity No. 405-12 Fuel Oil, Heating Native American Rehabilitation Association (NARA) Location - PORTLAND: St. Helens Residential Treatment Center Rack - Portland Type of Fuel - Heating Oil	\$0.18

Mandatory or Convenience Mandatory Minimum Order see contract summary Return Policy see contract summary Warranty see contract summary Best Value Analysis Freight/Surcharge	Renewal Option see contract summary	Current Amendment Value \$0.00 Previous Contract Value \$300,000.00 Current Amended Value \$300,000.00
---	---	--

Trailer Comments

Original Price Agreement 6831 has been changed to 0472 due to SFMS & ORPIN interface issues

All terms & conditions and pricing remain the same.

wab 9/3/2010



Staff Report 103-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 7/15/2019

SUBJECT Security Technology Services Contract Increase

Key Points

- The City of Vancouver has been piggy-backing on the Washington State Security Technology Services Contract with Aronson Security Group, Inc. since November 1, 2017.
- The original City contract amount was \$300,000; the City has spent \$295,709.41 of the allowed contract amount to date.
- The City is asking to extend the contract amount to \$800,000 to allow for continued services through expected contract expiration of July 31, 2022.

Strategic Plan Alignment

Goal 1, Objective 1.2: Ensure our infrastructure, including buildings and utilities, is safe, environmentally responsible and well maintained.

Present Situation

The City of Vancouver is currently piggy-backing on the Washington State Contract for Security Technology Services Aronson Security Group, Inc. The City uses this contract to service all City card access and video surveillance systems in City-owned buildings. Using the Washington State Contract has given the City access to lower costs that may not be available if the City did its own solicitation.

The City has conducted some recent larger projects with Aronson, such as installing interview cameras at the West and East Police Precincts at the cost of \$56,505.00, increasing security at the Navigation Center with cameras for \$34,856.02 and installing additional cameras at the Luepke Center for \$30,902.00. The City also uses this contract for ongoing maintenance of current security systems. Due to the increasing needs of the City and the large projects required, the current contract needs to be increased to \$800,000.00 to continue services until the Washington State Contract is expected to expire on July 31, 2022.

Advantage(s)

1. Preserves the investment in existing card access and video security monitoring equipment and training.
2. Avoids service disruptions and preserves capabilities at affected facilities.
3. Provides an upgrade and expansion path with backward compatibility.
4. Creates efficiency through the continued use of already purchased equipment and installation of new equipment.

Disadvantage(s)

None

Budget Impact

None. Sufficient appropriation has been included in the 2019-20 biennial budget.

Prior Council Review

None

Action Requested

Authorize an increase to the Security Technology Services Contract with Aronson Security Group, Inc. amount from \$300,000 to \$800,000 and consequence increases if necessary as allowed by VMC 3.05.055.

Michael Shrum, Facilities Contract Services Supervisor, 487-8260

ATTACHMENTS:

- ▣ Washington Master Contract Usage Agreement
- ▣ Aronson technical proposal

MASTER CONTRACT USAGE AGREEMENT

This Master Contract Usage Agreement (the "Agreement") is made pursuant to Chapter 39.34 of the Revised Code of Washington, and other applicable laws, by and between the state of Washington (the "State"), acting by and through the Department of Enterprise Services ("DES"), an agency of the State, and City of Vancouver, WA,
Entity Name

a state agency, or local or federal agency or entity, or public benefit nonprofit corporation, or any tribe located in the State ("Buyer").

1. **Purpose:** The purpose of the Agreement is to establish the terms and conditions for when Buyer purchases or acquires goods and services for its direct use under contracts entered into by DES that permit such use ("Master Contracts").
2. **Duration:** This Agreement will become effective on date of execution, and will continue in full force and effect until thirty (30) days following receipt of written notice from either party cancelling this Agreement.
3. **Agreement Contact Information:** Contact person to whom contract documents and related communications are to be mailed or faxed.

Organization Name: <u>City of Vancouver</u>		
Tax Identification Number: <u>91-6001288</u>		
Unified Business Identifier <i>Required for Non-Profit:</i> <u>—</u>		
Contact Name: <u>Kevin Yin</u>		
Title: <u>Procurement Manager</u>		
Address: <u>PO Box 1995</u>		
City: <u>Vancouver</u>	State: <u>WA</u>	Zip: <u>98668-1995</u>
Phone Number: <u>360.487.8429</u>		
Email Address: <u>kevin.yin@cityofvancouver.us</u>		

4. **Cancellation of Agreement:** This agreement can be terminated by either party upon 30 days written notice provided to DES at:
Email to: mcua@des.wa.gov OR Mail to: WA Dept of Enterprise Services
MCUA, Attn: Kris Gorgas
P.O. Box 41409
Olympia, WA 98504-1409
5. **Financial Responsibility:** Buyer will deal directly with the Master Contract contractor, supplier, or service supplier ("Contractor") for any purchases Buyer makes pursuant to this Agreement and under a Master Contract. DES does not accept any responsibility, financial or otherwise, for any purchase Buyer makes under a Master Contract.

5/10/13

Agreement Number: K1642
DES Use Only

6. Compliance with Other Laws: Each of the parties will comply with all applicable federal, state, and local laws and regulations governing its own purchases.
7. Master Contract Audits: Buyer agrees to cooperate with DES, the Office of the State Auditor, federal officials, or any third party authorized by law, rule, regulation or contract, in any audit conducted by such party related to any Master Contract(s) that Buyer has made purchases from pursuant to this Agreement, including providing records related to any purchase from a Master Contract. In addition, Buyer agrees to provide, upon request from DES, documentation to confirm its eligibility to use Master Contracts.
8. Dispute Resolution: If there are any disputes between Buyer and a Contractor, Buyer agrees to (a) provide DES written notice of the nature of the dispute; and (b) unless otherwise provided in the Master Contract or as set forth below, work in good faith with the Contractor to resolve the dispute without the involvement of DES. DES may, upon request, review and assist in the resolution of a dispute, and if DES chooses to do so, the Buyer will cooperate with DES in that resolution process.

In its sole discretion, DES may, but is not obligated to, upon written notice to Buyer, resolve disputes with a Contractor on behalf of Buyer and all other state, local, and federal agencies, local governments, and public benefit nonprofit corporations with similar or related disputes with such Contractor.

9. No Separate Entity: No separate legal or administrative entity is intended to be created by, or for the administration of, this Agreement.
10. Hold Harmless: Each party agrees to defend, indemnify, and hold the other party harmless from any claim arising from such party's sole negligent, reckless, or willful misconduct.
11. Entire Agreement: This Agreement sets forth the entire agreement between the parties, and supersedes any other prior written agreements between the parties, with respect to the subject matter hereof.

IN WITNESS WHEREOF the parties having read this Agreement, agree to it in each and every particular, and have executed it below.

APPROVED

APPROVED

WASHINGTON STATE
DEPARTMENT OF ENTERPRISE SERVICES
Entity Name
Roselyn Marcus
Signature
Roselyn Marcus, Assistant Director
Name/Title
06/12/2013
Date

City of Vancouver
Entity Name
[Signature]
Signature
Kevin Yin / Procurement Mgr.
Name/Title
May 22, 2013
Date

Proposal for:



The State of Nevada
Department of Administration, Purchasing Division

In conjunction with



Nevada Solicitation # 3407

Security & Fire Protection Services

Prepared by:
Tommi Robison

This document is proprietary and confidential and is not to be copied or distributed without prior written approval from Aronson Security Group, Inc. (ASG). This document is submitted with the understanding that it will be kept confidential between the Client and ASG and will be returned to ASG within 30 days if an agreement is not reached

Ronda Miller, Purchasing Officer II
State of Nevada, Purchasing Division
515 E. Musser St. Rm 300
Carson City, NV 89701

May 23, 2017

Greetings to you Ronda, and NASPO ValuePoint Evaluation Team:

Thank you for the opportunity to again present Aronson Security Group's Qualifications, Proposal and Security Services response to the State of Nevada, in conjunction with NASPO ValuePoint's Request for Proposal (RFP) #3407: **Security & Fire Protection Services.**

Our commitment extends past interest. We are vested in NASPO ValuePoint with 4 years of demonstrated commitment serving NASPO members' security objectives. The ASG team made earning the State of Nevada and its members' confidence, and opportunity of being selected for the *next generation* of your Security Products and Services contract, our priority. We put our best effort forward to ensure a quality deliverable that addresses and well-satisfies your stated objectives. ASG's multi-disciplinary teams and executive leadership have examined the qualifications and project scope objectives stated herein, and are satisfied that our in-house domain experts and vetted partners have sufficient breadth of expertise in, not only the specific technologies named, but offer deeper competencies your members need. Across your membership, there are aging systems, that are obsolete and don't speak to one another; with ever tighter budgets, and times of increasing threat---with so much at stake, ASG's whole-system approach in Enterprise Security Risk Management (ESRM) distinguishes us as a proven, trusted advisor to truly address risk, and needed to protect your members and their stakeholders' missions; their organizations' reputations and their bottom lines---it's about far more than buying equipment and software.

ASG's all-hazards risk consulting, engineering, logistics, integration, commissioning, training and solution support processes are respected as industry leading best practices within your membership's eco-system and within their industry's security, network and power infrastructure, performance and information management and integrated systems arenas. Our wide body of experience working in heightened security and highly regulated and multi-location environments brings mature expertise, policy and protocol processes to your members' security programs and their security systems, they rely on every day.

Your RFP's detailed and thoughtful approach, with greater emphasis on qualifications, stability and process for Program Administration and Execution, demonstrates for us, a growing alignment between our organizations. Your ASG team commits to continuing to use the Project Engagement and Project Management methodology we introduced to you back in 2013. Your members tell us our *Path to Value* processes distinguished ASG as a leader within the NASPO ValuePoint Contractor community, and are considered to be a NASPO ValuePoint member benefit. We've been honored by their trust. ASG *Path to Value* business model has enabled dependable and predictable outcomes for now over a decade, with scores of clients and thousands of projects. We believe too, in this next opportunity to support NASPO ValuePoint, it is what will continue to promote mutual success serving your members. We know through continuing to build relationship, and effectively teaming with you and your members, together we can make a measurable difference for your members, identifying and mitigating their ever-evolving risk, working with them to create safer campuses and workplace environments, improving regulatory compliance across your membership, and measurably accomplishing their security and facility objectives, should you again select us.

We look forward to your team's evaluation and most sincerely, toward again earning a place on your next round, short list or getting your nod directly, as a Security Contractor identified as "most advantageous to the State of Nevada and NASPO ValuePoint."

To assist your evaluation process, please consider ASG as 'gladly available' to respond to any questions, provide additional customer references, and/or coordinating site visits you may wish to have, or to talk together with your team, in interview.

Respectfully submitted,

Tommi J. Robison
Dir Strategic Development
206-225-7596
tommi.robison@aronsonsecurity.com



Nigel Waterton
SVP Corp Strategy & Dev
206-245-1451
nigel.waterton@aronsonsecurity.com



Mark Barak
General Counsel
206-245-1433
mark.barak@aronsonsecurity.com



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SECTION 1 - GENERAL INFORMATION

The State of Nevada is seeking vendors to provide Security & Fire Protection Services and related equipment.

RFP Response Information: Title Page	Aronson Security Group, Inc. (ASG)
RFP Title:	Security & Fire Protection Services
RFP Number:	#3407
RFP Responder Address:	600 Oakesdale Avenue SW, Suite 100 Renton, WA 98057 www.aronsonsecurity.com TommiRobison:206-225-7596 tommi.robison@aronsonsecurity.com
RFP Project Description:	The State of Nevada, in conjunction with NASPO ValuePoint, is seeking vendors to provide Security & Fire Protection Services and related equipment.
RFP and State of Nevada Communication for Contract Lead:	Ronda Miller, Purchasing Officer II State of Nevada, Purchasing Division 515 E. Musser Street, Suite 300 Carson City, NV 89701
Submit flash drive:	Address for US Mail: 515 E. Musser St, Rm 300 Carson City, NV 89701
RFP Closing Date:	May 23, 2017
RFP Closing Time:	2:00 p.m. Pacific Time
Initial Term of Contract and Renewals: (See Attachment A, Section 3)	The initial term of the Contract will be two (2) years with the option, upon mutual written agreement, for three (3) additional years. Upon mutual agreement, the contract may be extended or amended.
TAKE NOTE OF THE 0.25% NASPO VALUEPOINT ADMINISTRATIVE FEE DETAILED IN SECTION 6 OF THE NASPO VALUEPOINT STANDARD TERMS AND CONDITIONS, WHICH MUST BE INCORPORATED INTO YOUR BASE PRICE. OTHER STATES MAY NEGOTIATE ADDITIONAL ADMINISTRATIVE FEES IN THEIR PARTICIPATING ADDENDA FOLLOWING AWARD OF A MASTER AGREEMENT.	

1.1 PURPOSE

The State of Nevada, Purchasing Division (Lead State) in conjunction with NASPO ValuePoint, requested proposals for Security & Fire Protection Services in furtherance of the NASPO ValuePoint Cooperative Purchasing Program.

ASG COMMITMENT

ASG understands the great purpose of this Request for Proposal (RFP) effort, and hope to further demonstrate through our response, that we remain a valued State of Nevada and NASPO ValuePoint Security Products and Services Contractor partner and encourage that ASG would, once again, be selected as a highly qualified offeror to continue to provide Security & Fire Protection Services and related equipment for its membership under the 'next generation' Master Services Agreement #3407.

We hope to build on the successes that started with your first notice of award to us, August 2013, which resulted in a PA contract in our home state of Washington, and that has continued ever since! From that start, ASG has actively created awareness and opportunities for NASPO ValuePoint's Security Services contracting in, and with our partnership with (DES) Department of Enterprise. Our collective work has yielded demonstrateable and measurable benefit to NASPO ValuePoint members through improving safety and security for many Washington State public agencies, utilities, detention facilities, work release programs, community colleges, ports authorities and municipalities who were otherwise at risk, and of whom have motivated good return on State of Nevada and NASPO's wise investment of time and resources to influence an important and much needed change in contracting for Security Services and Products.

It is a good work you started, and with critical challenges from aging and antiquated systems that don't speak to one another; the chronic need to accomplish more with less challenging every State and Local Government Agency across our nation, and crime and liability on a historically steep rise; there is much to be done.

We look forward to the opportunity to put the many lessons learned from our being involved with your beneficial program from its very start, to improve and better serve NASPO ValuePoint members and impacting your customer agencies' safety and security by addressing their risk, and helping them demonstrate ROI back to their organizations from participating in your security products and services purchase program.

How does ASG benefit your program? With the first years of the contract under your belts – it's no doubt very clear this isn't your standard single SKU purchase contract –its invasive; addressing very complex issues and impacting to your member's organizations; on multiple levels, immediate and long term; and with many moving parts (largely relying on persnickety, electronic and IoT parts) that have to be designed and installed correctly, as well as play nice and perform on your customer's IT infrastructure, all the while working within their HR and organizational eco-systems, AND protecting their brand!

You know us well enough to know, ASG is different. Our industry leading difference is good for NASPO ValuePoint members.

ASG, the Premier Independent Provider of Security Risk Management Services (SRMS) has the extensive Security Consulting, System Design and Engineering and System Conversion and Enterprise Systems Integration, Deployment and System Maintenance experience you need to offer your members and the true end-to-end security expertise and service-level experience your members security programs require. Your members are widely varied and have diverse types of facilities and businesses. As you know, your contract touches folks with highly regulated and highly secured environments, to the complexities of an open, multi-facility government, university, corporate or medical campus, and span from high urban tenant improvements, new construction, to remote rural workplaces. ASG, with our 54 years of enterprise level and global security expertise is especially suited to provide your members with the full gambit of expertise and dependable support that your NASPO ValuePoint's Security & Protection Services Program merits.

You know too, ASG is not lowest price. We hope with the full spectrum of services we provide, and our 54 years of experience pricing what's truly involved for a successful, enterprise system deployment makes a 'measure twice—cut once' value sense, and our track record of successes serving NASPO ValuePoint customers; demonstrates that ASG is "right priced" and exemplifies the "best value" option you promise your members.

Your continued vote of confidence and re-selection of ASG, will allow us to continue to bring our mature processes, proven experience and dependable project successes to your next generation NASPO Security & Protection Services Program. We commit to ensuring the best possible outcomes are achieved for your members and their stakeholders.

SUMMARY OF UNDERSTANDING OF RFP RESPONSE

The State of Nevada and NASPO ValuePoint is interested in selecting a security services firm(s) that can provide complete services to support the State and NASPO ValuePoint's physical security and risk consulting and security system assessment, engineering, specification, procurement, deployment, testing and commissioning, monitoring, and preventative maintenance and emergency service necessary to address hard and software system requirements across a broad spectrum of project types, facilities and locations who brings a smart, knowledgeable, deep capability understanding to the initiative.

ASG is responding for the opportunity to continue to serve NASPO ValuePoint members' in our State of Washington through anticipated Participating Addendum for the following categories:

- 1) Access Control Systems;*
- 2) Burglar Alarm Systems;*
- 3) Surveillance Services & Equipment, and*
- 8) High Security Control Systems.*

ASG and select Subcontracted Global Partner Program Teams selected to best support NASPO projects are prepared to provide all aspects of Security Consulting, Systems, Products and Services required in delivery of these security-related categories and as well those that will be required for the IT, network, database and power infrastructures and associated services and products necessary to support them.

You asked for our expanded or additional service opportunities: ASG offers other related Products and Services that our customers rely on, and that are not described in the RFP that may be of interest under this contract.

ASG has a mature business unit in operation, Enterprise Security Risk Management Services lead by the eSRG team (pronounced: eeSURG) Enterprise Security Risk Group. eSRG and ASG's Advanced

Integration Services (AIS) engineering teams exists within ASG to consult with clients and provide services such as:

- *Facility and spatial design needs regarding hard security design treatments, people access flow and control, security equipment and associated hardware and software specification with installation and operating requirements considered.*
- *Security architectural and engineering design requirements that may include fencing and gating systems, security lighting, glazing, entrance and locking design, detection and alarm systems, emergency communications and safety alerting, building utility security (all systems), and internal building spaces.*
- *Design engineering and specification for physical and logical security systems and their infrastructure to support security and communication systems that integrate with access/entry control, surveillance systems, remote and onsite monitoring, visitor management / identity management and emergency notification systems.*
- *Information Technology infrastructure and application performance management assessments as relates to physical security systems.*
- *Physical security risk assessments and remedial recommendations*
- *System advanced integration, installation and commissioning, test and inspects, and security application performance management programs.*
- *Project and program management and administration, construction coordination and oversight, system training, and close out commissioning.*
- *Life cycle and gap analysis of existing security system infrastructure and topology including investigation of and trouble-shooting existing conditions.*
- *Security system and security policy, process optimization and protocol development and Physical Security Standards / Guidelines.*

Due to the wide variety of project scopes and objectives needed as part of this RFP, the State of Nevada and NASPO ValuePoint should require that the consulting team bring an all hazards risk expertise to the project, provide design and engineering consultative support to identify all potential physical security and risk concerns and balance potential design remediation and upgrades with capital and operating expense impacts in mind. The team is also to be innovative in its approach so as to enable flexibility and adaptation for future security considerations as may be required.

This is the Aronson Security Group's essential understanding of the RFPs requirements. ASG is prepared to fully support State of Nevada and NASPO ValuePoint for DES and the State of Washington's projects by engaging its Global Partner Program Subcontractor (GPP) architectural, information / physical security and alarm monitoring consultants, and contractors and its own engineering teams to meet and exceed expectations.

1.2 LEAD STATE, SOLICITATION NUMBER AND LEAD STATE CONTRACT ADMINISTRATOR

ASG acknowledges the State of Nevada Purchasing Division is the Lead State and issuing office for this Solicitation Reference #3407 and welcome any further communication relating to it, is directed to the

Lead State Contract Administrator designated by the State of Nevada Purchasing Division. We very much look forward to the opportunity to continue working together with Ronda!

*Ronda Miller, Purchasing Officer II
State of Nevada, Purchasing Division
515 E. Musser St., Rm 300
Carson City, NV 89701
rlmiller@admin.nv.gov
775-684-0182 775-684-0188*

1.3 SCHEDULE OF EVENTS

ASG read the Schedule of Events, and commits to complying and timely response.

1.4 DEFINITIONS

ASG read, acknowledges and understands the Definitions as provided, herein.

1.5 NASPO VALUEPOINT BACKGROUND INFORMATION

ASG read, acknowledges (formerly known as WSCA-NASPO) NASPO ValuePoint is a cooperative purchasing program of all 50 states, the District of Columbia and the territories of the United States.

1.6 PARTICIPATING STATES

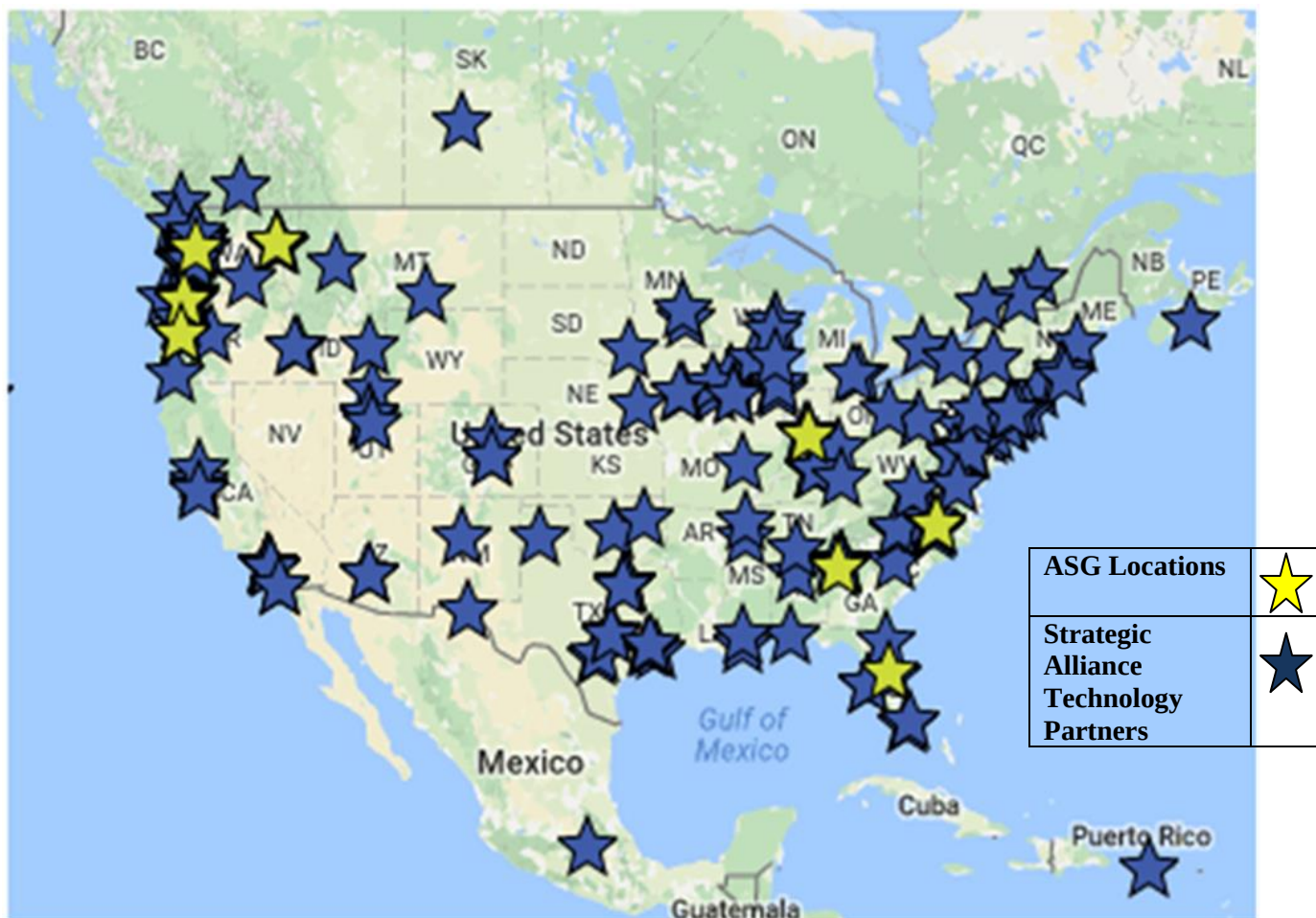
In addition to the Lead State conducting this solicitation, the following Participating States have requested to be named in this RFP as potential users of the resulting Master Agreement: Hawaii, Idaho, Maine, Montana, North Dakota, Ohio, Oklahoma, South Carolina. Other entities may become Participating Entities after award of the Master Agreement. Some States may have included special or unique terms and conditions for their state that will govern their state Participating Addendum...

For the purpose of this RFP response, ASG at this time, is responding for opportunity to serve the State of Washington, anticipating Participating Addendum with DES; Administrated by Bart Potter in association with NASPO ValuePoint's team. And, in alignment with Washington State/ DES's decision to decline the Fire portion of this RFP, ASG is in response not responding to the Fire Protection Services portion of #3407. As such, ASG response will include only the Security portion of the service categories. (See 1.1 PURPOSE Summary of Understanding of RFP Response)

The map below highlights ASG's current project and service areas leveraging ASG's Global Partner Program, that enables a deep bench of vetted, subcontracted, best of breed installation and system deployment professionals throughout the United States and globally. Under the Global Partner Program,

Security Risk Management Services and All Hazard Risk Assessments and other Security Consulting, Design Development, Design and Application Engineering, CAD, BIM Revit Drafting Services, and Program and Project Management is conducted by ASG's in-house Subject Matter Experts.

We feel the potential to support NASPO members on a national level or in other states, exists. ASG intends, if awarded again for Washington State, to expand to other participating states on a conservative, case by case basis. Dependability and predictability of service is critical for your members and foundational to our business model and profitability, we respectfully reserve the right, as you allowed in our first contract, to potentially support other NASPO Valuepoint member states in the future under their individual PA's. For ASG, most reasonably a priority would be Oregon, if they should decide to participate.



1.7 ANTICIPATED USAGE

ASG read the historical (3) three year usage information provided in Anticipated Usage and is honored to have participated in the \$41,484,096.88 dollar volume of usage reported for Security Services under the current contract. ASG acknowledges NASPO ValuePoint and/or the State of Nevada, as part of this RFP does not represent that either a minimum or maximum level of sales volume is guaranteed or implied therein.

2 - 2.6 SOLICITATION REQUIREMENTS, INFORMATION AND INSTRUCTIONS & GOVERNING LAWS

ASG read, acknowledges; has and will continue to comply requirements as stated in this section.

2.7 FIRM OFFERS

Responses to this RFP, including proposed costs, will be considered firm for (180) days after the proposal due date.

ASG read, acknowledges, and will comply with the requirements as stated in this section and as noted above.

2.8 RIGHT TO ACCEPT

ASG read, acknowledges, understands and will comply with the requirements as stated in this section

2.9 – 2.11 PROPOSAL CONTENT AND FORMAT REQUIREMENTS / RIGHT TO ACCEPT / SUBMISSION REQUIREMENTS

ASG read, acknowledges, understands and will comply with the requirements as stated in these sections.

2.11.2 PART I A TECHNICAL PROPOSAL

2.11.2 PART I A - TECHNICAL PROPOSAL SECTION I – TABLE OF CONTENTS

Section I – Table of Contents

Section II – Vendor Information Sheet

Section III - State Documents

Attachment E – Confidentiality of Certification of Indemnification

Attachment F – Vendor Certifications

Section IV – Scope of Work

- 1) Access Control Systems;
- 2) Burglar Alarm Systems;
- 3) Surveillance Services & Equipment, and
- 8) High Security Control Systems

Section V – Company background and References

Section VI – Other Information Material

- 1) ASG’s internal communication culture from HR Director – Oil Leak Communication Process
- 2) ASG’s internal communication from the CEO - The Language of ASG - A Message from the President and CEO, Phil Aronson
- 3) Example ASG Outreach Campaign to promote WSCA Contract PA with DES State of Washington – Pierce County Case Study Presentation on Road Mapping and Effective Change for Security and Purchasing Leaders
- 4) Example ASG Outreach Campaign successes to promote WSCA Contract PA with SBCTC Community College Security Directors and Purchasing Leaders
- 5) Example ASG working documents to ensure on time project delivery with dependable, predictable deliverables.
- 6) Example of ASG working documents – Conformed Construction Drawing Set for accuracy and important AS-Built record keeping

2.11.2 PART I A - TECHNICAL PROPOSAL SECTION II – VENDOR INFORMATION SHEET

V1	Company Name	Aronson Security Group, Inc.		
V2	Street Address	600 Oakesdale Avenue Southwest, Suite 100		
V3	City, State, ZIP	Renton, WA 98057		
V4	Telephone Number			
	Area Code: 206	Number: 284-3553	Extension:	
V5	Facsimile Number			
	Area Code: 206	Number: 284-7716	Extension:	
V6	Toll Free Number			
	Area Code: 800	Number: 547-9988	Extension:	
V7- 1 V7- 2	Contact Person for Questions / Contract Negotiations, including address if different than above			
	Name: Mark Barak			
	Title: Aronson Security Group, General Counsel			
	Address: : 600 Oakesdale Avenue S.W., Suite 100, Renton, WA 98057			
	Email Address: mark.barak@aronsonsecurity.com			
	Name: Tommi Robison			
	Title: Director of Strategic Development			
	Address: : 600 Oakesdale Avenue S.W., Suite 100, Renton, WA 98057			
Email Address: tommi.robison@aronsonsecurity.com				
V8- 1	Telephone Number for Contact Person: Mark Barak			
	Number: 206-245-1433			
V8- 2	Telephone Number for Contact Person: Tommi Robison			
	Area Code: 206	Number: 206-225-7596	Extension:	
V9	Facsimile Number for Contact Person			
	Area Code: 206	Number: 284-7716	Extension:	
V10	Name of Individual Authorized to Bind the Organization			
	Name: Mark Barak		Title: General Counsel	
V11	Signature (<i>Individual must be legally authorized to bind the vendor per NRS 333.337</i>)			
	Signature: 		Date: 5/23/2017	

2.11.2 - PART I A - TECHNICAL PROPOSAL

SECTION III STATE

DOCUMENTS

AMENDMENT SIGNATURE

PAGES

SUBJECT: Amendment 1 to Request for Proposal 3407

RFP TITLE: Security & Fire Protection Services

DATE OF AMENDMENT: April 11, 2017

ALL ELSE REMAINS THE SAME FOR RFP 3407.

Vendor must sign and return this amendment with proposal submitted.

Vendor Name: Aronson Security Group, Inc. (ASG)

Authorized Signature:



Title:

General Counsel

Date: May 23, 2017

This document must be submitted in the "State Documents" section/tab of vendors' technical proposal.

SUBJECT: Amendment 2 to Request for Proposal 3407

RFP TITLE: Security & Fire Protection Services

DATE OF AMENDMENT: April 25, 2017

ALL ELSE REMAINS THE SAME FOR RFP 3407.

Vendor must sign and return this amendment with proposal submitted.

Vendor Name: Aronson Security Group, Inc. (ASG)

Authorized Signature:



Title:

General Counsel

Date: May 23, 2017

This document must be submitted in the “State Documents” section/tab of vendors’ technical proposal.

2.11.2 - PART I A - TECHNICAL PROPOSAL - SECTION III - STATE DOCUMENTS

CONFIDENTIALITY & CERTIFICATION OF INDEMNIFICATION/TECH PROPOSAL CERTIFICATION OF COMPLIANCE WITH TERMS AND CONDITIONS OF RFP

ATTACHMENT E – CONFIDENTIALITY AND CERTIFICATION OF INDEMNIFICATION

Part IB – Confidential Technical Information			
YES		NO	X
Justification for Confidential Status			

A Public Records CD or Flash Drive has been included for the Technical and Cost Proposal			
YES	X	NO (See note below)	
<i>Note: By marking “NO” for Public Record CD or Flash Drive included, you are authorizing the State to use the “Master CD or Flash Drive” for Public Records requests.</i>			

Part III – Confidential Financial Information			
YES	X	NO	
Justification for Confidential Status			

Aronson Security Group Inc. (ASG)

Company Name



Signature

Mark Barak, General Counsel

Print Name

May 23, 2017

Date

2.11.2 - PART I A - TECHNICAL PROPOSAL - SECTION III - STATE DOCUMENTS
TECHNICAL PROPOSAL CERTIFICATION OF COMPLIANCE WITH TERMS AND CONDITIONS OF RFP

I have read, understand and agree to comply with the terms and conditions specified in this Request for Proposal.

YES X I agree to comply with the terms and conditions specified in this RFP.

NO I do not agree to comply with the terms and conditions specified in this RFP.

If the exception and/or assumption require a change in the terms in any section of the RFP, the contract, or any incorporated documents, vendors **must** provide the specific language that is being proposed in the tables below. If vendors do not specify in detail any exceptions and/or assumptions at time of proposal submission, the State will not consider any additional exceptions and/or assumptions during negotiations. The State will not accept any exceptions to the cost sheet.

Aronson Security Group, Inc. (ASG)

Company Name


Signature

Mark Barak, General Counsel
Print Name

May 23, 2017
Date

Vendors MUST use the following format. Attach additional sheets if necessary.

EXCEPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	EXCEPTION (Complete detail regarding exceptions must be identified)

EXCEPTION SUMMARY FORM

ASSUMPTION SUMMARY FORM

ASSUMPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	ASSUMPTION (Complete detail regarding assumptions must be identified)
1	1.6	11,12	ASG intends, if awarded for WA and OR, to seek approval to expand to other participating states on a case by case basis.
2	2.11.2 PART 1 A TECHNICAL PROPOSAL A. AGREEMENTS		48 hour quote turnaround will need to be flexible and based on actual project requirements. ASG will be responsive and responsible in negotiating appropriate turnaround timeframes with the client.

**2.11.2 - PART I A - TECHNICAL PROPOSAL - SECTION III - STATE DOCUMENTS - VENDOR CERTIFICATIONS
(ATTACHMENT F)****ATTACHMENT F – VENDOR CERTIFICATIONS**

Vendor agrees and will comply with the following:

- (1) Any and all prices that may be charged under the terms of the contract do not and will not violate any existing federal, State or municipal laws or regulations concerning discrimination and/or price fixing. The vendor agrees to indemnify, exonerate and hold the State harmless from liability for any such violation now and throughout the term of the contract.
- (2) All proposed capabilities can be demonstrated by the vendor.
- (3) The price(s) and amount of this proposal have been arrived at independently and without consultation, communication, agreement or disclosure with or to any other contractor, vendor or potential vendor.
- (4) All proposal terms, including prices, will remain in effect for a minimum of 180 days after the proposal due date. In the case of the awarded vendor, all proposal terms, including prices, will remain in effect throughout the contract negotiation process.
- (5) No attempt has been made at any time to induce any firm or person to refrain from proposing or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal. All proposals must be made in good faith and without collusion.
- (6) All conditions and provisions of this RFP are deemed to be accepted by the vendor and incorporated by reference in the proposal, except such conditions and provisions that the vendor expressly excludes in the proposal. Any exclusion must be in writing and included in the proposal at the time of submission.
- (7) Each vendor must disclose any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFP. Any such relationship that might be perceived or represented as a conflict should be disclosed. By submitting a proposal in response to this RFP, vendors affirm that they have not given, nor intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of a vendor's proposal. An award will not be made where a conflict of interest exists. The State will determine whether a conflict of interest exists and whether it may reflect negatively on the State's selection of a vendor. The State reserves the right to disqualify any vendor on the grounds of actual or apparent conflict of interest.
- (8) All employees assigned to the project are authorized to work in this country.
- (9) The company has a written equal opportunity policy that does not discriminate in employment practices with regard to race, color, national origin, physical condition, creed, religion, age, sex, marital status, sexual orientation, developmental disability or handicap.
- (10) The company has a written policy regarding compliance for maintaining a drug-free workplace.
- (11) Vendor understands and acknowledges that the representations within their proposal are material and important, and will be relied on by the State in evaluation of the proposal. Any vendor misrepresentations shall be treated as fraudulent concealment from the State of the true facts relating to the proposal.
- (12) Vendor must certify that any and all subcontractors comply with Sections 7, 8, 9, and 10, above.
- (13) The proposal must be signed by the individual(s) legally authorized to bind the vendor per NRS 333.337.

Aronson Security Group, Inc. (ASG)



Vendor Signature

Mark Barak, General Counsel

Print Name

May 23, 2017

Date

2.11.2 - PART I A - TECHNICAL PROPOSAL - SECTION III STATE DOCUMENTS
VENDOR CERTIFICATIONS/LICENSES

ASG has numerous Strategic Alliance Technology Partners. In each case, ASG is certified, authorized, and expected to represent the products listed in the numerous agreements in the design, installation, and service of security products manufactured by each and delivered by ASG. In addition, ASG has a mature process for on-boarding new products, and for bench testing and evaluating newly released products made by established partners. All of this in an effort to ensure the products used, work as designed and intended, deliver value to the end user, and predictable performance for those who are tasked with operations. ASG has a signed vendor or product partner agreement with each of the following:

Vendor Partner	About	Vendor Licensing Agreements	ASG Certifications Held
	AMAG Technology's Symmetry™ Security Management Systems offer intelligent networked solutions scaled to manage access control and video management challenges from small, remote facilities to multi-national organizations positioned around the world	X	4- Advanced 13 – Essentials
	Arecont Vision MADE IN THE USA is the leading manufacturer of network cameras and megapixel surveillance cameras offering a large selection of megapixel IP cameras	X	X
	ASSA ABLOY , the global leader in door opening solutions, dedicated to satisfying end-user needs for security, safety and convenience. As the world's leading lock group, ASSA ABLOY offers a more complete range of door opening solutions than any other company on the market.	X	2 – Ethernet WIFI Network
	Avigilon designs, develops, and manufactures video analytics, network video management software and hardware, surveillance cameras, and access control solutions. Avigilon's solutions have been installed at thousands of customer sites, including school campuses, transportation systems, healthcare centers, public venues, critical infrastructure, prisons, factories, casinos, airports, financial institutions, government facilities, and retailers.	In process	In process
	AXIS is the market leader in network video. We invented the world's first network camera back in 1996 and we've been innovators in video surveillance ever since, increasing the security of millions of people worldwide and helping to meet the growing need for a smarter, safer world. With the help of 80,000 partners , spanning 179 countries , we've delivered a series of groundbreaking products and many industry firsts. And, we look forward to pioneering many more.	X	X

	Boon Edam delivers a broad range of innovative, high quality turnstile, revolving door and security entrance solutions. Their products and services meet customers' needs for efficiency, security and aesthetic design all around the world.	X	X
	Bosch Security Systems, Inc. offers a broad portfolio of products and systems for video surveillance, access control, and intrusion and fire detection used by major schools and universities, government agencies, correctional facilities, retail stores, casinos and in many other commercial environments throughout North America	X	X
	Brivo Inc. is a worldwide leader of cloud-based physical access control systems. Currently servicing over 7 million users, the company's award-winning Brivo OnAir platform provides unmatched scalability and centralized security management for global enterprises, while retaining the ease of use for small and medium sized customers. The Brivo OnAir security management system is unique in providing combined access and video management in a single cloud platform.	X	X
	Cisco's Internet Protocol based (IP) networking solutions are the foundation of the Internet and most corporate, education, and government networks around the world. Cisco provides the broadest line of solutions for transporting data, voice and video within buildings, across campuses, or around the world.		X
	Dell provides technology solutions, services and support.	X	X
	Exacq Technologies, Inc. is a leading developer of open architecture, Video Management System (VMS) solutions for video surveillance and security. exacqVision VMS solutions are scalable from a single camera applications to large, scalable and distributed corporate or campus systems with thousands of cameras. Real-time and recorded video can be viewed, managed and configured from any location on the network.	X	9 – ExacqVision Certifications
	Feenics With business and security requirements constantly changing, the Keep platform is scalable from one door to global enterprise environments. And, it provides the ultimate in choice to manage your security infrastructure and integrate a broad range of complementary systems or third-party applications using a single API. RESTful API makes it possible to fully interact with the Keep data for greater agility to easily connect applications to systems both inside and outside the enterprise. From video, intrusion detection to IoT, building automation and other applications, Keep helps you evolve to create more secure, connected and smarter environments. The solution also supports future technologies and applications to ensure your access control system is interoperable with the latest advances in the market.	X	Feenics Access Control Certified 2

	Fiber SenSys manufactures reliable, high-performance Fiber SenSys fiber-optic intrusion detection solutions for a wide variety of markets: military installations (permanent and tactical), airports, government facilities, prisons, nuclear and chemical plants, refineries, estates and heritage properties, power stations and reservoirs		X
	Firetide is the leading provider of multi-service mesh networks for industrial and municipal applications. Firetide provides a secure, high performance wireless mesh infrastructure and access solution for video surveillance, Internet access, public safety networks, and temporary networks wherever rapid deployment, mobility, and ease of installation are required.		X
	FusionWare is an award-winning broad-based IT solution provider specialized in infrastructure, middleware and integration products and services. They are experts in delivering innovative, business-driven technology solutions and professional services to help organizations of all sizes drive revenue growth and efficiency by maximizing the return on their IT investments.		
	GENETEC From pioneer to leader in the security industry, Genetec has always been committed to providing the most innovative solutions. Today, we offer world-class IP security solutions with our unified security platform encompassing license plate recognition (LPR), video surveillance and access control	X	Genetec Security Center Certifications 3 – Omnicast 3 – Synergis
	Sentry is an operating division of Global Guardian, an established provider of integrated global security solutions for organizations, individuals, and families. Global Guardian's management team is comprised of veterans and federal law enforcement personnel, including former members of the US Army Special Forces, Delta Force, U.S. Secret Service Special Operations Division, and FBI, representing a level of operational security experience unmatched in the video & alarm monitoring industry. Global Guardian's 24-hour Operations Center is staffed at all times by highly trained security experts, intelligence analysts and surveillance professionals. This team supports Global Guardian clients in over 65 countries, providing global personnel tracking, executive protection services, and emergency response to a wide range of potential client emergencies, including terrorist attacks, natural disasters and medical emergencies.	X	X
	HID Global is the trusted leader in providing access and ID management solutions for the delivery of secure identity. As a leading manufacturer of secure identity solutions and contactless smart card technology for physical access control, HID is selected more than any other brand in the convergence of physical and logical access control.	X	X
	Inovonics has more than twenty years of leadership in the design and development of radio frequency electronics, serving the commercial building market with security, sub metering and sensor and control	X	X

	applications.		
	Lenel is a leading provider of software and turnkey security systems for corporate and government markets. Lenel focuses on developing products that enable organizations to effectively protect and manage their people, property and assets by maximizing IT and infrastructure	X	9 – Master Level 12 – Platinum 5 – Gold 14 – Silver
	Milestone Systems is the leading global developer of open platform IP video management software, according to IMS Research several years running. With support for the widest choice in network hardware and integration with other systems, XProtect provides best-of-breed solutions to "video enable" organizations - reducing costs, optimizing processes, protecting people and assets.	X	4 – XProtect Enterprise 3 - MCIE
	OR3M part of Setracon Inc. Utilizes a commercial off-the-shelf (COTS) technology platform and professional services to assist all-hazards risk professionals in aggregating, organizing, creating and communicating critical information both externally and internally. The result is a security information portal that collects data, documents and intelligence from the physical and logical security applications on the network providing a robust network of professionals called the Global Security Network.	X	X
	Panasonic delivers the edge in video surveillance systems. Over 50 years of industry leadership are built on core strengths of imaging technology, connectivity and systems product solutions. In addition to leading i-Pro intelligent and professional network products, Panasonic provides advanced analog and hybrid solutions for any application or migration path.		X
	Pelco is committed to designing and delivering a broad range of high-quality, IP video security products and systems complemented with an unparalleled level of customer support and services.		2 – Digital Sentry RCDD 12 1 – Endura
	Pivot3 delivers Dynamic Hyperconvergence through innovative technologies to deploy intelligent compute and storage infrastructures. Pivot3's solutions maximize resource utilization, deliver sustained business services and guarantee application performance levels to improve data center simplicity and drive down complexity and cost. Today, Pivot3 has successfully deployed over 16,000 mission- and business-critical infrastructures in multiple industries such as healthcare, government, transportation, education, gaming, entertainment and retail.	X	4 – Pivot3 vSTAC Watch

 	SAMSUNG For over 70 years, Samsung has been dedicated to making a better world through diverse businesses that today span advanced technology, semiconductors, skyscraper and plant construction, petrochemicals, fashion, medicine, finance, hotels, and more. Our flagship company, Samsung Electronics, leads the global market in high-tech electronics manufacturing and digital media.	X	X
 Enterprise Security Risk Management Services	Setracon Inc. Enterprise Security Risk, Threat and Vulnerability Assessments 	X	X
	Tyco International's Software House technologies include the innovative C•CURE 9000® security and event management system and the flagship C•CURE 800/8000 access control solution. Combined with a suite of powerful door controllers and the industry's first true multi-technology reader, Software House technologies are among the most powerful in the industry.	X	5 – C-Cure 9000 Enterprise Architecture
	Stanley Healthcare Solutions is a leading provider of security and safety systems to protect people in healthcare environments. Its market-leading infant protection, pediatric protection, wireless communication, departure alert and fall management applications are trusted by thousands of hospitals and senior care facilities worldwide.	X	Stanley Hugs WiFi 2 Hugs iLON 5
 STENTOFON	Vingtor Stentofon (Zenitel) is a leading solution provider in IP professional radio communication serving markets requiring secure, critical communication	X	IP system Certification 5
	Traka - key management & access control, key cabinets, electronic lockers, and other top security products.	X	X
	TWISTED PAIR Solution's award-winning WAVE software technology enables partners and customers to build and operate secure, highly scalable communications solutions in the world's most demanding environments	X	

	Verint. Powering Actionable Intelligence.® Verint® is a global leader in Actionable Intelligence® solutions with a focus on customer engagement optimization, security intelligence, and fraud, risk and compliance. Today, more than 10,000 organizations in 180 countries—including over 80 percent of the Fortune 100—count on Verint solutions to make more informed, effective, and timely decisions.	X	Verint Nextiva 3
	Vunetrix Network Monitoring (VNM) is a purpose-built network monitoring solution for the security industry. Since IP network devices constantly produce data streams, VNM can apply open IT management protocols to collect, interpret and return the data as useful information.	X	5-certified

2.11.2 - PART 1 A - TECHNICAL PROPOSAL - SECTION IV - SCOPE OF WORK (ATTACHMENT B)

ASG responses for this section pertain to:

Category 1: Access Control Systems

Category 2: Burglar Alarm Systems

Category 3: Surveillance Services & Equipment

Category 8: High Security Control Systems

For NASPO Member Service Area: Washington State (see 1.6 Participating States), anticipating PA.

In response to the RFP requirements for all categories identified above, ASG:

- *Ensures facilities are in compliance with all applicable codes and requirements. ASG main offices located in Renton, convenient to Western Washington NASPO members, and Spokane, convenient for Eastern Washington member agencies, and Beaverton, Oregon adjacent to Southern Washington, and Oregon state have innovative spaces for added benefit and service offering: A Business Operations Center (BOC) for demonstrating hardware and software technology, tools, and performance and information management processes AND 3) Innovation Labs, for testing and benchmarking new and upgraded technology BEFORE deploying in the field on client sites.*
- *Is currently and will maintain compliance with current National Fire Protection Association (NFPA) Standards, Participating Entities Contractor's Board Licensing and Participating Entities State and Local Fire regulations at the time supplies or systems are delivered pursuant to an order under the Master Agreement;*

- *Ensures all services are conducted by a State Certified/Licensed Technician as appropriate and as required;*
- *Ensures all services are conducted in accordance with any certification requirements within Participating Entities;*
- *May offer additional services as related to awarded categories;*
- *Utilizes equipment which is manufactured for the purposes intended in our security designs. Further, we test to verify the equipment actually works as advertised, and do not go merely on the statements of those manufacturing and representing the manufacturing of the technology or products; and agrees to ensuring all equipment is compatible to the best industrial standards and must function as designed after installation;*
- *Has and will continue to provide a dedicated single point of contact to act as liaison for state information technology staff that seeks assistance with products and with services. Tommi Robison has been the primary point of contact for member agencies since 2013, the start of (formerly WSCA) now, NASPO ValuePoint program and worked closely with State of Washington to deploy and promote the use of the NASPO Master agreement/DES Participating Addenda #04814 in Washington and Oregon. Tommi's resume is included with this proposal. As added support for DES / NASPO members, ASG has a select team of dedicated Client Managers to support Western and Eastern Washington. These team members resumes are included with this proposal as well, along with other ASG project team members who currently and effectively serve NASPO ValuePoint members and DES customers throughout Washington State under the original or current contract;*
- *Agrees not to apply surcharges for transportation, fuel, energy, insurance or other reasons throughout the duration of the contract(s); and*
- *Shall ensure permits are current and remain current.*

In response to the RFP requirements, when providing services, ASG:

- *As an ASG best practice, will identify point of contact(s) with the Purchasing Entity, and their designated internal team and primary stakeholders, and will discuss findings routinely at the time "preferred" and method and frequency as determined by customers' needs, as part of the project, program and/or service scope, and as part of communication plan and reporting documentation.*
- *Will report findings no later than 24 hours after inspection or as determined necessary and acceptable by both parties.*

In response to the RFP requirements, when providing services, ASG also commits:

- *Inspections performed shall include the cost of the initial inspection, any required maintenance, and any needed follow-up inspections (at no additional cost for the follow up inspection).*
- *To be an authorized reseller of any manufacturer brand offered. And understands certification must be made available to Participating Entities upon request. We are competent to provide and deploy a full product line and services of each of the technology partners illustrated above.*

- *To not allow any part of the resulting contract from this solicitation be performed offshore of the United States by persons located offshore of the United State or by means, methods, or communications that, in whole or in part, take place offshore of the United States.*

A. AGREEMENTS

The agreement between ASG and agencies will include, but are not limited to the following:

- *As an ASG best practice, we include an Acceptance Form (a Notice to Proceed document) as part of our Proposal template. This document is signed by the agency, as part of our approval process. ASG will provide the Purchasing Entity with a detailed Proposal document including site walk findings, proposed project scope of work, estimated pricing and project costs, a templated form of NASPO ValuePoint Master Agreement Terms and Conditions, and the member state's specific PA information. The ASG proposal is developed in collaboration with the Purchasing Entity and reviewed in detail with the agency and its key stakeholders, with thorough explanation of all aspects of the project or purchase. As best practice, early on in the process, ASG confirms the Purchasing Entity's business expectations, including identifying budget requirements and their purchasing and approval processes, and confirming the internal personnel who'll need to be involved as part of that process, and their timelines anticipated and the customer's documentation that will be involved, so that we may work well to accomplish their objectives and enjoy clear understanding as to how to do that. This framework of teaming enables clarity for both sides of what the Purchasing Entity needs, prior to signing, and helps set solid expectations yielding, predictable and dependable outcomes.*
- *Provide separate quotes within 48 hours of request (unless otherwise approved by Purchasing Entity) for each new or replacement installation as required by the Purchasing Entity. Quotes should offer price differences for lease and purchase options as requested by the Purchasing Entity.*
- *ASG acknowledges and understands the Purchasing Entity may have existing proprietary equipment to work with or notify the Purchasing Entity regarding maintenance and repair of proprietary equipment as appropriate or necessary to achieve the customer's stated goals.*

B. BACKGROUND CHECKS

Per the RFP requirements ASG understands:

- *All background checks must be completed after contracts have been awarded, but prior to any work being done.*
- *ASG employees providing on-site services to this contract must be required to submit to and pass background checks. Upon request from Purchasing Entities, vendors must provide copies of background checks or submit to additional security requirements.*
- *All costs associated with background checks will be at ASG's expense.*
- *ASG personnel or its subcontractor partners must not begin work on the contract until clearance has been issued by the Purchasing Entity; and*
- *Notification and access to facilities will be pre-authorized by Purchasing Entities.*

C. PUBLIC WORKS PROJECTS

In response to the RFP requirements for the categories identified, ASG affirms:

- *Any projects that are federally funded may be subject to the requirements of Davis-Bacon Act and/or the Davis-Bacon Wage Decision.*

- *Labor prices for affected projects may be negotiated between the using entity and the contractor, provided the contractor provides adequate documentation for any negotiated increase.*
- *Documentation may include payroll records, copies of wage decisions, and/or other information that establishes a clear difference between the contractor's standard wage and the prevailing Davis-Bacon wage for any affected employee for that project.*
- *Under no circumstances will that price be increased by an amount higher than the difference between the normal hourly rate and the hourly rate required by the applicable Davis-Bacon Wage Decision.*
- *Job quotes must include the standard business hours and prevailing wage rate for the job location. Quotes should include shift differential, if any, for working nights and weekends.*
- *Jobsites must be cleaned every day.*
- *ASG will complete any punch lists within five (5) days of receipt. Exceptions to this standard may be addressed on an individual project basis.*

Asbestos

In response to the RFP requirements for the categories identified, ASG understands that:

- *Asbestos may be present within State-owned facilities, and may be encountered in previously inspected buildings.*
- *Upon discovering asbestos or a suspected asbestos-containing material (ACM), all work shall immediately stop in the affected area and contact the project manager and/or building owner;*
- *The project manager and/or building owner shall assume responsibility for taking material samples for testing; and*
- *The project manager/building owner will convey all pertinent information regarding asbestos test results to the vendor and, if necessary, conduct any required remediation prior to resuming work in the affected area.*
- *All remediation work must be performed by a contractor specifically licensed and/or certified to perform asbestos remediation.*
- *Vendors may be held liable for violations of any applicable federal, state and/or local environmental laws or regulations, whether committed through action or inaction.*

D. GENERAL REQUIREMENTS

In response to the RFP requirements for the categories identified, ASG affirms:

- *Vendors must guarantee workmanship at vendors' expense for a period of twelve (12) months from date of installation.*
- *Work shall be performed in accordance with manufactures' recommendations and with all current local codes, regulations, and installation guidelines.*

- *In order to meet the customer's goals, installation and or work may be required outside of normal business hours (8am-5pm, unless otherwise specified by the Purchasing Entity); however, per the RFP, it is anticipated that most work will be completed during normal business hours.*
- *ASG staff is responsible for performing a standard site walk-through and providing competent personnel to perform the specific scope(s) required. Due to the nature of these scopes of work and the liability involved, each Purchasing Entity will have the final determination of competency in all matters regarding personnel provided by the vendor.*
- *Once ASG has possession of the equipment to be installed, the responsibility for all equipment, including storage during installation work, shall be at the ASG's expense when storage space is unavailable at the jobsite.*

E. PENALTY FOR IMPROPER PRICING

In response to the RFP requirements for the categories identified, ASG agrees:

- *Responsibility to ensure that all prices proposed for all projects are accurate and consistent with the terms of the contract.*
- *For all projects completed under this contract: if a vendor submits an invoice containing incorrect pricing in favor of the vendor, that vendor shall submit a new, corrected invoice with a 25% reduction in cost for each incorrectly priced item.*
- *If vendor continues to provide incorrect invoicing each Purchasing Entity has the option to cancel their contract in its entirety without penalty.*
- *Vendors are not allowed to aggregate fees into contract after award has been made. Failure to comply may be grounds for cancellation.*

F. STANDARD OF PERFORMANCE AND ACCEPTANCE

In response to the RFP requirements for the categories identified, ASG understands:

- *The Standard of Performance applies to all product(s) purchased under this Master Agreement, including any additional, replacement, or substitute product(s), as well as any product(s) which are modified by or with the written approval of the vendor and acceptance by the Purchasing Entity.*
- *The Acceptance Testing period shall be seven (7) calendar days, or any other time period identified in the solicitation or the Participating Addendum, beginning with the day after the product is installed certification is received that the product is ready for Acceptance Testing.*
- *If the product does not meet the Standard of Performance during the initial period of Acceptance Testing, the Purchasing Entity may, at its discretion, continue Acceptance Testing on a day-to-day basis until the Standard of Performance is met.*
- *Upon rejection, the vendor will have three (3) calendar days to cure any Standard of Performance issue(s).*
- *If, after the cure period, the product still has not met the Standard of Performance, the Purchasing Entity may, at its option:*

- *Declare the vendor to be in breach and terminate the order;*
 - *Demand a replacement product from the vendor at no additional cost to Participating Entity; or*
 - *Continue the cure period for an additional time period agreed upon by the Participating Entity and the vendor.*
 - *Vendor shall pay all costs related to the preparation and shipping of returned products.*
 - *No product shall be accepted and no charges shall be paid until the Standard of Performance is met.*
 - *The warranty period will begin upon the Purchasing Entity's approval.*
- G. TRAVEL**
In response to the RFP requirements for the categories identified, ASG agrees:
- *All travel will be negotiated within each PA. Travel may be subject to limits of the Participating Entity's rules.*
- H. AUTHORIZATION TO WORK**
In response to the RFP requirements for the categories identified, ASG affirms:
- *ASG is responsible for ensuring that all employees and/or subcontractors are authorized to work in the United States.*
- I. SYSTEM COMPLIANCE WARRANTY**
In response to the RFP requirements for the categories identified, ASG:
- *As Licensor, ASG represents and warrants: (a) that each Product shall be Date Compliant; will operate consistently, predictably and accurately, without interruption or manual intervention, and in accordance with all requirements of this Agreement, including without limitation the Applicable Specifications and the Documentation, during each such time period, and the transitions between them, in relation to dates it encounters or processes; (b) that all date recognition and processing by each Product will include the Four Digit Year Format and will correctly recognize and process the date of February 29, and any related data, during Leap Years; and (c) that all date sorting by each Product that includes a "year category" shall be done based on the Four Digit Year Format.*
- J. TERMS AND CONDITIONS FOR GOODS**
In response to the RFP requirements for the categories identified, ASG affirms:
- *Acceptance and compliance to Terms and Conditions for Goods, as described therein. (See Attachment E for Assumptions as noted)*
- K. EXPRESS WARRANTIES**
In response to the RFP requirements for the categories identified, ASG affirms:
- *For the period specified on the face of the Contract, ASG warrants and represents each of the Warranties as enumerated and described therein, with respect to any goods provided under the Contract, except as otherwise provided on incorporated attachments.*

**2.11.2 - PART 1 A - TECHNICAL PROPOSAL - SECTION IV - SCOPE OF WORK
ATTACHMENT B****2.11.2 - PART 1 A - TECHNICAL PROPOSAL - SECTION IV - SCOPE OF WORK - SERVICE CATEGORIES
CATEGORY 1 - ACCESS CONTROL SYSTEMS**

ASG's start was in 'Access Control' by selling and installing locks in the Pacific Northwest and expanded to include cutting edge electronic solutions, full in-house engineering and design services and the ability to provide end to end solutions to our clients.

Since our beginning, ASG has focused on excellent service, and made sure our customers are taken care of from the very first call. We have carried on that legacy ASG, as evidenced by the number of clients that turn to us as their trusted security advisor year after year. The word "trust" implies a relationship: knowing someone instills trust and behavior anchors it.

We will never suggest a cookie-cutter solution; we take pride in really understanding each client and their limitations and concerns, as well as their vision for the future. Our goal is identifying what the client needs out of a system and to establish a as a basis of design, identifying and engineering a system that addresses their functional and operational requirements. And it's our always asking "why" that is critical to our whole-system approach around Enterprise Security Risk Management (ESRM) that creates strategic continuity between an organization's goals and their risk, resilience and security programs.

The Access Control Systems category includes, but is not limited to the following services:

1.1.1. All aspects of access control system services.

ASG and select Subcontractor Teams are prepared with a depth of experience, to provide all aspects of access control system services and products in delivery of this category as follows:

ASG has a mature business unit in operation, Enterprise Security Risk Management Services lead by the eSRG team (pronounced: eeSURG) Enterprise Security Risk Group. eSRG exists within ASG to consult with clients by:

- *Assessing their operation and making recommendations for optimization.*
- *Benchmarking and testing technology solutions to client requirements.*
- *Creating security master plans and long range roadmaps.*
- *Designing security solutions.*
- *Specifying security solutions.*
- *Risk assessment and mitigation planning.*
- *Resilience planning and adoption strategies.*
- *System and Program hardening and password policies for InfoSec and Physical Security Systems*

1.1.2. Installation of new systems.

ASG has long standing experience in the installation of new security systems. Annual new system installations are routinely in excess of 100. ASG provides testing and inspections required by clients, by local authorities having jurisdiction, and/or by best practices and manufacturer recommendations. ASG's service department handles these activities.

1.1.3. Replacement or upgrade of systems.

ASG has long standing experience in replacement and/or upgrade to existing security systems. ASG

seeks to maintain a best in class technical team, and to do that, has vetted and selected, under Strategic Alliance Partnerships, enterprise level, best of breed access control solutions limited to the following (5) five manufacturers:

- *Lenel Systems*
- *Software House*
- *AMAG*
- *Genetec Unified Mission Control Access Control Platform*
- *BRIVO hosted Access Control Platform (PACS) FIPS 201*
- *Feenics Hosted Access Control Platform*

1.1.4. Removal of existing systems.

ASG and select Subcontractor Team provide system removal of old systems when applicable.

1.1.5. Integration of various types of systems.

ASG is perhaps best known for integrating various types of systems. ASG has a mature business unit in operation, Advanced Integration Services (AIS) who leads and executes these services. ASG's talented team of Application Engineers routinely integrates multiple products by multiple manufacturers into an integrated solution that utilizes each system involved. As such, we are consistently integrating products in access control with those in intrusion alarm, security video surveillance, commercial databases, commercial voice communications systems, biometric technology, and the like.

1.1.6 Provide and install all related equipment and any items necessary for operation and installation of equipment such as wires and fasteners that are needed to complete work.

ASG and select Subcontractor Teams are able to provide complete installations including cable, cable management, data networks, servers and power infrastructure computers, software, hardware, together with equipment required to achieve the installation.

1.1.7. Maintenance and repair (including emergency repairs) of systems

ASG and Select Subcontractor Teams have long standing experience and high level of expertise providing maintenance and repair, including emergency repair, of systems they install and even that others install. Our service department is able to be reached 24 hours a day with manned HelpDesk for live access to dedicated Solution Support Application Engineer during business hours, and off-hour communication and action plan and personnel to respond to any emergency;

1.1.7.1 Respond on site to trouble calls within four (4) hours, including weekends and holidays.

ASG is able to respond on site to trouble calls that are within Washington State within four (4) hours, including weekends and holidays. ASG offices are located strategically across the state to give the best coverage to enable dependable response time commitments;

1.1.7.2 Repair personnel must carry adequate hardware inventory to replace, repair, and/or maintain each system at the time dispatched.

ASG seeks to enter into a master service agreement with defined levels of service for response, service equipment stock, client notification requirements, based on the customer's identified criticality. Our service technicians are dispatched, all tasks and activities associated with a dispatch are input into an integrated computer tracking system known as CompleteView. Each site is individually tracked for ease of reporting.

1.1.7.3 Repair personnel must be prepared to provide an immediate replacement for defective equipment and shall not remove a defective unit without an immediate replacement. Critical or high priority devices will be identified, purchased and stored as part of a defined master service-level agreement specific to the customer's scope, functional and operational

requirements to enable proper inventorying of mission critical replacement parts for non-functioning equipment being available before a non-functioning unit is removed.

1.1.7.4 Replacement and repair of equipment must be provided to a specific location, or within an assigned geographical area inside a location.

Replacement and repair of equipment as defined by the customer's functional and operational requirements and included in service level agreement would be provided to a specific location, or within an assigned geographical area inside a location, as determined by the customer's requirements, and scope of service as agreed upon by both parties.

1.1.8 Provide programming and work individually with each participating state's information technology staff when installing new or maintaining previously installed systems.

ASG has application engineers who specialize and are highly trained individuals who work with the software, networks, and server infrastructure, and who are the programming and configuration team for integrated security system deployments. They are also the individuals who work with client IT departments in executing the installations and in meeting client IT security objectives. Finally, the application engineers are the individuals tasked with providing client training and system orientation.

ASG anticipates agreement with participating states as outlined in paragraph 1.6.

Specifically, ASG intends to:

- *Utilize standardized forms and processes with all participating states.*
- *Submit to background checks.*
- *Observe public works projects rules.*
- *Provide a 12 month warranty for materials and labor. ASG will utilize a Notice of Completion form to document the beginning of warranty periods.*

2.11.2 - PART 1 A - TECHNICAL PROPOSAL - SECTION IV - SCOPE OF WORK - SERVICE CATEGORIES CATEGORY 2 - BURGLAR ALARM SYSTEMS

With the current status of the threat landscape and regulatory environment today, situational awareness and need for an audit-able ability of response and to communicate in, critical situations is paramount.

Burglar Alarm Systems or Intrusion Detection Systems (IDS) coupled with the proven dependability of experienced, qualified monitoring professionals trained in all-hazards response--- allow your member, facility, individual and security organization to react and respond in a safe, efficient, timely and effective manner, leveraging the right technology and ensuring the right outcomes.

IoT as we know has quickly changed the security market place today. With crime and increased regulation creating the need, and technology answering the call, there are new opportunities for enhanced situational awareness that gain your member's new lean efficiencies by no longer thinking of the disparate security and life safety solutions as silo'd systems.

The interoperability between traditional burglar alarm security systems, surveillance, two way voice communication, and access control have become critical components within a common operating platform for increasing the overall security and safety of life and property. The added potential of including critical building systems (also on the IT network) adds to the value and lean efficiencies

addressing and accomplishing security and facilities program optimization, operational and performance and information management goals.

Choosing the right Security Partner experienced in engineering integrated enterprise platforms is the difference between spending millions without identifying metrics and no demonstrateable return and deploying highly effective tools that align, accomplish and provide actionable intelligence to inform the organization, and that are based on functional and operational requirements and engineered to be scalable to meet their immediate and future needs. This is the value of ASG and Global Guardian, Sentry.

Our combined capabilities in risk mitigation, operational resilience, emergency management, safety and security products and services will have great impact improving your member's ability to understand what's occurring across their enterprise, from a common operating framework, federating their once disparate systems and creating improved abilities to expedite accurate assessment of real emergencies for higher level of response, dispatching or leveraging technology to engage first responders with useable, accurate intelligence to respond to.

To that end, in response to the requirements and scope as described herein ASG and our subcontracted partners will fully support and provide the following:

1.2 CATEGORY 2 – BURGLAR ALARM SYSTEMS

The Burglar Alarm Systems category includes, but, is not limited to the following services:

1.2.1 All aspects of burglar alarm system services.

ASG and select Subcontracted Teams are prepared to provide all aspects of Intrusion Detection and/ or Burglar Alarm Systems, services and products in delivery of this category as follows:

ASG has a mature business unit in operation, Enterprise Security Risk Management Services lead by the eSRG team (pronounced: eeSURG) Enterprise Security Risk Group. eSRG exists within ASG to consult with clients by:

- *Assessing their operation and making recommendations for optimization.*
- *Benchmarking and testing technology solutions to client requirements.*
- *Creating security master plans and long range roadmaps.*
- *Designing security solutions.*
- *Specifying security solutions.*
- *Risk assessment and mitigation planning.*
- *Resilience planning and adoption strategies.*
- *System and Program hardening and password policies for InfoSec and Physical Security Systems*

1.2.2 System Monitoring:

ASG and Select Subcontractor Teams provide industry leading, real-time remote guard monitoring, rapid response crime & theft prevention, best in class technology, design & installation for, video surveillance, 2- way voice and system alarm monitoring that will among other command center features and benefits will:

- **Provide a 24-hour (UL) station.**
- **Provide backup communication, i.e. radio or cell phone.**

1.2.3 Installation of new systems.

ASG has long standing experience providing installation of new Intrusion Detection, or burglar alarm security systems. ASG provides testing and inspections required by clients, by local authorities having jurisdiction, and/or by best practices and manufacturer recommendations. ASG's service department handles these activities.

1.2.4 Replacement or upgrade of systems.

ASG has long standing experience providing replacement to and/or upgrade to existing Intrusion Detection and/or burglar alarm and security systems. ASG seeks to maintain the best in class technical team and as such has limited Intrusion Detection and/or burglar alarm security system solution to industry leader in innovation and quality, manufacturer partner: Bosch Security Systems, Inc.. And for best support for NASPO members, ASG announces its partnership with the industry leading responsiveness and professionalism of Global Guardian Sentry for Remote Guard and Alarm Monitoring and Command Center and executive and travel protection full scope products and service capabilities.

1.2.5 Removal of existing systems.

ASG and select Subcontractor Teams provide system removal of old systems when applicable.

1.2.6 Maintenance and repair (including emergency repairs) of systems.

ASG and Select Subcontractor Teams have long standing experience providing maintenance and repair, including emergency repair, of systems they install and even that others install. Our service department is able to be reached 24 hours a day with manned HelpDesk for live access to dedicated Solution Support Application Engineer during business hours, and off-hour communication and action plan and personnel to respond to any emergency;

1.2.6.1 Respond on site to trouble calls within four (4) hours, including weekends and holidays.

ASG is able to respond on site to trouble calls that are within Washington State within four (4) hours, including weekends and holidays. ASG offices are located strategically across the state to give the best coverage to enable dependable response time commitments;

1.2.6.2 Repair personnel must carry adequate hardware inventory to replace, repair, and/or maintain each system at the time dispatched.

ASG seeks to enter into a master service agreement with defined levels of service for response, service equipment stock, client notification requirements, based on the customer's identified criticality. Our service technicians are dispatched; all tasks and activities associated with a dispatch are input into an integrated computer tracking system known as CompleteView. Each site is individually tracked for ease of reporting.

1.2.6.3 Repair personnel must be prepared to provide an immediate replacement for defective equipment and shall not remove a defective unit without an immediate replacement.

Critical or high priority devices will be identified, purchased and stored as part of a master service-level agreement specific to the customer's scope, functional and operational requirements to enable proper inventorying of mission critical replacement parts for non-functioning equipment being available before a non-functioning unit is removed.

1.2.6.4 Replacement and repair of equipment must be provided to a specific location, or within an assigned geographical area inside a location.

Replacement and repair of equipment as defined by the customer's functional and operational requirements and included in service level agreement would be provided to a specific location, or within an assigned geographical area inside a location, as determined by the customer's requirements, and scope of service as agreed upon by both parties.

1.2.7 Integration to existing systems as requested.

ASG is perhaps best known for integrating various types of systems. ASG has a mature business unit in operation, Advanced Integration Services (AIS) who leads and executes these services. ASG's talented team of Application Engineers routinely integrates multiple products by multiple manufacturers into an integrated solution that utilizes each system involved. As such, we are consistently integrating products to enable a common operating picture for situational awareness through integration of access control, intrusion alarm, security video surveillance,

commercial databases, commercial voice communications systems, biometric technology, and the like.

1.2.8 Provide and install all related equipment and items that are needed to complete work. *Path to Value process, professional engineering project management expertise with disciplined and holistic approach, that is aligned with customer's risk-based objectives, and is executed from a thoughtful plan, is a big reason ASG and vetted Subcontractor Teams are relied upon by best of breed manufacturer's and global customers to perform their largest most complex system deployments, upgrades and conversions; and where ASG is perhaps best appreciated.*

1.2.9 The authorized Purchasing Entity's representative and/or designee will identify the procedures by which work requests will be assigned.

Acknowledged

1.2.10 Existing systems must be matched in any new additions or new construction. During renovations, the system in the renovated area being replaced must match the system that is currently in operation and must become an integral part thereof. Vendors must ensure complete connectivity and integration to each existing system in those instances where an addition or upgrade is warranted. *ASG and select subcontractor team(s) understand and will meet or exceed requirements as stated.*

1.2.11 Designate a single point of contact who can address the programming needs of alarm systems in use throughout the Purchasing Entity's facilities with a certified tech. *ASG and select subcontractor team(s) understand and will meet or exceed requirements as stated.*

1.2.12 Vendors must possess the ability to provide for individual access codes. *ASG and select subcontractor team(s) understand and will meet or exceed requirements as stated.*

ASG anticipates agreement with participating states as outlined in paragraph 1.6. Specifically, ASG intends to:

- *Utilize standardized forms and processes with all participating states.*
- *Submit to background checks.*
- *Observe public works projects rules.*
- *Provide a 12 month warranty for materials and labor. ASG will utilize a Notice of Completion form to document the beginning of warranty periods.*

2.11.2 - PART 1 A - TECHNICAL PROPOSAL - SECTION IV - SCOPE OF WORK - SERVICE CATEGORIES
CATEGORY 3 - SURVEILLANCE SERVICES AND EQUIPMENT

1.3 CATEGORY 3 – SURVEILLANCE SERVICES & EQUIPMENT

1.3.1 All aspects of cloud-based and video surveillance systems, services and equipment.

ASG and select subcontractor team(s) is highly skilled and expertly prepared to provide all aspects of cloud-based and video surveillance systems, services and equipment products and services in delivery of this category as follows:

ASG has a mature business unit in operation, Enterprise Security Risk Management Services lead by the eSRG team (pronounced: eeSURG) Enterprise Security Risk Group. eSRG exists within ASG to consult with clients by:

- *Assessing their operation and making recommendations for optimization.*
- *Benchmarking and testing technology solutions to client requirements.*
- *Creating security master plans and long range roadmaps.*
- *Designing security solutions.*
- *Specifying security solutions.*
- *Risk assessment and mitigation planning.*
- *Resilience planning and adoption strategies.*
- *System and Program hardening and password policies for InfoSec and Physical Security Systems*

1.3.2 Installation of new systems.

ASG and select subcontractor team(s) are highly skilled and experienced at design/engineering and all aspects of installation of new security and surveillance systems. Annual new system installations are routinely in excess of 100.

1.3.3 Replacement or upgrade of systems.

ASG and select subcontractor team(s) have longstanding experience providing replacement to and/or upgrade to existing security systems. ASG seeks to maintain the best in class technical team and as such has limited Surveillance Services & Equipment solutions to those offered by five manufacturers:

- *Genetec Unified Platform Command Center – Video Management System;*
- *Milestone;*
- *Exacq Vision*
- *Avigilon*
- *Verint*

Seeing real, proven and demonstrated experience, especially when considering a partner (s) for Enterprise, IP based and often times highly complex, multi-facility deployments, is critical for your members. To best support them, please find a listing below of ASG design/engineering, replacement or upgrade deployments of >150 camera project deployments performed within the last 3 years, as this important demonstrated reference of that body of work for comparable projects. ASG provides testing and inspections required by clients, by local authorities having jurisdiction, and/or by best practices and manufacturer recommendations. ASG's Solution Support/Service department handles these activities.

**ASG Sample Enterprise Surveillance Services and Camera System Installations for
VMS & IP System Conversion/Upgrade**
Sample project size >5 multi-site/buildings > 150 Cameras System Deployment Experience

Year Customer relationship started (*) ongoing & current (**) Onsite ASG Resource	Customer Project	Sample Projects >150 Cameras # of Int & Exterior	Sample Projects >5 Buildings locations/facilities		
*1990	Snohomish PUD	289	13		
*2007	Microsoft	1500	9		
*1995	Providence	590	6		
*/**2005	NIKE	2000	60		
*2006	adidas	1000	8		
*2016	Noble Energy	480	12		
*2008	Childrens' Hospital Medical Center	610	6		
*2015	Aligned Energy	160	5	Project in process	
*2014	Virginia Mason	250	12		
*2012	Legacy Health System	1000	20		
*2009	Peace Health System	SW 500 MC	6		
*2013	Cambia	500	12		
*2016	Skagit County PUD			Project in process	
*2016	Northern WASCO County PUD	TBD - WIP		Master Plan - WIP	
*/**2016	Expedia	TBD - WIP		Project in process	
*2016	Dept of Corrections - Washington	280	5	Project in process	
*2016	Dept of Corrections - Washington	330	15	Project in process	
*2016	Kamehameha School District	TBD - WIP	200	Master Plan - WIP	300 acres
*2014	Issaquah Water District	TBD - WIP	30	Master Plan - WIP	
*2010	Spokane International Airports	330	5		
*2012	PCC Structurals	158	14		
2015	NW Natural	177	10		
2010	Oregon Military Dept	176	7		
*2005	University of Oregon	1000	50		
*2011	Spokane Transit Authority	172	5		

1.3.4 Removal of existing systems.

ASG and select subcontractor team(s) provides system removal of old systems when applicable.

1.3.5 Maintenance and repair (including emergency repairs) of systems.

ASG and select subcontractor team(s) have longstanding history provides maintenance and repair, including emergency repair, of systems they install and even that others install. Our service department is able to be reached 24 hours a day with manned HelpDesk for live access to dedicated Solution Support Application Engineer during business hours, and off-hour contact information and personnel to respond to any emergency.

1.3.5.1 Respond on site to trouble calls within four (4) hours, including weekends and holidays.

ASG is able to respond on site to trouble calls that are within Washington State within four (4) hours, including weekends and holidays;

1.3.5.2 Repair personnel must carry adequate hardware inventory to replace, repair, and/or maintain each system at the time dispatched.

ASG seeks to enter into a master service agreement with defined levels of service for response, service equipment stock, client notification requirements, based on the customer's identified system and/ or part criticality. Our service technicians are dispatched; all tasks and activities associated with a dispatch are input into an integrated computer tracking system known as CompleteView. Each site is individually tracked for ease of reporting.

1.3.5.3 Repair personnel must be prepared to provide an immediate replacement for defective equipment and shall not remove a defective unit without an immediate replacement.

Critical or high priority devices will be identified, purchased and stored as appropriate, as part of a master service-level agreement specific to the customer's scope, functional and operational requirements to enable proper inventorying of mission critical replacement parts for non-functioning equipment being available before a non-functioning unit is removed.

1.3.5.4 Replacement and repair of equipment must be provided to a specific location, or within an assigned geographical area inside a location.

Replacement and repair of equipment as defined by the customer's functional and operational requirements and included in service level agreement would be provided to a specific location, or within an assigned geographical area inside a location as mutually agreed and determined by the customer's established requirements, scope of service agreed upon by both parties.

1.3.6 Integration to existing systems as requested.

ASG is perhaps best known for integrating various types of systems. ASG's talented team of Application Engineers routinely integrates multiple products by multiple manufacturers into an integrated solution that utilizes each system involved. As such, we are consistently integrating products in access control with those in intrusion alarm, security video surveillance, commercial databases, commercial voice communications systems, biometric technology, and the like. ASG's application engineers specialize and are highly trained individuals who work with the software, networks, and who are the programming and configuration team for integrated security system deployments. They are also the individuals who work with client IT departments in executing the installations and in meeting client IT security objectives. Finally, the application engineers are the individuals tasked with providing client training and system orientation.

1.3.7 Provide and install all related equipment such as wires and fasteners that may be needed to complete work.

ASG is able to provide complete installations including cable, cable management, networks, servers, computers, software, hardware, together with equipment required to achieve the installation and desired functionality.

1.3.8 Provide the option to use video cards for video surveillance.

ASG has long standing expertise in and may provide the option to use video cards and associated technologies for video surveillance based on and sized appropriately to meet the customer's functional and operational requirements and desired outcomes.

1.3.9 Vendors must offer video cards with various capacity sizes to meet all potential needs. Capacity and specifications as determined by the Participating Entity.

ASG may provide the option to use video cards and associated technologies for video surveillance based on, and sized appropriately to meet the customer's functional and operational requirements and desired outcomes.

1.3.10 Provide the option for agencies to build their own stand-alone computer to run the system, or request that the vendor build it for them.

ASG may provide the option for agencies to build their own stand-alone computer to mutually agreeable functional, operational and performance specifications necessary to run the system, or request that the ASG build it for them. ASG works with client IT departments to furnish servers and/or to configure servers provided by the client.

1.3.11 Offer a wide variety of indoor and outdoor cameras and wireless transmitters to work in conjunction with video cards.

ASG bench tests, specifies and offers a variety of surveillance and camera solutions for extreme condition, indoors and outdoors, and routinely work with clients to specify the most appropriate one given an established score card of basis of design, security planning goals and available budget. These include physical and virtual matrix switches, network based storage, hosted and on-premise management of video systems, digital video recorders, network video recorders, as well as hybrid recording servers for utilizing existing camera technology with new head-end technology, and the like. ASG offers a full range of accessories including indoor and outdoor camera mounts and housings, wireless transmission, alarm interfaces, access control integration, license plate, situational awareness and facial recognition analytics, performance and information management systems etc.

ASG anticipates agreement with participating states as outlined in paragraph 1.6.

Specifically, ASG intends to:

- *Utilize standardized forms and processes with all participating states.*
- *Submit to background checks.*
- *Observe public works projects rules.*
- *Provide a 12 month warranty for materials and labor. ASG will utilize a Notice of Completion form to document the beginning of warranty periods.*

1.4 CATEGORY 4 - PORTABLE FIRE EXTINGUISHERS

ASG is not responding to this category in the RFP as stated in section 1.6.

1.5 CATEGORY 5 - FIRE EXTINGUISHING SYSTEMS

ASG is not responding to this category in the RFP as stated in section 1.6.

1.6 CATEGORY 6 - FIRE SPRINKLER SYSTEMS

ASG is not responding to this category in the RFP as stated in section 1.6.

1.7 CATEGORY 7 – FIRE ALARM/PROTECTIVE HAZARD SIGNALING SYSTEMS

ASG is not responding to this category in the RFP as stated in section 1.6.

2.11.2 - PART 1 A - TECHNICAL PROPOSAL - SECTION IV - SCOPE OF WORK - SERVICE CATEGORIES
CATEGORY 8 - HIGH SECURITY CONTROL SYSTEMS

In thoughtful response to ardent requests from our valued customers NASPO ValuePoint members and DES Customers, Dept of Corrections, Washington State; ASG has made a commitment to include High Security Control Systems as an ASG managed Capability and Competency under our Program and Project Management Scope of Services and has organized a team of highly qualified and industry recognized subject matter experts to team as part of our ASG Path to Value delivery model for predictable, dependable Products and Services and project outcomes, and may now include this category in our offering.

1.8 CATEGORY 8: HIGH SECURITY CONTROL SYSTEMS

The High Security Control Systems category includes, but is not limited to the following services:
ASG and select Subcontracted Teams are prepared to provide all aspects of High Security Control Systems and associated services and products in delivery of this category as follows:

ASG has a mature business unit in operation, Enterprise Security Risk Management Services lead by the eSRG team (pronounced: eeSURG) Enterprise Security Risk Group. eSRG exists within ASG to consult with clients by:

- *Assessing their operation and making recommendations for optimization.*
- *Benchmarking and testing technology solutions to client requirements.*
- *Creating security master plans and long range roadmaps.*
- *Designing security solutions.*
- *Specifying security solutions.*
- *Risk assessment and mitigation planning.*
- *Resilience planning and adoption strategies.*
- *System and Program hardening and password policies for InfoSec and Physical Security Systems*

- **Replacement or upgrade of systems.**

ASG and select subcontractor team(s) provides replacement to and/or upgrade to existing security systems.

- **Testing, training,**

ASG and select subcontractor team(s) provides testing and training on all systems and to include system and program and policy training in multiple formats and modalities tailored to how your members receive information and learn best.

- **The DCS category custom-integrates HMI /SCADA operator interfaces with programmable logic controllers (PLCs), and various communication subsystems to create a single integrated security system. Custom tailor, program, and configure to remotely move and secure confined individuals in a specific detention, correctional, courts holding, mental health, or similar secure facility; generally, from a 24-hour central control room supported by distributed satellite stations. Representative subsystems may include, but is not limited to:**

- **Operator interfaces employing PC-based human-machine-interface (HMI) and supervisory control and data acquisition components (SCADA) software. Configure as client/server or peer systems. Representative pointing devices include mouse, touchscreen, or both.**

- **Master-to-master staff intercommunications, typically on a full-duplex, dialup basis.**

- **Door monitoring and control systems. Field device interfaces (relays, fuses, and terminals) to detention locking systems and door control programming.**

- **Utility monitoring and control systems.** Data interfaces or field device interfaces to lighting control panels and relays, power control relays and breakers, flushing control systems, water control valves, telephone cutoff relays, fan control relays, generator monitoring interfaces, transfer switch monitors and transfer relays, and similar utility monitoring and control systems.
- **Perimeter alarm systems.** Data interfaces or field device interfaces to perimeter security and intrusion detection systems.
- **Duress alarm systems.** Data interfaces or field device interfaces to fixed or mobile duress alarm systems, including body-worn transmitters, duress pushbuttons, and subsystems that provide locating technology.

ASG and select subcontractor team(s) understand scope of products and services of the (7) scopes of service described herein and will meet or exceed requirements as stated.

1.8.2 Maintenance and repair, including emergency repairs of system.

ASG and select subcontractor team(s) provides maintenance and repair, including emergency repair, of systems they install and even that others install. Our service department is able to be reached 24 hours a day with manned HelpDesk for live access to dedicated Solution Support Application Engineer during business hours, and off-hour contact information and personnel to respond to any emergency.

- **Respond on site to trouble calls within four (4) hours, including weekends and holidays.**
ASG is able to respond on site to trouble calls that are within Washington State within four (4) hours, including weekends and holidays;
- **Adequate hardware inventory to replace, repair, and/or maintain each system at the time dispatched.**
ASG seeks to enter into a master service agreement with defined levels of service for response, service equipment stock, client notification requirements, based on the customer's identified system and/ or part criticality. Our service technicians are dispatched, all tasks and activities associated with a dispatch are input into an integrated computer tracking system known as CompleteView. Each site is individually tracked for ease of reporting.
- **Vendor to be prepared to provide an immediate replacement for defective equipment and shall not remove a defective unit without an immediate replacement.**
Critical or high priority devices will be identified, purchased and stored as appropriate, as part of a master service-level agreement specific to the customer's scope, functional and operational requirements to enable proper inventorying of mission critical replacement parts for non-functioning equipment being available before a non-functioning unit is removed.

ASG anticipates agreement with participating states as outlined in paragraph 1.6.

Specifically, ASG intends to:

- *Utilize standardized forms and processes with all participating states.*
- *Submit to background checks.*
- *Observe public works projects rules.*
- *Provide a 12 month warranty for materials and labor. ASG will utilize a Notice of Completion form to document the beginning of warranty periods.*

1.9 CATEGORY 9: INSPECTIONS & MONITORING

ASG is not responding to this category in the RFP as stated in section 1.6.

2.11.2 - PART 1 A - TECHNICAL PROPOSAL

SECTION V - COMPANY BACKGROUND AND REFERENCES

The Scorecard

Every industry has a scorecard and judges that ultimately rank the quality of business partners and service providers. For us, the most important is our client community; our customers. We partner with great companies and critical government organizations who are all challenged to achieve more with less and to identify and achieve their risk mitigation goals, across a wide range of industries and stages of growth from startups to the Fortune 10 and Fortune 5000 to NASPO member agencies such as Dept. of Corrections, and municipalities like Snohomish PUD, where compliance is key, and who have relied on ASG for their engineering, system procurement, system deployment, integration and service for 30 years; to Seattle Public Utilities, to serving WSDOT since 2009, earned through competitive award as well as contracting using the current (formerly WSCA-NASPO) now ValuePoint/DES PA #04814, that allow us to serve their security needs, and deliver projects like the 99 Tunnel Project and partner in lock-step with Pierce County municipality to improve safety and security across their enterprise . We partner to address risk and developing and deploying security operation command centers and are called upon to develop, deploy and support security programs and systems for global technology leaders such as Aligned Energy, Microsoft, Micron, Intellectual Ventures and NIKE. Our clients tell us that our engineering expertise, proven processes and customer service are big reasons they return to us again and again.

The Scorecard is also held by the manufacturers of security solutions who have had to adapt to a new world of converging and disparate technologies built around the network. Our best of breed technology partners tell us that we are among the nation's top go-to integrators that can address the most challenging and complex environments in security today. We understand that it is the engineering and infrastructure, not only the specific hardware or software product, that will future-proof the solution we install today from obsolescence and allow it to scale to serve the enterprise.

For the enterprise security integrator, it is all about the “ilities” with defined processes and quantifying metrics to ensure reliability, scalability, dependability, manageability and maintainability, all of which require a disciplined and repeatable approach and a thoughtful, strategic, implementable and sustainable plan.

ASG - OUR PROCESS

Our Disciplined Approach to Security Solutions

ASG has organized every employee and vetted partners around the Client, not the equipment. From client executives to engineers and consultants, to project managers, our team is focused on surpassing our clients' expectations and facing every job with the professionalism and attention to detail necessary for success. We're different in the security industry because you; and the success of your program, require it.

ASG'S Path to Value

It's not only our methodology; it's our culture.

Our customers and ASG are the most successful when we adhere to this process. Through our experience and our 54-year client base, we have developed wise and fairly pragmatic perspectives on security that have created best practices in consulting, design and implementation. If selected, our teams will continue to work with your NASPO members' security, facilities, risk mitigation, emergency management, business continuity and operations teams, partners, external teams and stakeholders to provide a design/engineering solution and long-term security systems strategy that aligns with their unique critical security requirements, operational and compliance goals, budgeting concerns, and available resources.

Our people know their roles within each process. Guided by a value of measurement and best-in-class tools, we've created the premier delivery mechanism for driving your NASPO ValuePoint Security Products and Services program performance for your members.

Business Baseline: Identify and Measure your Risk; Design Programs to Help Mitigate that Risk
Our Enterprise Security Risk Group (eSRG) is staffed with a group of industry respected risk leaders and effective practitioners who:

- Assess your member's organizations' risk and organizational alignment
- Design a value-based security program and plan;
- Identify the people and process metrics that continuously improve their performance
- Create the technology roadmap and metrics to optimize your member's people and processes;
- Provide managed services to augment their staff, their intelligence and their reporting.

Development Engineering: Develop Technology Architecture & Roadmap that Drives Efficiencies, Lowers

Cost & Mitigates Risk

Here we determine the realm of possibilities within the confines of needed timeline, budget, and desired system performance.

- Define the security architecture;
- Develop standards that reflect your member's industry and organization;
- Deliver a detailed strategic plan that include product and system options and identifies critical features needed to reach your member's security program and project goals.

Design Engineering: After they have an Architecture and Roadmap- They'll need a Project Plan

Your member's project plan starts with the design of the technology components that align as solutions and optimizing the right "tools" included in their technology roadmap. Based on an established basis-of-design driven out of actual 'need' not arbitrary quantities; the 'right' fit technology, surveillance systems, access control, voice and communication and intrusion detection systems are vetted against a scorecard that is developed and based on the functional and operational and performance criteria. The data is used to determine to identify the best devices such as readers, biometrics and operations and risk-based, analytics. Design Engineering is focused on the detailed form and function of the security solution. We apply our customer's strategic plan and technology architecture, and with an in-house team of talented CAD, BIM and Revit trained design engineers create formal design work instruction documentation and conformed drawing sets, a "playbook" of system standards and electronic construction manuals—specifying what will be built, and how it will be implemented. (EXAMPLE ASG CONSTRUCTION DRWG SET FOR SECURITY SEE 2.11.1–TECHNICAL PROPOSAL – ADDITIONAL INFORMATION MATERIAL)
Accurate, persistently updated AS-Builts are cornerstone to ASG success, and your member's, and ultimately, NASPO ValuePoint's contracting program's success.



Program and Project Management: Disciplined Teams that ensure Performance

Frequent checkpoints allow your member to stay up to date and simultaneously measure ASG's performance throughout implementation. Our ASG Path to Value ensures they receive:

- Experienced project managers in the disciplines of security, construction, and project management;
- Collaborative processes including budget development, project elements, and metrics;

- Scheduled communication with stakeholders;*
- Delivery on time, on scope and on budget*

Implementation: Their Project – On Time and On Budget

Site implementation and management relies on proven best practices to organize and measure the people, tools and products or systems. Years ago, ASG developed a Global Security Network of implementation partners, certified to deliver within the ASG Path to Value methodology. Whether they're ASG-direct personnel, or vetted partner, our professional implementation staff is sensitive to your member's work environment and strictly adheres to all safety regulations and site rules. Our goal is to deliver the solution as specified with minimal impact to their operation.

Commissioning, Training & Advanced Integration Services: Configure and Optimize the Solution

The project isn't complete until our master-certified application engineering staff configure and optimize our mutual customer's solution. We can conduct detailed testing and commissioning on each system component and provide them with the associated documentation. And, we can ensure that their end users and administrators are fully trained on product use, features, functionality and support. Our Training Programs are highly regarded and are tailored to how their organization learns best, on site or off-site in person, class room setting, one on one, train the trainer, or web-based and scheduled at a level of frequency to ensure proper use and care of their investments are on-going and optimized.

Performance Management: Metrics-Driven Service and Support - Always improving, it's the ASG Way – We follow disciplined processes to provide "Fanatical Customer Service"

ASG knows that caring for our clients builds strong relationships. We deliver sustained support through our proactive, and preventative maintenance teams, and customer-tailored, emergency service programs. We design performance management programs to meet our customer's compliance audit, and accountability reporting, and that can also include scheduled maintenance and testing, network analytics, and database tuning.

Our live, manned Help Desk and Solution Support Center located in our Business Optimization Center (BOC) is unmatched, enabling direct communication and conversation with our On-Call, Application Engineers who understands their system, and can walk your member's personnel through programming, system or service issues in real time—or, to provide a "how to" refresh with an authorized user who has forgotten a system function, is a favorite benefit for many of our customers. They love it and our helpful, knowledgeable Solution Support Team who answer the call or email. Our Solution Support process is mature, proven dependable and easy – For Solution Support, call 888.284.3553 or 24/7 access via customercare@aronsonsecurity.com.

After all, Security is knowing IT works.

ASG - OUR COMPANY - WHY ASG?

The Premier Independent Provider of Security Risk Management Services (SRMS)



CONSULTING

We ask the right questions to get the right answers by mitigating risk and driving organizational value.



INTEGRATION SERVICES

We developed a methodology that ensures your technology roadmap delivers and performs.



MANAGED SERVICES

We help you drive and maintain performance by defining and measuring your performance metrics.

Aronson Security Group, (ASG) has been recognized as an innovator in the risk, resilience and security industry. For 54-years we have been at the forefront of breakthroughs that earned us the trust of iconic global companies like Microsoft, Amazon, and Nike, as well as emerging leaders like Concur (a SAP company), Aligned Data Centers, and Expedia.

Our President and CEO, Phil Aronson, is a member of the premier international security association of senior security executives from major business organizations called ISMA. ISMA's mission is to provide and support an international forum of selected security executives whose combined expertise will be utilized in a synergistic manner in developing, organizing, assimilating, and sharing knowledge within security disciplines for the ultimate purpose of enhancing professional and business standards.

This aligns with our mission and vision to be the premier, independent provider of Security Risk Management Services (SRMS). SRMS is based on Enterprise Security Risk Management (ESRM) a methodology that covers the lifecycle of services needed to protect the organization's assets and activities such as physical security investigations, crisis management, business continuity, and data protection. Any disruption in one of these areas could be harmful to an organization's profit, reputation and viability.

ESRM provides the methodology, the philosophy, the language and the foundational values to create a culture of predictive and proactive risk management. When translated to technology deployments, this provides the framework to articulate a clear roadmap for innovation and change that can cross any knowledge domain from cyber security and building management system security to physical security. With a foundation in ESRM, ASG has implemented best practices to help our clients meet the persistent threat vectors that endanger their organization. Our methodology, the ASG Path to Value, organizes our professional disciplines and best practices toward a specific client problem, compliance driver or opportunity.

The first step in the ASG Path to Value is critical to the success of the client's program. We call this the Business Baseline. It differentiates ASG. It is led by our Enterprise Security Risk Group (eSRG) staffed with risk thought leaders and practitioners who sit where your customer's security leaders are; they understand their risks, their challenges, budget, P&L, compliance and what their C-level executives above them, demand:

Leading the group is our Chief Security Officer (CSO), Ed Bacco. Bacco is the former head of security at Amazon. He also was director of the National Transportation Security Operation Center, which coordinated the security at all 440 airports, seaports, rail lines, and pipelines throughout the United States.

With the focus on risk and an attention to value, ASG leverages their expertise in technology and their pedigree in risk to create compelling innovations in performance while addressing the insecurity of security devices and software. ASG is leading the industry in creating minimum standards of performance that are certified before implementation. We leverage our subject matter expertise at the security architecture and device level to assess the risk of our current and future clients and provide strategies to protect them. Once the assessment is over, gap analysis informs a strategic plan. Gaps create risk. Potentially, they impede the time it takes to address risk, and multiplies cost within the organization. These strategic gaps have serious risk implications for any organization but remain largely unaddressed by service vendors.

This gap also can dilute the leverage and significance of technology deployment. Technology can ultimately accelerate the time-to-value of security executive's actions. But first the advisor and consultant must understand how your current members' people perform roles in a process using technology to adequately respond to risk conditions. Most of the clients we have engaged have seriously compromised their risk mitigation efforts by succumbing to the hubris of a better, shinier or more whiz-bang, system. Technology alone cannot create a high performing all-hazards risk program. Billions of dollars are spent on the wrong solution, because the actual problem has not been identified or worse, even considered. At a time when resources are scarce and the consequences and need are so high, we want to ensure the investments your members make prove a return. It takes a plan.

A strategic plan requires understanding the mission, the operating environment and the measures of performance. Only after these steps are performed, can a client then proceed to design an implementation roadmap with controls and metrics. And since risk is a constantly shifting dynamic, a managed services plan to sustain the performance over time is needed. Once the business baseline is underway, the eSRG team can leverage the technology team to develop innovative new ways to mitigate risk and accelerate value through the ASG Path to Value.

ASG provides professional disciplines within a methodology that spans the lifecycle of a security risk program; from assessment, strategy and planning, to innovative design and the rigor of program management, to advanced integrations and managed services that sustain the performance of the program over time. Ultimately, ASG is changing the way security programs are designed, implemented, managed and measured.

This is Security Risk Management Services.

"Our clients understand that their future depends on aligning their risk with the organization's vision, mission and purpose. Their path to value depends on it. To assist them requires a new business model for the industry. We call this Security Risk Management Services."

Phil Aronson, President and CEO, Aronson Security Group

Your NASPO ValuePoint members are in a state of change where their liability, their brand and regulatory compliance are driving new decisions. Risk is changing, impacting their safety, their security, and their ability to provide the services and the work they are tasked to do—its more than buying equipment to them – ASG has the understanding and capability to truly help; we hope to continue on doing so.

ASG Facts

- *Established in 1963*
- *Adapted and innovated through all the stages of the security industry, from door locking systems, to electronic access control, to security information management.*
- *Introduced the first formal and documented methodology for assessing, managing and measuring security technology implementations: The ASG Path to Value*
- *Integrated the vendor silos of the industry that were causing inefficiencies and increasing the risk of failure. Established a new process for vetting, managing and measuring a global network of subject matter expertise in consulting, design, implementation services and managed services called the Global Security Network.*
- *Introduced the first organizational convergence of ESRM consulting, security technology implementations and performance management that is now called Security Risk Management Services (SRMS)*
- *Introduced the first Enterprise Security Risk Group (eSRG) of an SRMS organization led by the former head of security at Amazon as Chief Security Officer (CSO). He also was director of the National Transportation Security Operation Center, which coordinated the security at all 440 airports, seaports, rail lines, and pipelines through the United States. The Enterprise Security Risk Group (eSRG) is staffed by senior executives with a background in intelligence, business continuity, business process optimization, organizational change, and technology.*

We enable security executives to become trusted advisors to their peers. ASG helps your member's Security Leader prepare them for their role, augmenting services they need to serve their member organization's team well.

And, more importantly, we help your member organizations prepare for the unexpected so their organization can respond in a time of crisis.

This process is guided by the professional discipline, principles, and philosophy of Enterprise Security Risk Management (ESRM).

- *Launched the first minimum standard to address the insecurity of security devices on the network as well as a process for assessing the safety of the current implementation and creating a path to close the gaps and sustain the security performance over time.*

Our clients recognize that the security integration market is changing and rapidly demanding new perspectives, new skills and more subject matter expertise in security software and data architecture and integration tools. ASG's product expertise spans the entire electronic security industry including:

- *Integrated Systems*
- *Access Control (PACS)*
- *Video Surveillance Systems (VMS)*
- *Intrusion Detection Systems (IDS)*
- *Outdoor Perimeter Protection Systems*
- *Panic Alarm Systems (PAS)*
- *Door Management Systems*
- *IP Intercom Systems and Two-Way Voice Communications*
- *Automated Gate Control Systems*
- *Wireless Transmission Systems (both Mesh and Point-to-Multipoint)*
- *System Alarm Monitoring – Common Operating Platform with 2-way voice*

- *Remote Video Surveillance Services*
- *Private Response Services (Armed and Unarmed)*
- *Wireless cameras*
- *Wireless Card Readers*
- *Door Hardware*
- *Installation Department with the most qualified installation technicians in the Northwest.*
- *Highly qualified and dedicated Project Managers assigned to manage all installations*
- *Full in-house CAD Engineer for generating as-builts, panel drawings, and installation drawings*
- *Dedicated Service Department with a dedicated Solution Support Team and live Help Desk*
- *Consulting Services*
- *Risk assessments*
- *Qualified Start-up Engineers to provide for the installation of software, programming, training, commissioning, and software support*

In summary, with ASG and our proven and established, holistic, risk-based approach and our end-to-end Risk, Operational Resilience, Compliance and Security Solutions, you can be confident that we have poured our personal, professional and business investment into each solution to ensure your NASPO ValuePoint Security Products and Services program success. It would be our sincere privilege to continue on with you for this next phase, bringing not just additional value to your program but ROI and measurable value reducing risk for NASPO members building on the good work we started together when you selected ASG as one of your 'first choice' NASPO ValuePoint Security Products and Services Contracting Partners to best address NASPO ValuePoint member's risk mitigation and security needs.

2.11.2 - PART 1 A - TECHNICAL PROPOSAL - SECTION VI – OTHER INFORMATIONAL MATERIAL

ASG's internal communications and examples of our working documentation will help provide additional and, we hope, helpful opportunity to further demonstrate our capabilities, expertise and provide for you a deeper understanding of who we are, and what makes ASG different, and perhaps a create way through this process, for you to get to know us better. Knowing us, we hope you see our sincere intention, our integrity and interest to help your customers and once again, included us in your choice of Security Products and Service Contractors for this next round NASPO ValuePoint contract.

***ASG's internal communication about ASG's communication culture
Message from HR Director – Oil Leak Communication Process***

The Oil Leak Communication Process

Overview

The phrase 'Oil Leak' was composed by Phil Aronson as a way for the ASG culture to embrace potential problems before they become serious or catastrophic. They are early warning signals that need our attention.

One of ASG's core values is to be a 'self-correcting' culture. Each of us is empowered to bring issues and opportunities to light and address them with courage and confidence.

To make this easier, we have created the following 'Oil Leak Communication Process' that can be used to quickly log an Oil Leak and have confidence that it will be reviewed and, if needed, addressed. This is only one communication method. It is not intended to stop or hinder communication with your team or your manager. It simply provides a log of the leaks, the accountability that it will be reviewed and a process to measure our progress.



1. When a potential Oil Leak is discovered, the first step is to ensure it is communicated. We value employees who uncover the leaks and report them to their managers. However, we also want to formally capture the leaks. So, concurrently with your management communication, we want you to send a description of the leak to oil.leak@aronsonsecurity.com.
2. Each morning Brett Harmon (PDX Sales Coordinator) will check the email box.
3. Oil Leaks will be forwarded to the appropriate parties to ensure the that we are communicating and tracking each one. The end-result would be an approach that will lead to directly addressing and mitigating the risk.
4. When Oil Leaks have been addressed or are being addressed, a reply email must be sent to oil.leak@aronsonsecurity.com to keep track of the progress. (this could be one email or multiple emails)
5. Each week the Oil Leaks will be reviewed at the Executive '**Stand Up**' Meeting to insure they are being addressed. (Note: The '**Stand Up**' meeting was designed to quickly identify issues that are preventing us from being successful and muster the appropriate people necessary to resolve the issue.)
6. When the Oil Leak has been resolved, the associated emails will be

organized in folders, assigned to the appropriate department and by the Oil Leak category, and kept for future reference.

7. Individuals who participate in reporting Oil Leaks will be recognized at upcoming GSM meetings for doing the great work of bringing light to these issues.

Our culture of accountability and innovation is a powerful force in identifying problems and finding solutions. It is what creates value with our clients and, ultimately, what drives us to higher levels of performance.

***ASG's internal communication from the CEO - The Language of ASG A
Message from the President and CEO, Phil Aronson***

The Language of ASG

A Message from the President and CEO, Phil Aronson

I want you to be happy, fully engaged, and find meaning and thankfulness in everything you do. We both must care enough to make that happen here at ASG.

One of the key ways we help drive engagement is by sharing the vision and mission of the company, adopting the same values, using those values to make everyday decisions, and learning a common language around our roles, processes, tools and measurements.

Here are some terms I would like you to learn, remember, and, I hope, internalize.
The language of ASG

Our Vision

We are striving to be the premier, independent provider of risk, resilience and security solutions.

Why should you care?

Every day we wake up to horrifically real news like:

Man Wielding Knife Kills One and Injures Three at University of Texas

"Just part of the job?" -- ER attacks a frightening reality for nurses

"Riot" Declared as Demonstrators Break Windows, Set Fires During May Day March

CHP: Caltrans worker kills supervisor, self in Rio Dell

These are real incidents that our clients, families, friends and communities face every day. We are in the business of making sure that these incidents don't happen in the first place or, when they do, making sure the damage is limited to the greatest extent possible.

Our former client and CSO, Ed Bacco reminds us every chance he gets, that the work we do is "important to our clients, it's important to our communities and it's important to our nation!"

Our opportunity is to collaborate with organizations around the world to mitigate risk and improve the safety and security of their people and assets.

What an honor! What a responsibility!



Example ASG Outreach Campaign successes to promote WSCA Contract PA with DES State of Washington – Pierce County Case Study Presentation on Road Mapping and Effective Change for Security and Purchasing Leaders

**CASE STUDY WSCA CONTRACT IMPACT ON PURCHASING EFFICIENCIES
A CONVERSATION WITH PIERCE COUNTY**



To: Security Executives, Purchasing Professionals and Stakeholders:

The Department of Enterprise Services recently conducted a forum to discuss leading change and innovation in security using Lean principles. The Sage Group, a management consulting company located in Bellevue helped us conduct a survey that provided us a glimpse of our opportunity and our risk. As well, they brought one of the most influential executives in the security industry, Francis D'Addario, ex-CSO of Starbucks, published author and the leader of the Next Generation Security Leader Program offered by the Security Executive Council (SEC).

Ron Worman, the CEO of The Sage Group and Francis D'Addario, SEC Emeritus Faculty Lead for Strategic Innovation, and Tommi Robison Executive from Aronson Security Group, Inc. (ASG) Strategic Partner through our Participating Addenda to the WSCA-NASPO Master Agreement #3047, used the survey to walk us through how lean principles might be applied to help transform our state into a next generation security program.

Sage has provided a recap of the day for you to use to begin to play a role in the "guiding coalition" that will help us serve each other (our internal customers) and the citizens of this state in a more efficient and strategic manner.

Along with Francis, they have also agreed to provide a path to resources (program and proven practice development and return-on-investment assessment) that may assist you at the end of their summary review.

As you all know, our mission at DES is to *"implement a world-class, customer-focused organization that provides valued products and services to government and state residents."* DES is envisioned as an agency that will *"provide centralized leadership in efficiently and cost-effectively managing resources necessary to support the delivery of state government services."*

You are our customer. We want to help you in any way we can. We look forward to you leveraging this information and the resources provided to our mutual advantage.

Dale Colbert

Dale Colbert, CPPB, CPPO
Contracts and Legal Services
Department of Enterprise Services
State of Washington
Phone:



The Governor and his Organization

A strategic framework by the Governor is in place. It places a high priority on:

- A data driven culture of continuous improvement
- Collaboration: “Operate state government with the expectation that success is dependent on the success of all.”
- Effective and transparent communication on goals, measures and program performance.
- Knowing your customer

With this in mind The Sage Group conducted a survey distributed and collected by DES.

Summary of the Survey

1. Assessments have not been funded or performed on a regular basis: 70.1%
 - a. Risk, Threat, and Vulnerability assessments are the foundation of a Master Security Plan and the protection of critical assets and people.
2. Master Security Plans have not been put in place by 28.5%. Of the remaining, 57.1% are not sure when they were written or updated
 - a. Master Security Planning provides the bridge to:
 - i. operational and compliance standards
 - ii. the identification of the architectural elements needed to secure
 - iii. the objective performance and measures of the program and
 - iv. the mechanical and electronic systems that underpin the program

participants: 57%.

- a. This is the guiding framework for ensuring that all devices, systems and software are interoperable.
 - b. The reason: these systems provide information to the common operating picture that will assist in mitigating risk and capturing the metrics that matter in understanding the value of security.
4. There is no common access control, video management or Security Operations System.
 - a. This may influence silos of information that cannot be leveraged, and, ultimately cost more to purchase and maintain.
5. Most say they have not audited or consistently monitored the performance of their security systems.
 - a. If security is mission critical, these systems should be managed to the same availability, reliability, maintainability and scalability standards of other mission critical systems.
 - b. Future purchasing decisions could be evaluated based on performance data.
6. Most say they have no key performance measures for their programs.
 - a. Without measures you have no ability to manage.
 - b. With no ability to establish a baseline and measure improvements to that baseline, you cannot pursue lean objectives
7. 28.5% said that security is underfunded. 57.1% are unsure.
 - a. “The budget process is a competition between competing priorities. Are you competitive?”
8. 85.7% say there are no benchmarks for similar agencies or from private industry. This create a problem in articulating performance and value baselines. The following benchmarks were cited:
 - a. Security budget allocations
 - b. Program performance by Key Performance Indicators
 - c. Risk profiles and mitigation strategies.
9. Most say that funding and staffing are key areas that are constraining their efforts to optimize their security programs? 71.4%. 28.5% were unsure.
 - a. Funding problems are usually an indication of value articulation problems and lack of executive stakeholders
10. There were a variety of key initiatives that were on the “wish list” if funding were made available. Of the eight areas mentioned, no one area stood out.
 - a. By creating a “guiding coalition”, a vision and a plan you are able to prioritize investment in initiatives that assist the overall goals of the organization.

The Business of Security is the Business of the Organization.

Business needs the right information, at the right time, in the right context, using the right tools, so its leaders can understand its risks and its opportunities.
Because value can be found at the intersection.

Security is no different.

Following the format of Governor Inslee’s strategic program architecture, the value driven purpose of security begins with becoming fully embedded in organizational strategies and value creation. And then it must help ensure that value is retained by the manner in which it creates a stakeholder-driven security program.

Value is generated by people, performing roles in a process using tools. These are the assets that drive organizational value.

What is Lean and what is Lean Security?

“Lean, if misunderstood and mismanaged, is a terrible risk to the value of the organization.” Francis D’Addario

Lean is not people cutting or cost cutting. The Lean Enterprise Institute says that “Lean thinking changes the focus of management from optimizing separate technologies, assets, and vertical departments to optimizing the flow of products and services through **entire value streams** that flow horizontally across technologies, assets and departments to customers.”

Lean is about Business Alignment

“A lean organization understands customer value while minimizing waste.”

Who is your Customer? Lean Security Lessons from the Field



Since we are in a room of security practitioners and their procurement partners, it might be useful to review the value stream (a lean term), of the identification of need and the fulfillment of need. (A white paper is available on the Sage website at <http://www.the-sage-group.com/value-stream-f-security-whitepaper/>)

The key point: this value stream was created at a point in time when security was defined in construction terms: door hardware and possibly guards. Today the systems are more powerful and also require more performance and maintenance management. As well, how systems are specified today is

largely dependent on data sheets provided by manufacturers, not a thorough and rigorous benchmarking. And finally the vendors in each of these steps are not collaborating for many reasons, including buyer purchasing behavior. The potential to streamline this value stream represents 10-20% direct cost savings and a more robust and valuable lean security platform. To do this, we must start with a framework for leading change and innovation. We might turn to a reliable source such as John Kotter, a Harvard professor and author who wrote “**Leading Change**” and the business fable: “**Our Iceberg is Melting**”.

Kotter noted that successful organizations who managed the change or transformation process followed eight essential steps <http://www.kotterinternational.com/our-principles/changesteps>

Step 1: Establishing a Sense of Urgency

Help others see the need for change and they will be convinced of the importance of acting immediately.

Step 2: Creating the Guiding Coalition

Assemble a group with enough power to lead the change effort, and encourage the group to work as a team.

Step 3: Developing a Change Vision

Create a vision to help direct the change effort, and develop strategies for achieving that vision.

Step 4: Communicating the Vision for Buy-in

Make sure as many as possible understand and accept the vision and the strategy.

Step 5: Empowering Broad-based Action

Remove obstacles to change, change systems or structures that seriously undermine the vision, and encourage risk-taking and nontraditional ideas, activities, and actions.

Step 6: Generating Short-term Wins

Plan for achievements that can easily be made visible, follow-through with those achievements and recognize and reward employees who were involved.

Step 7: Never Letting Up

Use increased credibility to change systems, structures, and policies that don't fit the vision, also hire, promote, and develop employees who can implement the vision, and finally reinvigorate the process with new projects, themes, and change agents.

Step 8: Incorporating Changes into the Culture

Articulate the connections between the new behaviors and organizational success and develop the means to ensure leadership development and succession.

So how do we take this model and apply it to Lean Security?

Leading Change that Matters: Creating Performance Metrics to Support Value in the Business

Is Security Aligned with the Mission? If so, where are the Proof Points? Does Security Understand the Baseline?

- What is the global, regional and organizational baseline

What is your Confidence Index?

- Stakeholders
- Process for extracting critical information around risk and optimization opportunities

How do you develop a guiding coalition? How do you manage this coalition? Why does it matter?

- The business of security is the business. You learn the business by identifying key stakeholders from outside security. Look at the main levers of value inside.
- Organize them around their goals, aligned standards, measures and policies
- Ensure their voice is represented in the planning, budgeting and articulation of value. Learn their language.
- Create intuitive dashboards to measure and articulate your progress
- Create the “one page business plan” for security that defines your objectives, priorities, strategies and tactics.
- Ensure buy in from the stakeholders

Outcomes that Matter

- Cost Neutral Program after achievement of stakeholder-based program objectives
- Follow the change process diligently. Persistently look to empower people to advance lean initiatives.

Partners

- Look for partners that understand
 - The value stream opportunity
 - How to perform against a methodology
 - How to identify, train, manage and understand subject matter expertise (inside or outside their company) in the following areas:
 - Baseline Consulting (As – Is)
 - Risk, threat and vulnerability assessments
 - Security Master Planning
 - Security Process Assessments
 - Security Technology Performance Assessments

- Road Mapping
 - Technology
 - Program Development
 - Enterprise Data and Workflow Modelling
 - Migrations
 - Center of Excellence of Benchmark and Model future states
- Domain Expertise in key areas like:
 - Security Information Management Systems
 - Access Control
 - Video Surveillance
 - Key Management
 - Identity Management
- Program Management including areas like:
 - Program Roadmap Management and Reporting
 - Project Management Methodology and Disciplines
 - Performance Management (Beyond Break/Fix)
 - Program Analytics

A Conversation with Pierce County – Lean and the Procurement Process

A question was asked of the forum participants: How long does the typical RFP process take?

Answer: 6-18 months.

This inspired lean questions such as:

- How do we make this process more efficient and responsive?
- How do we ensure that what is purchased fits into the common operating picture?
 - For maximum leverage across all of Washington State
 - To create measures that matter so we can learn and improve over time
 - To provide more value to stakeholders
 - To maximize risk mitigation and reduce waste

The Pierce County Case Study showed the value of the partnership between a knowledgeable purchasing partner and their internal customer (security) that allowed the RFP process of 150 days to be reduced to approximately 30-60 days while creating the foundation of a common operating picture.

The contracting vehicle was WSCA.

WSCA

Aronson Security Group then took us through the WSCA contract vehicle by going directly to the source URL:

<http://des.wa.gov/services/IT/ITContracts/ITMasterContract/Pages/SecurityManagement.aspx>

In summary, here were the key points:

Scope

This contract “encompasses Security & Protection products, services, and maintenance in the categories...” of Access Controls and Closed Circuit TV..., which were bid and awarded by the State of Nevada for use by state agencies and other entities

Utilization

This contract was structured and awarded in a fashion that allows users to engage the contractor immediately and directly.

Documentation

The contract requires no more documentation than a direct buy: a PO with requirement details, adequate to establish a basis for payment.

Resources for Future Consideration or Questions

The Sage Group

www.the-sage-group.com

Sage is a management consulting firm that works with executives and their teams to create a path to value: personally, professionally and organizationally.

Ron Worman, Founder and Managing Director ron@the-sage-group.com

The Great Conversation in Security

www.the-sage-group.com/greatconversation

<https://www.linkedin.com/groups/Great-Conversation-in-Security-4124392?home=&gid=4124392>

The Great Conversation is a leadership community and forum that seeks to share, within a trusted fabric, best practices, thought leadership and emerging approaches to business alignment and value.

The Security Executive Council

<https://www.securityexecutivecouncil.com/>

Aronson Security Group (ASG)

www.aronsonsecurity.com

ASG is the premier independent provider of risk, resilience, and security solutions. Through a Global Security Network of partners, ASG delivers end-to-end security program services that drive value and mitigate risk. For over 50 years, ASG has been providing engineering excellence, world class service, and security expertise to premier regional, national, and global organizations.

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Phone: 206-225-7596

Tommi.robison@aronsonsecurity.com

WSCA NASPO Security Products and Services MSA and DES PA

#3047 and #04814

***Example ASG Outreach Campaign successes to promote WSCA Contract PA
with SBCTC Community College Security Directors and Purchasing Leaders***

Threats are changing. When was your last Risk, Threat and Vulnerability Assessment?
Below is important information to assist you to identify, deploy and achieve your organization's Risk, Resilience and Physical Security objectives for Renton Technical College.

News Release

Subject: Accelerating the Contracting Process with WSCA

ASG is now a State of Washington WSCA contactor for Security Services. WSCA helps reduce the cost of purchasing products and services and reducing the complexity and time of the purchasing lifecycle. Effective immediately you can find the following information on the State of Washington Tech Mall:

The Security Management Services Vendor Site:

<http://des.wa.gov/services/IT/ITContracts/ITMasterContract/Pages/SecurityManagement.aspx>

The Aronson Security Group (ASG) contract with WSCA

<http://des.wa.gov/SiteCollectionDocuments/ContractingPurchasing/asg/ExecutedPAAronson.pdf>

The site to explore and download the Master Contracts Usage Agreement needed to take advantage of WSCA.

<http://des.wa.gov/services/ContractingPurchasing/Purchasing/Pages/MasterContractsUsageAgreement.aspx>

The site to explore more information about WSCA

<http://www.aboutwsca.org/content.cfm/id/WSCA>

Especially due to recent security events, we are reaching out to our State's Schools and Educational Institutions to inform you about this Washington State Contract designed to provide Washington State Schools with a state vetted and competitively awarded purchase vehicle for end to end Security Services.

I look forward to following up with you very soon to better understand your Physical Security Roadmap for Renton Technical College and how WSCA Contract #04814 may benefit your team's Safety and Security Planning. Feel free to contact me with any questions.



Your Trusted Security Advisor

Tommi Robison | Strategic Development Manager

P: 206-245-1461 | F: 206-284-7716 C: **206-225-7596**
600 Oakesdale Avenue SW, Suite 100 | Renton | WA | 98057

Follow ASG on:



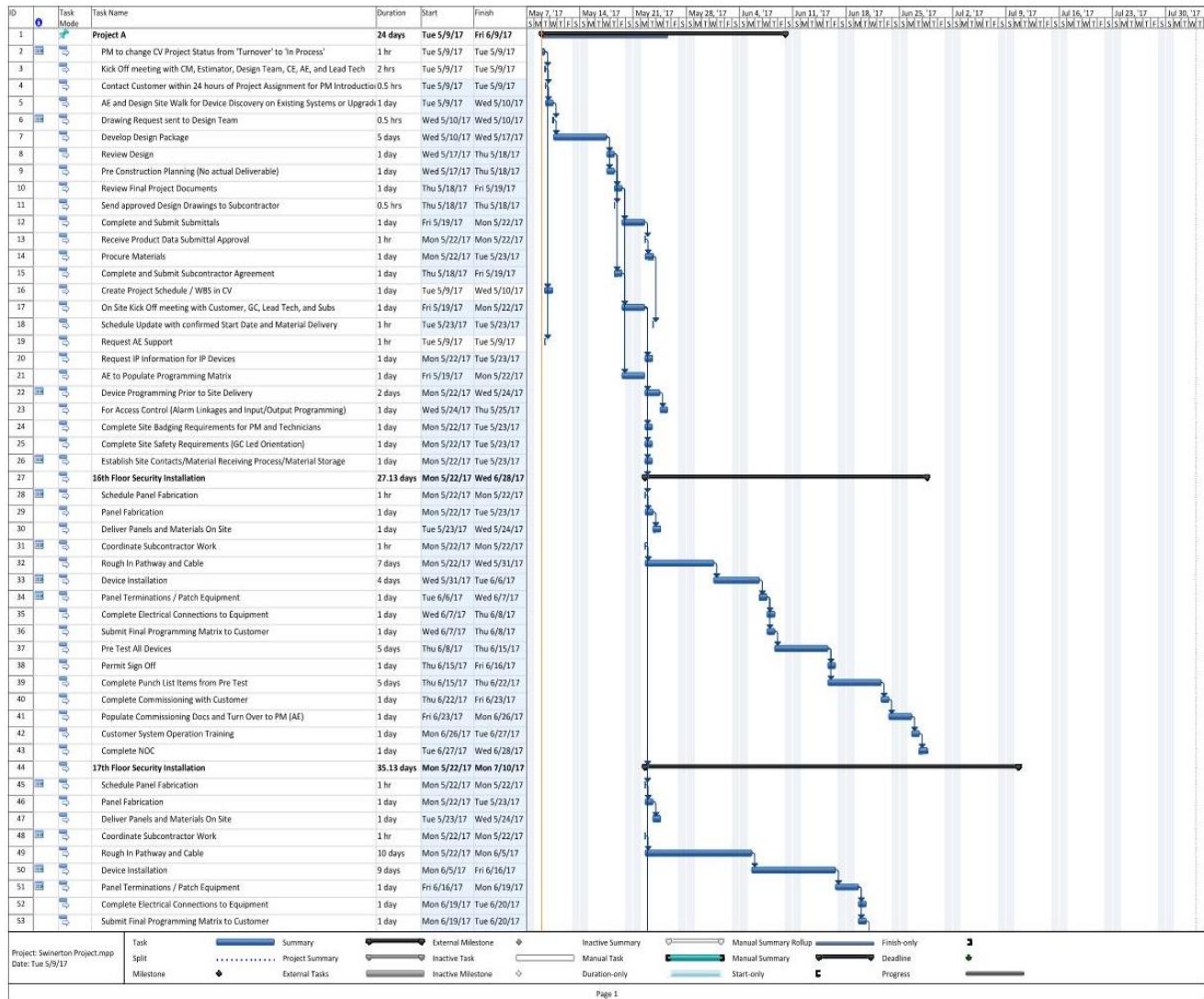
The Great Conversation in Security: October 27 & 28 in Chantilly VA
Are you ready for a great conversation?

The information contained in this email message may be privileged, confidential and protected from disclosure. If you are not the intended recipient, any use, distribution or copying of this email message or any attachment to it is strictly prohibited. If you have received this email message in error, please notify the sender via email or telephone at 800-547-9988, do not read the contents and delete the original message from your electronic files.

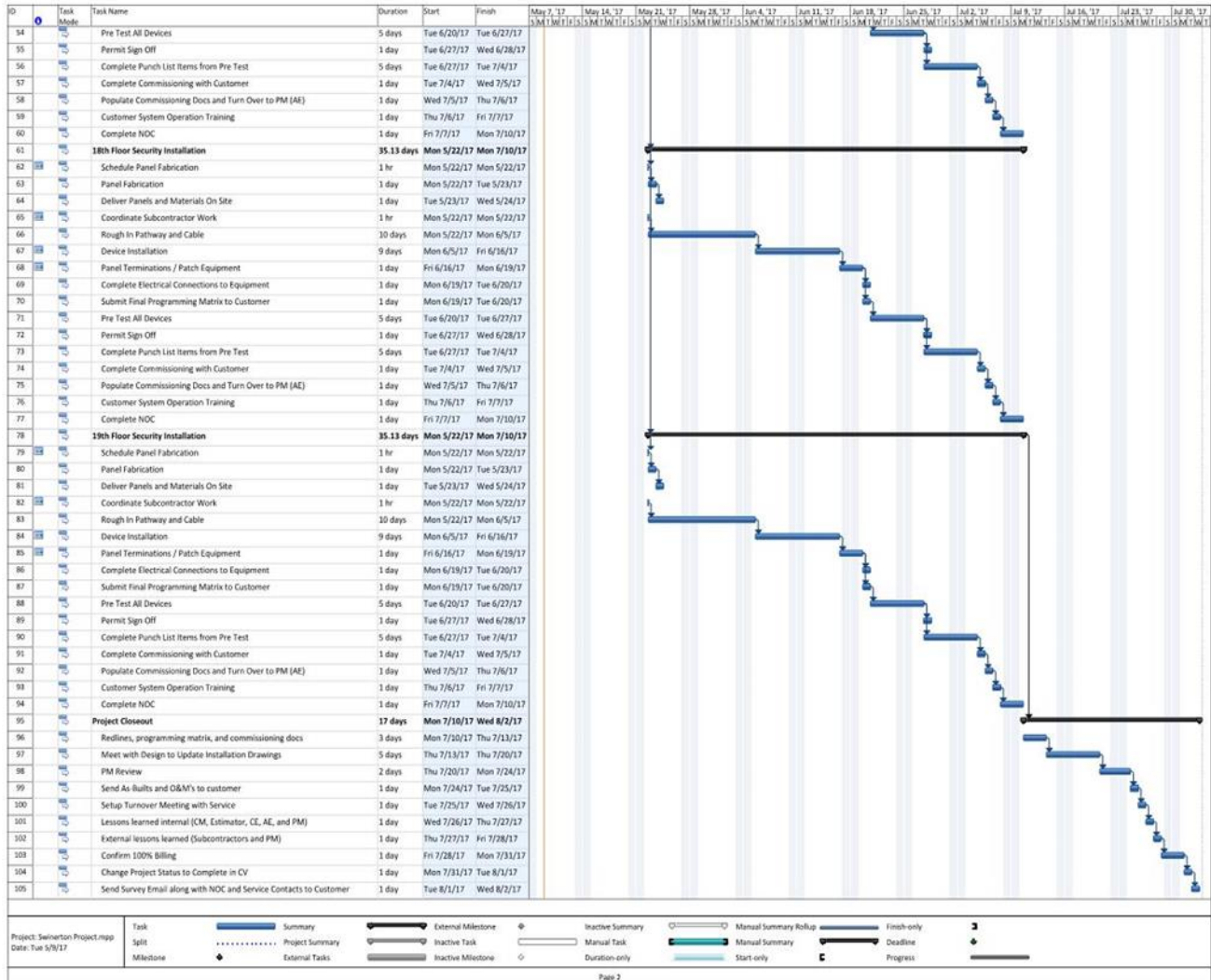
***Example ASG working documents to ensure on time project delivery with
dependable, predictable deliverables***

ASG Project Schedule example

ASG SCHEDULE / PLANNING FOR ON TIME AND ON BUDGET



ASG SCHEDULE / PLANNING FOR ON TIME AND ON BUDGET CONTINUED



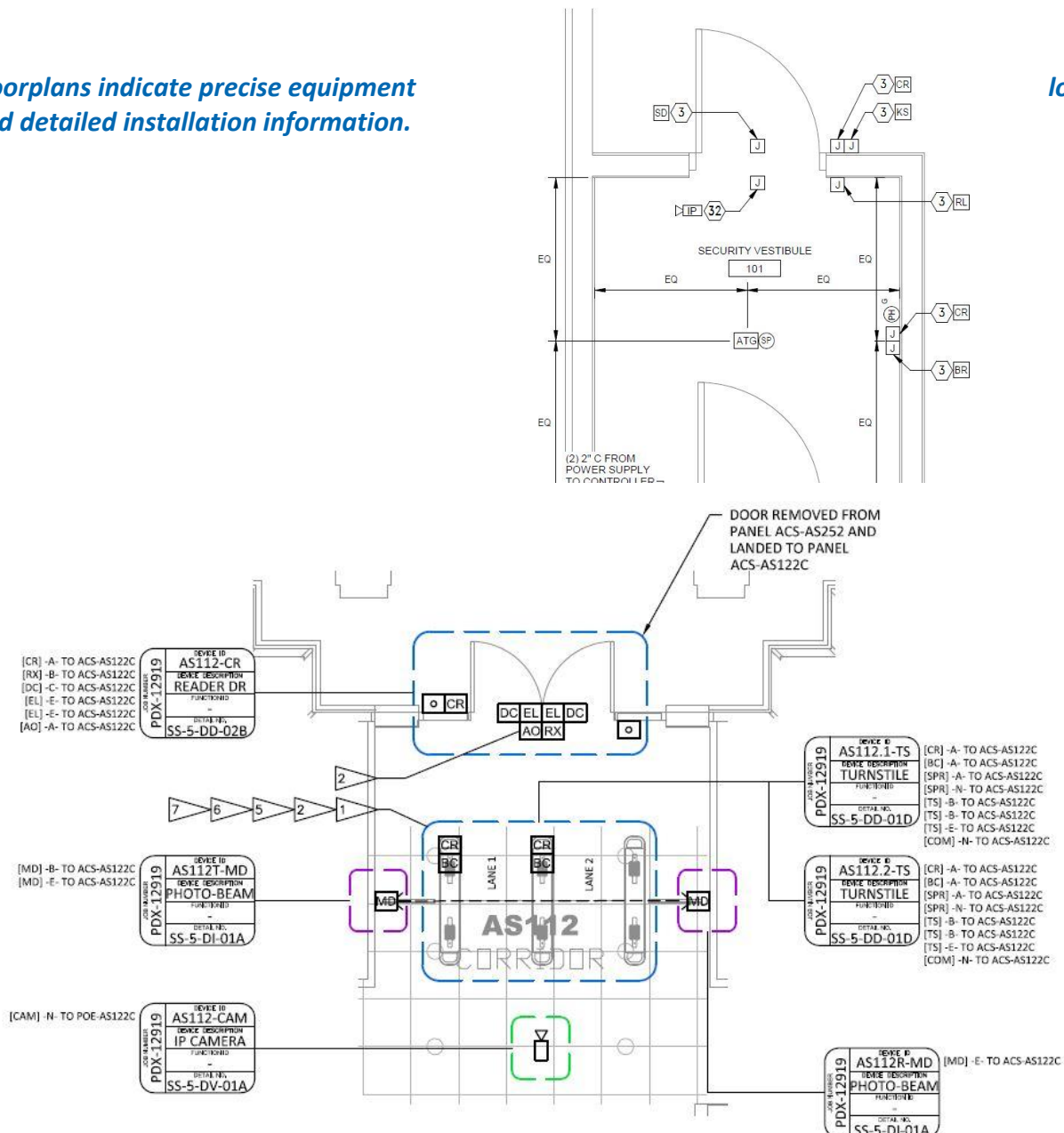
***Example of ASG Working Documentation – Conformed Construction
Drawing Set for accuracy and critical AS-Built record keeping***

ASG Design Engineering Department

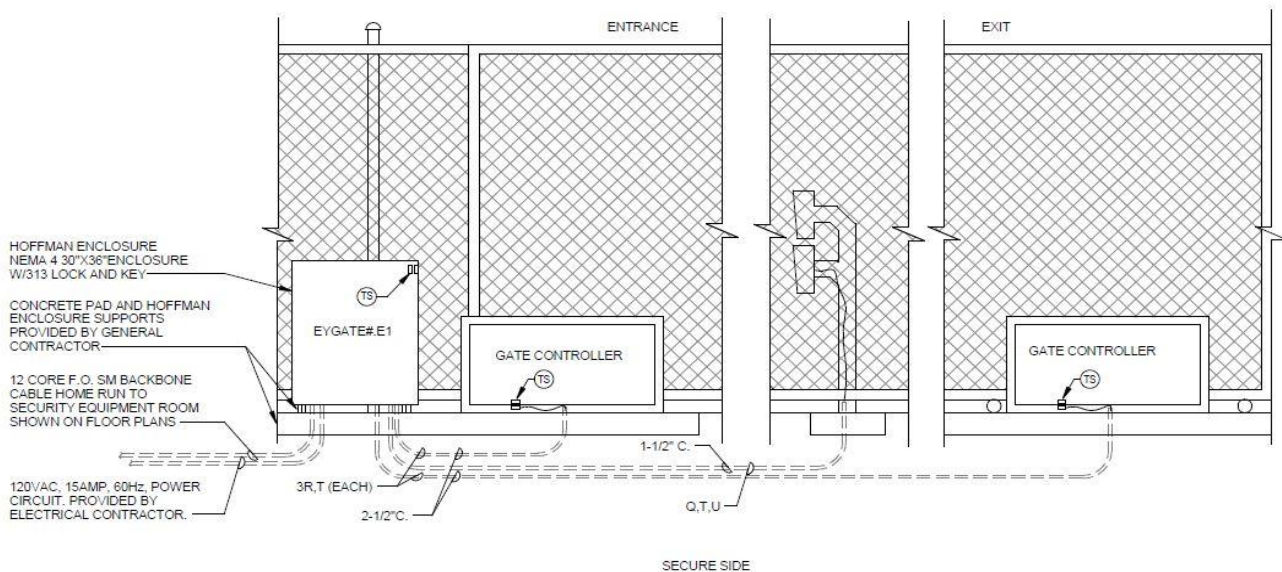
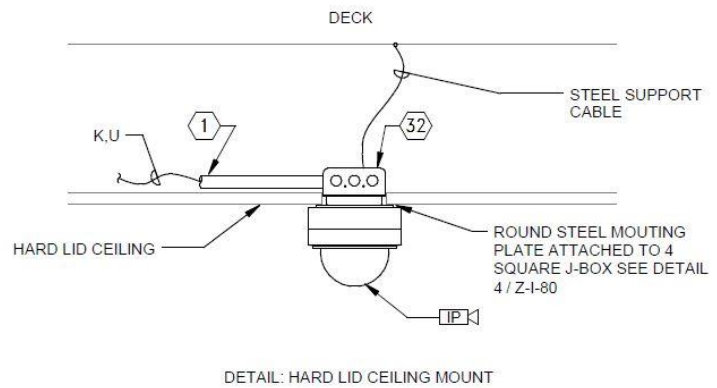
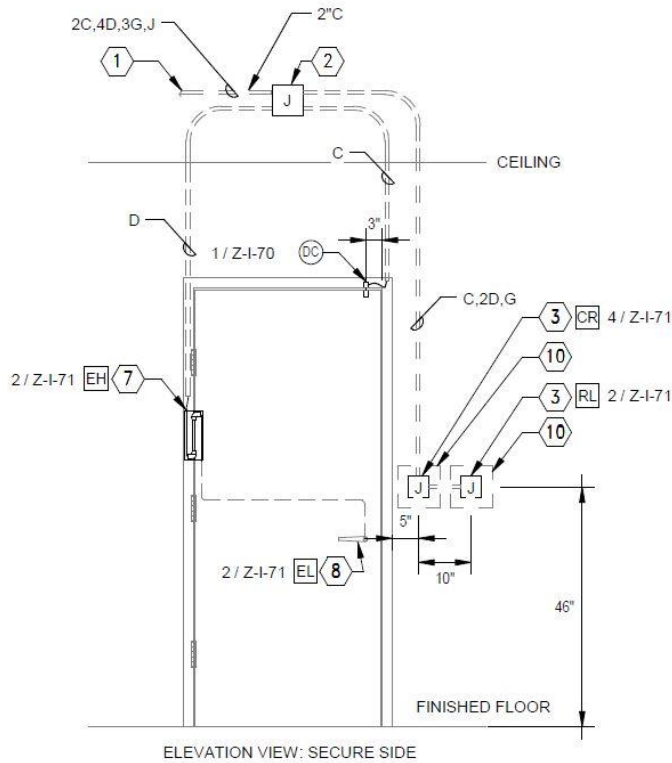
ASG's Design Engineering team is made up of a diverse group of professionals with backgrounds including Electrical Drafting/Design, Architecture, Graphic Design, Estimating, Programming and Field Installation. The result of this body of knowledge is a proven solution reflected in clear, accurate drawings, fully coordinated designs and product specifications tailored to client needs.

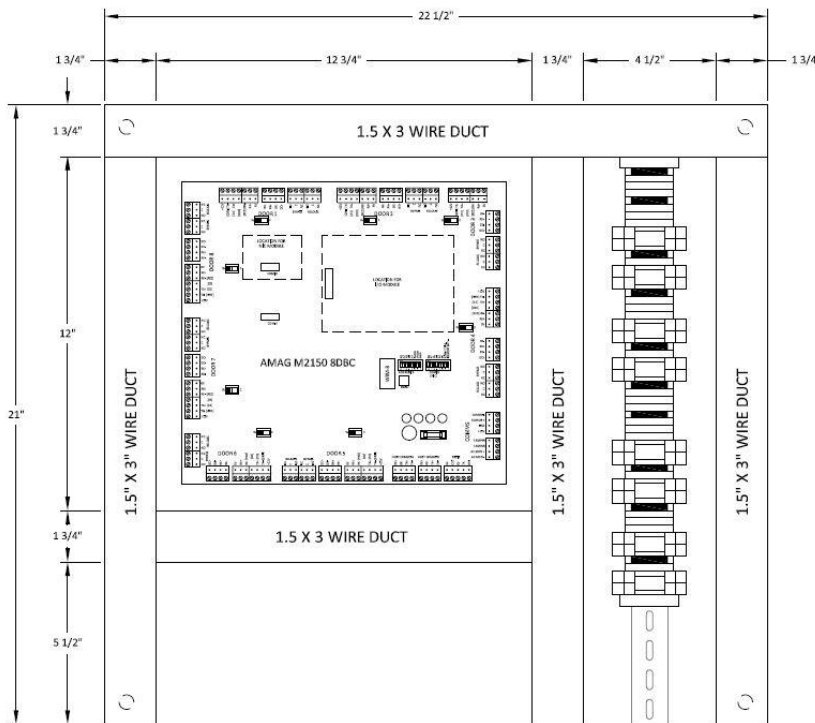
Floorplans indicate precise equipment and detailed installation information.

locations

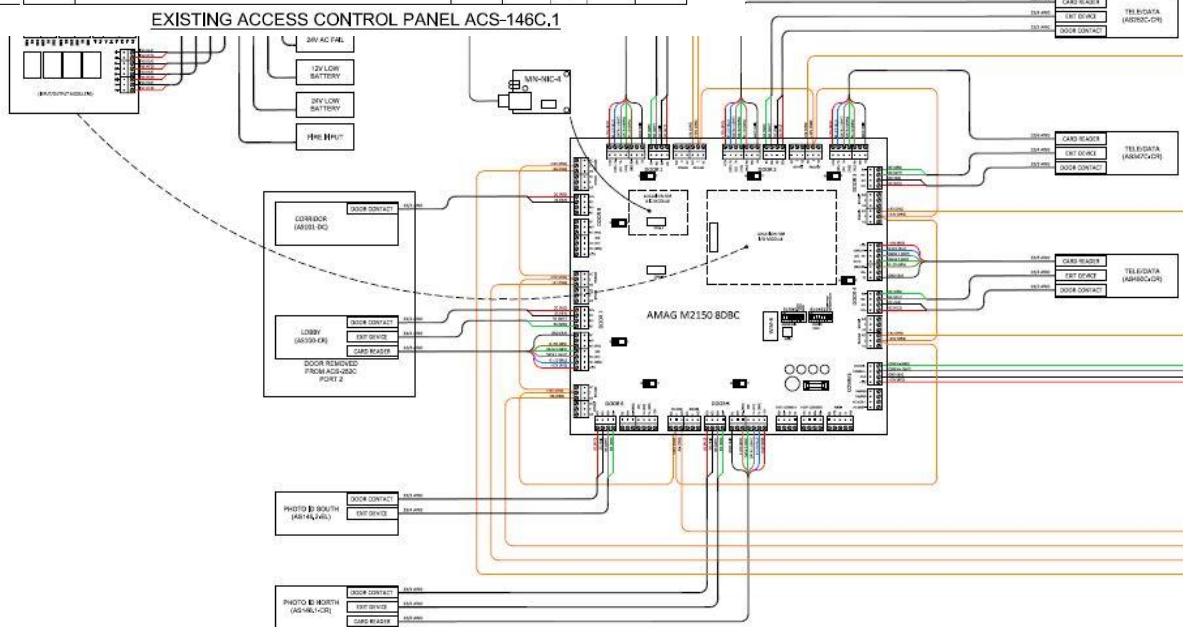


Details coordinate rough-in requirements with other trades and give technicians all the information needed for a smooth installation.

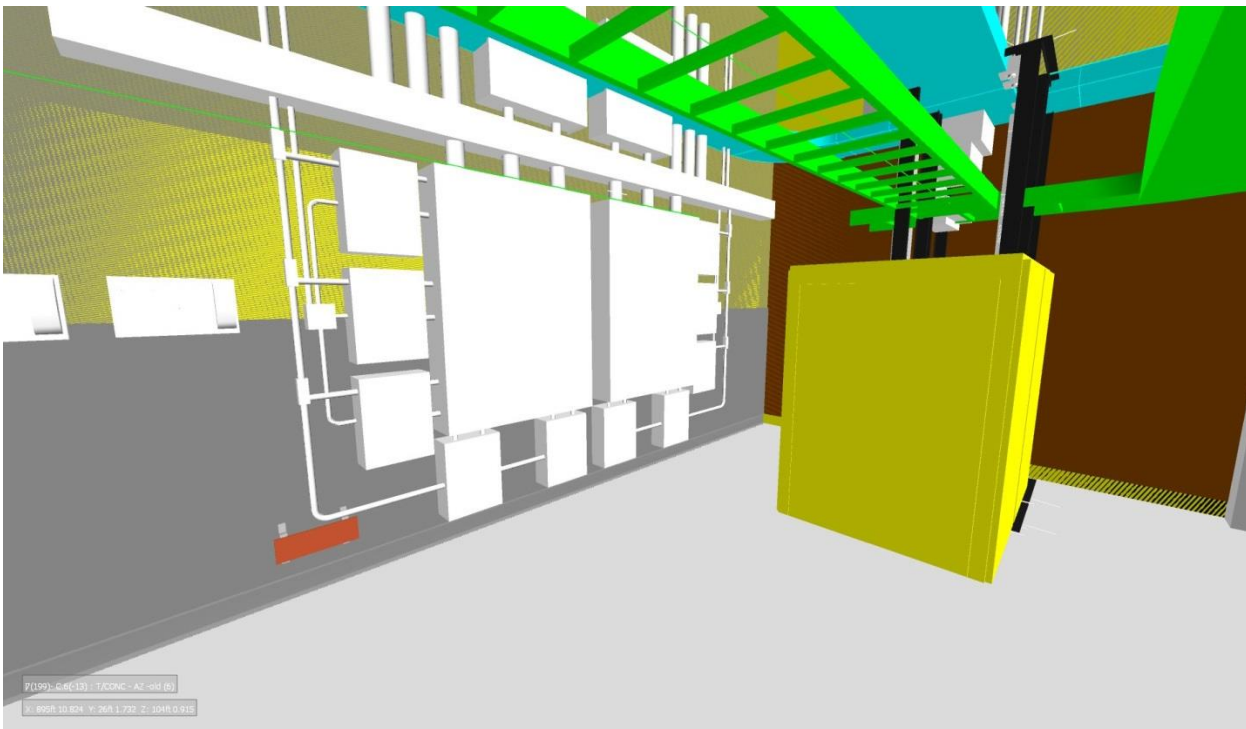
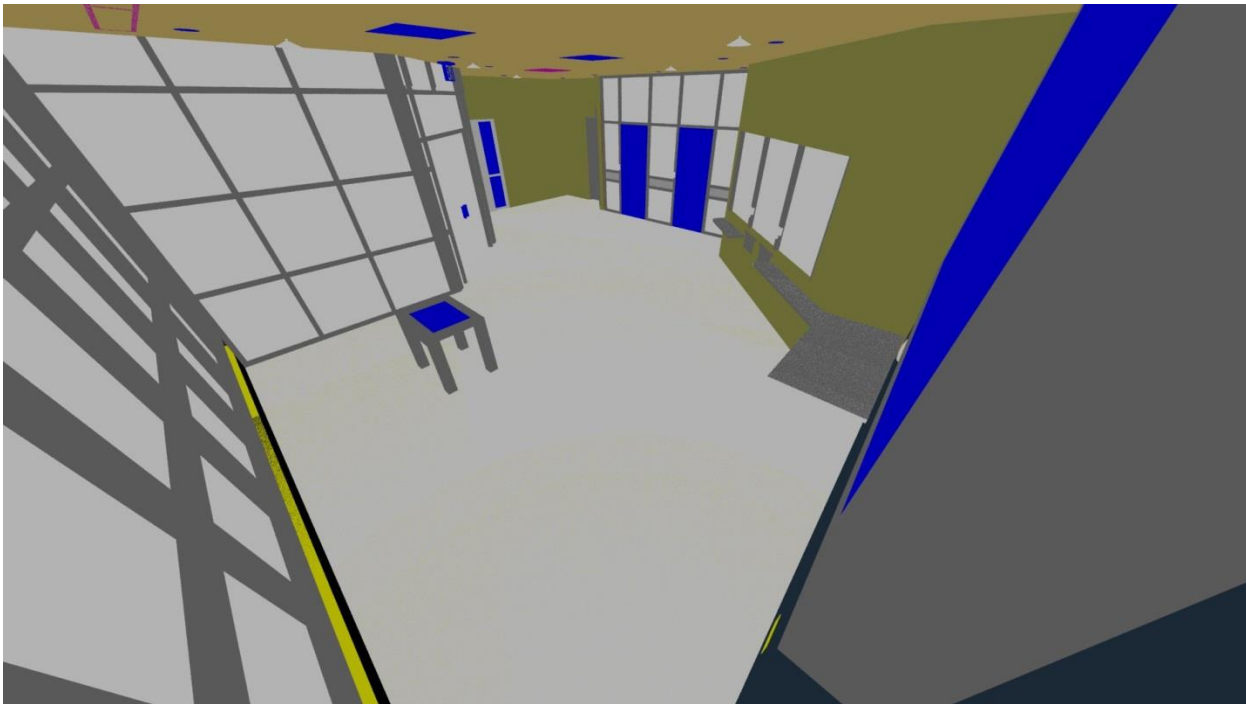




Panel elevations and diagrams are fully dimensioned and wired with actual equipment: bill of materials is accurate and guesswork is minimized.



3D / BIM coordination using Revit and Navisworks enables coordination of equipment with other trades and creation of virtual camera viewpoints.



2.11.3 - PART 1 B - CONFIDENTIAL TECHNICAL PROPOSAL

Section I – Confidential Technical

2.11.4 PART II - COST PROPOSAL

(See separate PDF File: ASG Price and Cost Proposal)

All prices and rates offered shall be guaranteed for the initial term of the Master Agreement. Any request for price or rate adjustment following the initial Master Agreement term, is detailed in Section 11 of the NASPO ValuePoint Master Agreement Terms and Conditions.

ASG has read, understands and agrees to fully satisfy these requirements.

2.11.5 PART III - CONFIDENTIAL FINANCIAL INFORMATION

2.11.5 PART III - SECTION I - FINANCIAL INFORMATION & DOCUMENTATION

Section I –Financial Information and Documentation

Vendors must place the information required per Section 4 ~ Mandatory Minimum Administrative Proposal Requirements in this section.

ASG acknowledges the opportunity to satisfy the requirements of this section and has provided Financial Information and Documentation as part of the Separate Confidential Financial File to be redacted from public view.

(See PDF File - ASG CONFIDENTIAL FINANCIAL)

2.11.6 PROPOSAL PACKAGING

ASG has read, acknowledges, understands and will comply with the requirements as stated in this section.

2.12 OWNERSHIP OR DISPOSITION OF PROPOSALS AND OTHER MATERIALS SUBMITTED

ASG has read, acknowledges, understands and will comply with the requirements as stated in this section.

2.13 CONFIDENTIAL OR PROPRIETARY INFORMATION

ASG has read, acknowledges, understands and will comply with the requirements as stated in this section.

2.14 OFFEROR EXCEPTIONS TO TERMS AND CONDITIONS

ASG has read, acknowledges, understands and will comply with the requirements as stated in this section.

2.15 CERTIFICATION OF NON-DEBARMENT

Disclosure of any significant prior or ongoing contract failures, contract breaches, civil or criminal litigation in which the vendor has been alleged to be liable or held liable in a matter involving a contract with the State of Nevada or any other governmental entity. Any pending claim or litigation occurring within the past six (6) years which may adversely affect the vendor's ability to perform or fulfill its obligations if a contract is awarded as a result of this RFP must also be disclosed

Does any of the above apply to your company?

Yes		No	X
-----	--	----	---

Each vendor must include in its proposal a complete disclosure of any alleged significant prior or ongoing contract failures, contract breaches, any civil or criminal litigation or investigations pending which involves the vendor or in which the vendor has been judged guilty or liable. Failure to comply with the terms of this provision may disqualify any proposal. The State reserves the right to reject any proposal based upon the vendor's prior history with the State or with any other party, which documents, without limitation, unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet contract milestones or other contractual failures. Refer generally to NRS 333.335.

The Offeror certifies that neither the Offeror nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (Master Agreement) by any governmental department or agency. If the Offeror cannot certify this statement, attach a written explanation for review by the Lead State.

SECTION 3 – EVALUATION AND AWARD

3.1 RIGHT TO WAIVE MINOR IRREGULARITIES

3.2 DISCUSSION WITH OFFERORS

3.3 AWARD OF MASTER AGREEMENT

3.4 EVALUATION PROCESS

3.5 NOTICE OF INTENT TO AWARD

3.6 PROTEST

3.7 POST AWARD FORMALIZATION OF THE MASTER AGREEMENT

ASG acknowledges that we have carefully read, understands and will or complies with the requirements and directions as stated in the above section.

SECTION 4 - ADMINISTRATIVE AND TECHNICAL RESPONSE REQUIREMENTS

4.2 NASPO VALUEPOINT MASTER AGREEMENT STATEMENT OF COMPLIANCE

NASPO ValuePoint Master Agreement(s) resulting from this RFP will constitute the final agreement except for negotiated terms and conditions specific to a Participating Entity's Participating Addendum.

The Master Agreement will include, but not be limited to, the NASPO ValuePoint Standard Terms and Conditions in **Attachment A** and Lead State specific terms and conditions required to execute a master agreement, the scope of work (**Attachment B**) and selected portions of the Offeror's Proposal.

This section highlights particular terms and conditions of NASPO ValuePoint Master Agreement Terms and Conditions, although Offerors will be bound to all the terms and conditions when executing a Master Agreement as shown in **Attachment A**. Offerors must include a statement in their Proposal that they have read and understand all of the terms and conditions as shown in the Master Agreement (**Attachment A**).

ASG acknowledges that we have carefully read and understand all of the terms and conditions as shown in the Master Agreement.

4.2.A INSURANCE

To be eligible for award, the Offeror agrees to acquire insurance from an insurance carrier or carriers licensed to conduct business in each Participating Entity's state at the prescribed levels set forth in Section 21 of the NASPO ValuePoint Master Agreement Terms and Conditions. Describe your insurance or plans to obtain insurance satisfying the requirements in Section 21.



CERTIFICATE OF LIABILITY INSURANCE

ARONSEC-01

DLUCE

DATE (MM/DD/YYYY)

11/11/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # CA#0658748 AHT Insurance 600 University Street #1300 Seattle, WA 98101	CONTACT NAME: PHONE (A/C, No, Ext): (206) 269-0122 FAX (A/C, No): (206) 269-0179 E-MAIL ADDRESS:														
INSURED Aronson Security Group, Inc. 600 Oakesdale Avenue SW, Suite 100 Renton, WA 98057	<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: Hartford Casualty Insurance Company</td> <td>29424</td> </tr> <tr> <td>INSURER B: Twin City Fire Insurance Company</td> <td>29459</td> </tr> <tr> <td>INSURER C: Illinois Union Insurance Company</td> <td>27960</td> </tr> <tr> <td>INSURER D: Continental Casualty Company</td> <td>20443</td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Hartford Casualty Insurance Company	29424	INSURER B: Twin City Fire Insurance Company	29459	INSURER C: Illinois Union Insurance Company	27960	INSURER D: Continental Casualty Company	20443	INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
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INSURER D: Continental Casualty Company	20443														
INSURER E:															
INSURER F:															

COVERAGES		CERTIFICATE NUMBER:		REVISION NUMBER:		
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:		52UENVK7885	11/12/2016	11/12/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (if a occurrence) \$ 500,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 EBL AGGREGATE \$ 1,000,000 COMBINED SINGLE LIMIT (if a accident) \$ 1,000,000
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY		52UENVK7885	11/12/2016	11/12/2017	BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$ 10,000		52RHUVK8125	11/12/2016	11/12/2017	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ \$ 10,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	52WEGB5273	11/12/2016	11/12/2017	PER STATUTE ☒ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Errors and Omissions		EONG23676953004	11/12/2016	11/12/2017	Aggregate 2,000,000
D	Crime		425474885	11/12/2015	11/12/2017	Per Event 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 "Washington Stop Gap Coverage included on the Workers Compensation Policy"

Evidence of Insurance.

CERTIFICATE HOLDER Evidence of Insurance - domestic coverage	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE: 
--	---

ACORD 25 (2016/03)

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4.2. B NASPO VALUEPOINT ADMINISTRATIVE FEE AND REPORTING REQUIREMENTS

To be eligible for award, the Offeror agrees to pay a NASPO ValuePoint administrative fee as specified in Section 6 of the NASPO ValuePoint Master Agreement Terms and Conditions. Moreover, specific summary and detailed usage reporting requirements are prescribed by Section 7 of NASPO ValuePoint Master Agreement Terms and Conditions.

Offerors shall identify the person responsible for providing the mandatory usage reports. This information must be kept current during the contract period. Contractor will be required to provide reporting contact within 15 days of Master Agreement execution.

Acknowledged. Please See USAGE FEE & REPORTING

4.4.1 OFFEROR PROFILE

Company's full legal name	Aronson Security Group Inc.
Primary business address	600 Oakesdale Avenue Southwest, Suite 100
Describe your company ownership structure	Corporation
Employee size (number of employees)	164
Website	www.aronsonsecurity.com
Sales contact information	Tommi Robison –Director Strategic Development tommi.robison@aronsonsecurity.com Tele: 206-225-7596
Your client retention rate during the past 3 years	ASG has above average retention for Security Industry, known for turnover. We are on a growth trajectory with very good retention of valued employees across disciplines and service categories.
A brief history of your company and the year it was founded	Aronson Security Group, founded in 1963, is a leading, privately owned Security Integrator and one-source provider for comprehensive security products and services in multiple high growth markets. Over the past 50 years, ASG has been at the forefront as the security industry changed from mechanical locks and keys to complex, technology-based, fully integrated electronic security solutions.
Describe your company's growth during the past three years.	ASG's growth has enjoyed steady growth avg 20% year over year.

4.4.1A TECHNICAL REQUIREMENTS - SUBCONTRACTOR INFORMATION

Does this proposal include the use of subcontractors?

Yes	X	No	
-----	---	----	--

If “Yes”, vendor must:

Identify specific subcontractors and the specific requirements of this RFP for which each proposed subcontractor will perform services.

If any tasks are to be completed by subcontractor(s), vendors must:

Whether your members are looking to secure a few small offices in one location or throughout the state or in large commercial buildings across the nation or in data centers across a continent, ASG can provide a solution that scales to their needs and growth. The key to our scalability is our Global Partner Program (GPP)-- ASG's vetted subcontractor partner program who are pre-qualified local integrators and ASG specialized service providers and trades, to deliver the right sized workforce to any project. Our GPP Partners are and also employ highly trained technicians working to predefined standards, refined to provide contractual protection while safeguarding your member's intellectual property and critical business information. ASG's GPP Partners are prepared to quickly and efficiently respond to customer's needs, implementing ASG designed solutions right where you need them.

- **Describe the relevant contractual arrangements;**

Our Global Partner Program is unique in that every partner goes through a strict vetting process in advance, whereby we look at the company, what they do, how they do it, where they do it and determine whether or not they share our business philosophies. We also ensure that all prospective partners can meet the insurance requirements of both ASG and our clients. Any partner accepted into the program enters into a master subcontract agreement. This approach allows us to streamline the rollout of any individual project as everything is handled by a simple one-page subcontract order that is governed by the master subcontract agreement.

- **Describe how the work of any subcontractor(s) will be supervised, channels of communication will be maintained and compliance with contract terms assured; and**

Whether you members are implementing one or one hundred projects, ASG's Project Management Team will provide you a single point of contact to ensure that each project is consistently developed and delivered to meet their standards. Our team coordinates local integrators, subcontractors, product suppliers, and site representatives to complete each project on time and on budget. Our process self-manages through weekly project status reports to keep you informed of project progress, dependencies, and punch list status to deliver a seamless, turn-key solution.

- **Describe your previous experience with subcontractor(s).**

Our professional services bench of Global Partners, or what we call our Global Security Network, and ASG have worked on projects together across the state, throughout the USA, and across continents, and have history bringing projects in on-time, and on-budget.

- **Vendors must describe the methodology, processes and tools utilized for:**
 - **Selecting and qualifying appropriate subcontractors for the project/contract;**
ASG's network of Global Partners is comprised of security domain experts and related disciplines that bring a wide variety of skills, experiences and perspectives, competency and efficiencies to any NASPO ValuePoint or DES Washington State project. Each individual or company has been vetted for capabilities, accomplishments, and team-work dynamic. Additionally, each contributor has been trained to ASG's methodology, standards and project management practices.
 - **Ensuring subcontractor compliance with the overall performance objectives for the project;**
In all instances, ASG is the sole entity responsible for the successful outcome of a NASPO ValuePoint or DES Washington State project regardless of team composition.
 - **Ensuring that subcontractor deliverables meet the quality objectives of the project/contract;**
- and

ASG begins each project in accordance to our Path to Value by developing a business baseline followed by a fully developed and designed engineering package. Our Engineering Team develops detailed project designs and drawings based on years of experience, industry best practices, and individualized function and needs analysis. This level of detail ensures that each solution will deliver functional, reliable results across your member's organization and our GPP Subcontractor teaming enables meeting the quality objectives by:

- ✓ *Streamlined site assessment, estimation, and implementation through our partners.*
 - ✓ *Development and design of standardized, enterprise wide solutions to save time, reduce budget, maintain quality control, and reduce total cost of ownership.*
 - ✓ *Qualified, highly trained, local technicians implementing ASG's best-in-class design.*
 - ✓ *Single point of contact for system design, development, engineering, implementation, project management, repair, and maintenance.*
 - ✓ *Subject matter expertise in areas that pertain to large scale national deployments.*
 - ✓ *Cost control through master subcontracts already in place with our partners.*
 - ✓ *Priority resource scheduling with local teams allows for faster implementation.*
 - ✓ *Confidentiality and standards compliance.*
 - ✓ *Enhanced Quality Control practices include site visits from an ASG technical coordinator.*
 - ✓ *Expedited system programming and emergency service trouble-shooting from ASG Application Engineers via remote access.*
 - ✓ *A single point of contact to provide dependable, knowledgeable service and maintenance to every location in your member's organization.*
- **Providing proof of payment to any subcontractor(s) used for this project/contract, if requested by the State. Proposal should include a plan by which, at the State's request, the State will be notified of such payments.**
ASG acknowledges if such a need arises the information would be made available for review.

The following ASG (GPP) Subcontractors are representative of the type and caliber of domain experts ASG would bring to a project, and are categorized by service type corresponding to ASG's Service Categories for our service area, Washington State / DES

ASG GPP SUBCONTRACTORS FOR: ELECTRICAL/ FIBRE CONTRACTORS

Reference #: S -1 #1	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ASG's Subcontractor E2 Optics		
Identify role company will have for this RFP project (Check appropriate role below):			
	VENDOR	X	SUBCONTRACTOR
Project Name:	DHA Access Control System Install		
Primary Contact Information for ASG Subcontractor			
Name:	Phillip Detering, Project Manager		
Street Address:	16 B St SE		
City, State, Zip:	Quincy, WA, 98848		
Phone, including area code:	509-630-5355		
Facsimile, including area code:			
Email address:	Phillip.detering@e2optics.com		
Alternate Contact Information			
Name:	Anthony Fermo		
Street Address:	2000 124 th Ave NE		
City, State, Zip:	Bellevue, WA, 98805		
Phone, including area code:	425.299.7183		
Facsimile, including area code:			
Email address:	Anthony.Fermo@e2optics.com		
Primary Contact Information for Reference for ASG Subcontractor			
Name:	Glen Winzenburg (DHA)		
Street Address:	16401 E Centretch		
City, State, Zip:	Aurora, CO 80011		
Phone, including area code:	703-681-5821		
Facsimile, including area code:	N/A		
Email address:	glen.k.winzenburg.civ@mail.mil		
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	E2 installed 33 Access Control Composite Cables for all ACS doors. These cables had a 22-6 for Card Reader, 22-4 for the Request to Exit, 18-4 for lock power and 22-2 for Door Contact. E2 Optics installed conduit sleeves in between wall penetrations to support new proposed cable. E2 shall also installed J hooks for all ACS cables. E2 Optics routed and dressed all cables from device to head end equipment with Velcro. All cabling was Composite Access Control Cable		

	that connected directly between the door device and head end Gallagher Node. All cabling was installed in 1" to 2" conduit sleeves between walls and J hooks through cable path. Existing cables were removed, where possible. All cables were labeled at both ends. Each label at a minimum denoted the following information: To: Door (location and floor) #, Node Port # and Room #.
Original Project/Contract Start Date:	09/27/2016
Original Project/Contract End Date:	04/30/2017
Original Project/Contract Value:	\$101,964.77
Final Project/Contract Date:	4/30/2017
Was project/contract completed in time originally allotted, and if not, why not?	Yes
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	Yes

Reference #: S-1 #2		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG's Subcontractor E2 Optics	
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:	GSA EEOC Gallagher Upgrade		
Primary Contact Information for ASG Subcontractor			
Name:	Phillip Detering, Project Manager		
Street Address:	16 B St SE		
City, State, Zip:	Quincy, WA, 98848		
Phone, including area code:	509-630-5355		
Facsimile, including area code:			
Email address:	Phillip.detering@e2optics.com		
Alternate Contact Information			
Name:	Anthony Fermo		
Street Address:	2000 124 th Ave NE		
City, State, Zip:	Bellevue, WA, 98805		
Phone, including area code:	425.299.7183		
Facsimile, including area code:			
Email address:	Anthony.Fermo@e2optics.com		
Primary Contact Information for Reference for ASG Subcontractor			
Name:	James Tillman		
Street Address:	131 M Street, NE, (4SW04E)		
City, State, Zip:	Washington, DC 20507		
Phone, including area code:	202/663-4572		
Facsimile, including area code:	202/663-7068		
Email address:	james.tillman@eeoc.gov		
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:		E2 Optics provided Adobe Communications with a fully functional Gallagher PIV solution that can be installed and maintained by Adobe Communications technicians. E2 optics pre-assembled and program the PIV solution for easy installation and provide wiring diagrams for each Access control cabinet and Card reader. Once Adobe Communications installed the equipment provided by E2 Optics, a Certified Gallagher PIV Technician from E2 Optics provided onsite training for EEOC personnel and certify the new system with assistance from Adobe Communications Technicians.	
Original Project/Contract Start Date:		04/05/2017	
Original Project/Contract End Date:		05/01/2017	
Original Project/Contract Value:		\$27,033.90	
Final Project/Contract Date:		05/01/2017	

Was project/contract completed in time originally allotted, and if not, why not?	Yes
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	Yes

Reference #: S-1 #3		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG's Subcontractor E2 Optics	
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:	Air Force Rapid Reaction Branch Gallagher PIV Upgrade		
Primary Contact Information for ASG Subcontractor			
Name:	Phillip Detering, Project Manager		
Street Address:	16 B St SE		
City, State, Zip:	Quincy, WA, 98848		
Phone, including area code:	509-630-5355		
Facsimile, including area code:			
Email address:	Phillip.detering@e2optics.com		
Alternate Contact Information			
Name:	Anthony Fermo		
Street Address:	2000 124 th Ave NE		
City, State, Zip:	Bellevue, WA, 98805		
Phone, including area code:	425.299.7183		
Facsimile, including area code:			
Email address:	Anthony.Fermo@e2optics.com		
Primary Contact Information for Reference for ASG Subcontractor			
Name:	Ezra Moreland		
Street Address:	4615 Foreign Trade Zone Blvd		
City, State, Zip:	Aurora, CO 80011		
Phone, including area code:	703-681-5821		
Facsimile, including area code:			
Email address:	Ezra.moreland.ctr@us.af		
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	E2 Optics replaced the facilities existing Brivo Access Control System with a HSPD 12/FIPS 201 FICAM compliant Gallagher Access Control System. The new system is compliant with all Government standards and complies with all information in an RFP provided by the customer. The solution allows the end-user to utilize their current HID access cards in preparation for a future transition to using the Government		

	provided CAC/PIV access cards to gain access into a controlled area. Access to all primary SCIF entries now requires a badge and PIN to gain access, reducing the threat posed by a lost or stolen access card. Prior to the installation of the system, E2 Optics designed a transition plan to allow for minimal down time. The plan consisted of pre-configuring all controller panels and devices. After general programming was completed, E2 Optics installed the workstation a week in advance of installing the controllers and devices, allowing the end-user to enrol personal badges and provide access rights prior to removing the existing system. The installation consisted of a Gallagher Command Centre workstation / server with associated licensing for a complete thirty (30) door access control system, seven (7) Gallagher controllers, Thirty-one (31) Gallagher card readers, door hardware / composite access control cables for two (2) new doors, and conduit for wire raceways where necessary. All new and existing cable was labelled to customer specifications.
Original Project/Contract Start Date:	06/03/2016-
Original Project/Contract End Date:	06/27/2018 (2 Year Maintenance Contract)
Original Project/Contract Value:	\$93,257.58
Final Project/Contract Date:	06/2/72018 (2 yr. maintenance)
Was project/contract completed in time originally allotted, and if not, why not?	Yes
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	Yes

Reference #: S-2 #1		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG's Subcontractor Edmonds Security	
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:			
Primary Contact Information for ASG Subcontractor			
Name:		Geoffrey Neff, President / Owner	
Street Address:			
City, State, Zip:			
Phone, including area code:		206-733-0225	
Facsimile, including area code:			
Email address:		edsec@comcast.net	
Alternate Contact Information			
Name:			
Street Address:			
City, State, Zip:			
Phone, including area code:			
Facsimile, including area code:			
Email address:			
Primary Contact Information for Reference for ASG Subcontractor			
Name:			
Street Address:			
City, State, Zip:			
Phone, including area code:			
Facsimile, including area code:			
Email address:			
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:			
Original Project/Contract Start Date:			
Original Project/Contract End Date:			
Original Project/Contract Value:			
Final Project/Contract Date:			
Was project/contract completed in time originally allotted, and if not, why not?			
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?			

Reference #: S-3 # 1		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG's Subcontractor PICK ELECTRIC	
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:	SIA-TSA Camera Project SIA#09-18		
Primary Contact Information for ASG Subcontractor			
Name:	Brian Priddy, Vice President		
Street Address:	PO Box 6770		
City, State, Zip:	Spokane, WA 99217-6707		
Phone, including area code:	509-532-1975 Ext 5		
Facsimile, including area code:	509-532-1952		
Email address:	brian@pickelectric.com		
Alternate Contact Information			
Name:	Chris Magnuson, Project Manager		
Street Address:	PO Box 6770		
City, State, Zip:	Spokane, WA 99217-6707		
Phone, including area code:	509-532-1975 Ext 2		
Facsimile, including area code:	509-532-1952		
Email address:	chris@pickelectric.com		
Primary Contact Information for Reference for ASG Subcontractor			
Name:	Julio Villareal		
Street Address:	9000 W Airport Dr		
City, State, Zip:	Spokane, WA 99224		
Phone, including area code:	509-455-6443		
Facsimile, including area code:			
Email address:	juliov@spokaneairports.net		
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Project consisted of multidisciplinary design of a standalone IP CCTV system that provides cameras positioned to capture selected views throughout Spokane International Airport.		
Original Project/Contract Start Date:	05/24/2010		
Original Project/Contract End Date:	09/24/2010		
Original Project/Contract Value:	1,519,841.32		
Final Project/Contract Date:	10/7/2010		
Was project/contract completed in time originally allotted, and if not, why not?	Substantial completion was completed in the allotted time frame. There were software patches that had to be updated after the allotted time.		
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	The project was completed under the original budgets due to deductive change orders.		

Reference #: S-3 # 2		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG's Subcontractor PICK ELECTRIC	
Identify role company will have for this RFP project (Check appropriate role below):			
	VENDOR	X	SUBCONTRACTOR
Project Name:		Camera Install at Cell Phone Lot #14-40-1825-002-01	
Primary Contact Information for ASG Subcontractor			
Name:		Brian Priddy, Vice President	
Street Address:		PO Box 6770	
City, State, Zip:		Spokane, WA 99217-6707	
Phone, including area code:		509-532-1975 Ext 5	
Facsimile, including area code:		509-532-1952	
Email address:		brian@pickelectric.com	
Alternate Contact Information			
Name:		Chris Magnuson, Project Manager	
Street Address:		PO Box 6770	
City, State, Zip:		Spokane, WA 99217-6707	
Phone, including area code:		509-532-1975 Ext 2	
Facsimile, including area code:		509-532-1952	
Email address:		chris@pickelectric.com	
Primary Contact Information for Reference for ASG Subcontractor			
Name:		Julio Villareal	
Street Address:		9000 W Airport Dr	
City, State, Zip:		Spokane, WA 99224	
Phone, including area code:		509-455-6443	
Facsimile, including area code:			
Email address:		juliov@spokaneairports.net	
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:		Install 2 surveillance cameras at the remote cell phone parking lot. Includes underground raceway, vaults, pole bases, poles, cameras, associated equipment, pulling new circuits, fiber optic cable, terminations, testing, and site cleanup and grading	
Original Project/Contract Start Date:		10/27/2015	
Original Project/Contract End Date:		12/15/2015	
Original Project/Contract Value:		\$90,133.21	
Final Project/Contract Date:		03/20/2016	
Was project/contract completed in time originally allotted, and if not, why not?		No, Weather related delay	
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?		Yes	

Reference #: S-3 # 3		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG's Subcontractor PICK ELECTRIC	
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:	Small Works from 2008 - Present		
Primary Contact Information for ASG Subcontractor			
Name:	Brian Priddy, Vice President		
Street Address:	PO Box 6770		
City, State, Zip:	Spokane, WA 99217-6707		
Phone, including area code:	509-532-1975 Ext 5		
Facsimile, including area code:	509-532-1952		
Email address:	brian@pickelectric.com		
Alternate Contact Information			
Name:	Chris Magnuson, Project Manager		
Street Address:	PO Box 6770		
City, State, Zip:	Spokane, WA 99217-6707		
Phone, including area code:	509-532-1975 Ext 2		
Facsimile, including area code:	509-532-1952		
Email address:	chris@pickelectric.com		
Primary Contact Information for Reference for ASG Subcontractor			
Name:	Jessica Charlton		
Street Address:	W. 1230 Boone Ave.		
City, State, Zip:	Spokane, WA 99201		
Phone, including area code:	509.325.6049		
Facsimile, including area code:			
Email address:	JCharlton@spokanetransit.com		
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Small Works, included Raceway systems and Cabling systems for access control and CCTV on multiple STA owned sites. Fiber Optic installation, termination and testing.		
Original Project/Contract Start Date:	Small Works 2008 – Present		
Original Project/Contract End Date:	Varies		
Original Project/Contract Value:	Varies		
Final Project/Contract Date:	Varies		
Was project/contract completed in time originally allotted, and if not, why not?	YES		
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	YES		

Reference #: S-4 # 1		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG'S SUBCONTRACTOR PRIME ELECTRIC	
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:			
Primary Contact Information for ASG Subcontractor			
Name:		Jeff Tomlinson, Executive Director	
Street Address:			
City, State, Zip:			
Phone, including area code:		206-579-7815	
Facsimile, including area code:			
Email address:		jtomlison@primeelectric.com	
Alternate Contact Information			
Name:			
Street Address:			
City, State, Zip:			
Phone, including area code:			
Facsimile, including area code:			
Email address:			
Primary Contact Information for Reference for ASG Subcontractor			
Name:			
Street Address:			
City, State, Zip:			
Phone, including area code:			
Facsimile, including area code:			
Email address:			
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:			
Original Project/Contract Start Date:			
Original Project/Contract End Date:			
Original Project/Contract Value:			
Final Project/Contract Date:			
Was project/contract completed in time originally allotted, and if not, why not?			
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?			

Reference : S-5 # 1		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG's Subcontractor: TEKNON	
Identify role company will have for this RFP project (Check appropriate role below):			
	VENDOR	X	SUBCONTRACTOR
Project Name:			
Primary Contact Information for ASG Subcontractor			
Name:		Neal Stobaugh, VP Operations	
Street Address:		10675 Willows RD NE Suite 100	
City, State, Zip:		Redmond, WA 98052	
Phone, including area code:		425-894-9700	
Facsimile, including area code:		425-895-0535	
Email address:		nstobaugh@teknnon.com	
Alternate Contact Information			
Name:		Dick Crocker	
Street Address:		10675 willows RD NE Suite 100	
City, State, Zip:		Redmond, WA 98052	
Phone, including area code:		425-895-8535	
Facsimile, including area code:		425-895-0535	
Email address:		rcrocker@teknnon.com	
Primary Contact Information for Reference for ASG Subcontractor			
Name:		Kurt Hordan-SELLEN	
Street Address:		227 Westlake AVE. N	
City, State, Zip:		Seattle, WA 98109	
Phone, including area code:		206-979-4314	
Facsimile, including area code:		206-623-5206	
Email address:		kurth@sellen.com	
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:		3 building and 400,000 sf of CLASS A office space for AMAZON. Work included access control and IP Video Surveillance throughout these multifloor buildings	
Original Project/Contract Start Date:		January 2010	
Original Project/Contract End Date:		December 2011	
Original Project/Contract Value:		\$2.3M	
Final Project/Contract Date:		\$2.6M	
Was project/contract completed in time originally allotted, and if not, why not?		On time and on budget	
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?		Project was above budget because of customer requested upgrades.	

Reference :S-5 # 2		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG's Subcontractor: TEKNON	
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:			
Primary Contact Information for ASG Subcontractor			
Name:		Neal Stobaugh, VP Operations	
Street Address:		10675 Willows RD NE Suite 100	
City, State, Zip:		Redmond, WA 98052	
Phone, including area code:		425-894-9700	
Facsimile, including area code:		425-895-0535	
Email address:		nstobaugh@teknnon.com	
Alternate Contact Information			
Name:		Dick Crocker	
Street Address:		10675 willows RD NE Suite 100	
City, State, Zip:		Redmond, WA 98052	
Phone, including area code:		425-895-8535	
Facsimile, including area code:		425-895-0535	
Email address:		rcrocker@teknnon.com	
Primary Contact Information for Reference for ASG Subcontractor			
Name:		KMB Design	
Street Address:		906 Columbia Street SW Suite 400	
City, State, Zip:		Olympia, WA 98501	
Phone, including area code:		360-515-8120	
Facsimile, including area code:		360-253-8853	
Email address:		mathewkaphan@kmb-architects.com	
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:		<i>The Washington Corrections Center (WCC) complex located in Shelton, WA is a Medium, Close and Maximum Security Prison with an operating capacity of 1268 offenders. The WCC has identified areas throughout the facility that require updating the existing analog cameras as well as adding IP Camera. Presently the system has about 320 analog cameras being converted into IP via encoders. Also, additional new IP cameras are being added based on various buildings requirements. The new VMS system is Genetec, scope includes new servers, archivers and also interfaces with door</i>	

	<i>control PLC's.</i>
Original Project/Contract Start Date:	10-25-2016
Original Project/Contract End Date:	6-30-2017
Original Project/Contract Value:	\$ 1,351,885.00
Final Project/Contract Date:	TBD – due to various change orders and locations remodels
Was project/contract completed in time originally allotted, and if not, why not?	In progress
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	

Reference: S-5 # 3		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG's Subcontractor: TEKNON	
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:			
Primary Contact Information for ASG Subcontractor			
Name:	Neal Stobaugh, VP Operations		
Street Address:	10675 Willows RD NE Suite 100		
City, State, Zip:	Redmond, WA 98052		
Phone, including area code:	425-894-9700		
Facsimile, including area code:	425-895-0535		
Email address:	nstobaugh@teknnon.com		
Alternate Contact Information			
Name:	Dick Crocker		
Street Address:	10675 willows RD NE Suite 100		
City, State, Zip:	Redmond, WA 98052		
Phone, including area code:	425-895-8535		
Facsimile, including area code:	425-895-0535		
Email address:	rcrocker@teknnon.com		
Primary Contact Information for Reference for ASG Subcontractor			
Name:	Eric Mack- Microsoft		
Street Address:	One Microsoft Way		
City, State, Zip:	Redmond, WA 98052		
Phone, including area code:	425-722-6731		
Facsimile, including area code:			
Email address:	Eric.mack@microsoft.com		
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Teknon's scope of work consisted of the installation of low voltage and structured cabling, and the installation of server racks within a secured data center environment. Their overall scope consisted of:		

	• Low voltage and fiber optic cabling for 150+ IP video surveillance cameras • Low voltage cabling for 75+ Card & Biometric Access Control portals and monitored points. • Low voltage cabling for 130+ Intrusion Detection devices • Installation of 360+ Server cabinets and low voltage cabling for cabinet Card Access Control system.
Original Project/Contract Start Date:	March 06, 2013
Original Project/Contract End Date:	September 13, 2013
Original Project/Contract Value:	\$136,923.00
Final Project/Contract Date:	January 07, 2014
Was project/contract completed in time originally allotted, and if not, why not?	The installation was completed within the published schedule established by the Client and the General Contractor
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	The project was completed within the budget.

HIGH SECURITY CONTROLS/MECHANICAL DOOR CONTROL

Reference: S-6 #1	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ASG's SUBCONTRACTOR CORNERSTONE DETENTION PRODUCTS, INC. (CDP)		
Identify role company will have for this RFP project (Check appropriate role below):			
	VENDOR	X	SUBCONTRACTOR
Project Name:	Federal Correctional Security System PLC/SCADA Access Control		
Primary Contact Information for ASG's GPP vetted Subcontractor			
Name:	Donald M. Rochon, Executive VP		
Street Address:	12700 – 31 Mile Road		
City, State, Zip:	Washington, MI 48095		
Phone, including area code:	586-752-3200		
Facsimile, including area code:	586-752-5270		
Email address:	drochon@cornerstonedetention.com		
Alternate Contact Information			
Name:	John Pachman, Regional Manager		
Street Address:	2717 N. Hogan		
City, State, Zip:	Spokane, WA 99207		
Phone, including area code:	509-483-6215, ext. 111		
Facsimile, including area code:	509-483-5102		
Email address:	jpachman@cornerstonedetention.com		

Primary Contact Information for Project / Customer Reference for ASG's Subcontractor	
Name:	Federal Correctional Institution
Street Address:	33122 W. California Ave.
City, State, Zip:	Mendota, CA 93640
Phone, including area code:	Marcus Beutecale
Facsimile, including area code:	559-274-4060
Email address:	mbeutecale@bop.gov
Project Information involving ASG's Subcontractor	
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	EO Integrated Systems, a wholly owned subsidiary of CDP, provided and installed as a subcontractor under Lewis Nelson Construction, a facility-wide electronic security system for a Federal Prison. Systems included: PLC door control, touch screens, intercoms, cameras, and a perimeter fence intrusion detection system.
Original Project/Contract Start Date:	9-24-2009
Original Project/Contract End Date:	3-17--2011
Original Project/Contract Value:	6,098,000.00
Final Project/Contract Date:	6,098,000.00
Was project/contract completed in time originally allotted, and if not, why not?	Yes
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	Yes
Reference #:	

Reference: S-6 #2	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ASG's SUBCONTRACTOR CORNERSTONE DETENTION PRODUCTS, INC. (CDP)		
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:	Prison Hospital Security System PLC/SCADA door controls and perimeter		
Primary Contact Information for ASG's GPP vetted Subcontractor			
Name:	Donald M. Rochon, Executive VP		
Street Address:	12700 – 31 Mile Road		
City, State, Zip:	Washington, MI 48095		
Phone, including area code:	586-752-3200		
Facsimile, including area code:	586-752-5270		
Email address:	drochon@cornerstonedetention.com		
Alternate Contact Information			
Name:	John Pachman, Regional Manager		
Street Address:	2717 N. Hogan		
City, State, Zip:	Spokane, WA 99207		
Phone, including area code:	509-483-6215, ext. 111		
Facsimile, including area code:	509-483-5102		
Email address:	jpachman@cornerstonedetention.com		
Primary Contact Information for Project / Customer Reference for ASG's Subcontractor			

Name:	North Carolina Central Prison
Street Address:	1300 Western Blvd.
City, State, Zip:	Raleigh, NC 27606
Phone, including area code:	Security Consultant, Buford Goff Assoc. owners rep.
Facsimile, including area code:	Keith Summer at 803-254-6302
Email address:	Keith.summer@bgainc.com
Project Information involving ASG's Subcontractor	
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	EO Integrated Systems, a wholly owned subsidiary of CDP, provided and installed as a subcontractor under Balfour Beatty Construction, a facility-wide electronic security system in two six story prison hospitals. Systems included: PLC door control, touch screens, intercoms, cameras, card access, and video visitation units.
Original Project/Contract Start Date:	4-1-2009
Original Project/Contract End Date:	2-3-2012
Original Project/Contract Value:	4,700,000.00
Final Project/Contract Date:	5,100,000.00
Was project/contract completed in time originally allotted, and if not, why not?	Yes
Was project/contract completed within or under the original budget/cost proposal, and if not, why not?	Yes, however there were several change orders issued since the original contract was under the allocated budget of \$5,200,000.00, allowing an increased scope of work.

Reference #: S-7 # 1		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG's Subcontractor, Justice Systems Corporation	
		VENDOR	X SUBCONTRACTOR
Project Name:		Monroe Correctional Complex 	
Primary Contact Information for ASG Subcontractor			
Name:		Paul Allyn, President/ Owner	
Street Address:		19426 66 th Ave South, Q-109	
City, State, Zip:		Kent, WA 98032	
Phone, including area code:		(425) 890-1300 Mobile	
Facsimile, including area code:		(253) 236-8091 Fax	
Email address:		pallyn@justicesys.com	
Primary Contact Information for Reference for ASG Subcontractor			
Name:		Nannette Graham, Director, Wash DOC Capital Planning	
Street Address:		7345 Linderson Way SW	
City, State, Zip:		Tumwater, WA 98501	
Phone, including area code:		(360) 725-8354	
Facsimile, including area code:			
Email address:		nsgraham@DOC1.wa.gov	
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:		Design-build subcontractor for the \$0.7-million security controls upgrades to the Special Offenders Unit (SOU) and the Intensive Management Unit (IMU), together with Administrative Segregation unit (SEG). JSC upgraded the security controls software at the Special Offenders Unit Pods A, B, C, and D. Pods C and D were controlled by a single PLC. Also subcontractor to ASG for HMI upgrade of the IPU infirmary unit. Technical Environment Within SOU, a new PLC was added to Pod D preventing a single point failure from disabling more than one pod. Pods A and B may transfer control to each other; and Pods C and D may also transfer controls to each other providing redundancy. A redundant HMI server was installed in facility IT Building. In support of the new IP video surveillance system for the site, work also included designing the full	

	OSP (outside plant) backbone upgrade and replacement encompassing most of the buildings on the complex. This involved the distribution of fiber from the facility IT Services building outside security to each of the major and minor IDFs. JSC extended the fiber in the SOU to each of its security electronics rooms, in order to provide security controls networking. JSC's work also extended to replacement of the security controls software and hardware for the IPU / Rotunda, Tower 9, and TRU Tower.
Original Project/Contract Start Date:	April, 2016
Original Project/Contract End Date:	October, 2016
Original Project/Contract Value:	\$209,525 (other work orders totaling \$192,940)
Final Project/Contract Date:	October, 2016
Was project/contract completed in time originally allotted, and if not, why not?	Yes. A final additional phase remains underway.
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	Yes

Reference #: S-7 # 2	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ASG’s Subcontractor, Justice Systems Corporation		
	VENDOR	X	SUBCONTRACTOR
Project Name:	Cowlitz County Juvenile High Security Controls Upgrade 		
Primary Contact Information for ASG Subcontractor			
Name:	Paul Allyn, President/ Owner		
Street Address:	19426 66 th Ave South, Q-109		
City, State, Zip:	Kent, WA 98032		
Phone, including area code:	(425) 890-1300 Mobile		
Facsimile, including area code:	(253) 236-8091 Fax		
Email address:	pallyn@justicesys.com		
Primary Contact Information for Reference for ASG Subcontractor			
Name:	Dwight Herron, Facilities Director		
Street Address:	207 Fourth Avenue N, Room 308		
City, State, Zip:	Kelso, WA 98626		
Phone, including area code:	(360) 577-3199		
Facsimile, including area code:			
Email address:	herrond@co.cowlitz.wa.us		
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Design-build, prime contract, turnkey, high security controls and intercom systems retrofit in this 72-bed local juvenile correctional facility. The system was replaced in “hot cutover” fashion – having the old system operational while transferring to		

	the new system. Technical Environment InduSoft HMI, Omron PLCs, Harding DXL intercom system, and closed private network on HP switch. Inter-systems integration with intercommunications and with video surveillance to call-up associated door cameras based on HMI selections. This project did not entail subcontractors.
Original Project/Contract Start Date:	November 18, 2015
Original Project/Contract End Date:	March 3, 2016
Original Project/Contract Value:	\$294,140
Final Project/Contract Date:	February 28, 2016
Was project/contract completed in time originally allotted, and if not, why not?	Yes
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	Yes

Reference #: S-7 # 3	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ASG's Subcontractor, Justice Systems Corporation		
	VENDOR	X	SUBCONTRACTOR
Project Name:	Washington Corrections Center for Women High Security Controls Upgrades		
			
Primary Contact Information for ASG Subcontractor			
Name:	Paul Allyn, President/ Owner		
Street Address:	19426 66 th Ave South, Q-109		
City, State, Zip:	Kent, WA 98032		
Phone, including area code:	(425) 890-1300 Mobile		
Facsimile, including area code:	(253) 236-8091 Fax		
Email address:	pallyn@justicesys.com		
Primary Contact Information for Reference for ASG Subcontractor			
Name:	Rod Coberly, Plant Manager WCCW		
Street Address:	9601 Bujacich Road NW		
City, State, Zip:	Gig Harbor, WA 98332		

Reference #: S-8 #1	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ASG's Subcontractor HARRY'S KEY SERVICE		
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:	Legacy – Meridian Park		
Primary Contact Information for ASG Subcontractor			
Name:	Mike Werbowski, Project Manager		
Street Address:	2213 Main ST		
City, State, Zip:	Vancouver WA 98660		
Phone, including area code:	360-518-4549		
Facsimile, including area code:	3606946794		
Email address:	mwerbowski@harryslocksmith.com		
Alternate Contact Information			
Name:	Patrick <u>WErbowski</u>		
Street Address:	2213 Main ST		
City, State, Zip:	Vancouver WA 98660		
Phone, including area code:	360-518-4549		
Facsimile, including area code:	3606946794		
Email address:	pwerbowski@harryslocksmith.com		
Primary Contact Information for Reference for ASG Subcontractor			
Name:	Chris Mills – Legacy Health System		
Street Address:	1919 SW Lovejoy		
City, State, Zip:	Portland Or 97209		
Phone, including area code:	503-415-8451		
Facsimile, including area code:	503-415-8437		
Email address:	Chmills@ihs.org		
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Provide and install Access hardware to various doors (magnetic locks, electric strikes.		
Original Project/Contract Start Date:	10-24-2016		
Original Project/Contract End Date:	10-24-2016		
Original Project/Contract Value:	11,875.00		
Final Project/Contract Date:	10-24-2016		
Was project/contract completed in time originally allotted, and if not, why not?	Yes		
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	Yes		

Reference #: S-8 #2	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ASG's Subcontractor HARRY'S KEY SERVICE		
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:	Legacy – Meridian Park		
Primary Contact Information for ASG Subcontractor			
Name:	Mike Werbowski, Project Manager		
Street Address:	2213 Main ST		
City, State, Zip:	Vancouver WA 98660		
Phone, including area code:	360-518-4549		
Facsimile, including area code:	3606946794		
Email address:	mwerbowski@harryslocksmith.com		
Alternate Contact Information			
Name:	Patrick <u>WErbowski</u>		
Street Address:	2213 Main ST		
City, State, Zip:	Vancouver WA 98660		
Phone, including area code:	360-518-4549		
Facsimile, including area code:	3606946794		
Email address:	pwerbowski@harryslocksmith.com		
Primary Contact Information for Reference for ASG Subcontractor			
Name:	Clark Ide – Lewis and Clark College		
Street Address:	0615 SW Palentine Hill Rd		
City, State, Zip:	Portland Or 97219		
Phone, including area code:	503-768-7978		
Facsimile, including area code:			
Email address:	cide@clark.edu		
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Provide and install Tormax Door Operators,,Exit Hardware and Closers as directed.		
Original Project/Contract Start Date:	3-24-2017		
Original Project/Contract End Date:	4-25-2017		
Original Project/Contract Value:	8925.00		
Was project/contract completed in time originally allotted, and if not, why not?	Yes		
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	Yes		

Reference #: S-8 #3	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ASG's Subcontractor HARRY'S KEY SERVICE		
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:	Legacy – Meridian Park		
Primary Contact Information for ASG Subcontractor			
Name:	Mike Werbowski, Project Manager		
Street Address:	2213 Main ST		
City, State, Zip:	Vancouver WA 98660		
Phone, including area code:	360-518-4549		
Facsimile, including area code:	3606946794		
Email address:	mwerbowski@harryslocksmith.com		
Alternate Contact Information			
Name:	Patrick <u>WErbowski</u>		
Street Address:	2213 Main ST		
City, State, Zip:	Vancouver WA 98660		
Phone, including area code:	360-518-4549		
Facsimile, including area code:	3606946794		
Email address:	pwerbowski@harryslocksmith.com		
Primary Contact Information for Reference for ASG Subcontractor			
Name:	Danielle Parker – Portland Community College		
Street Address:	P.O Box 19000		
City, State, Zip:	Portland Or 97280 -0990		
Phone, including area code:	971-722-4714		
Facsimile, including area code:	503-244-0418		
Email address:	Danielle.parker2@pcc.edu		
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Provide and install access hardware for specifically identified doors within scope of contract. P.O 205013577-HKS		
Original Project/Contract Start Date:	01/07/2016		
Original Project/Contract End Date:	05/20/2016		
Original Project/Contract Value:	\$48,038		
Was project/contract completed in time originally allotted, and if not, why not?	5-20-2016		
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	Yes		

BURGLAR ALARM MONITORING

Reference #: S-9 #1		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG'S SUBCONTRACTOR Global Guardian	
Identify role company will have for this RFP project (Check appropriate role below):			
	VENDOR	X	SUBCONTRACTOR
Project Name:			
Primary Contact Information for ASG Subcontractor			
Name:		Clayton Kemp, CTO/President Sentry	
Street Address:			
City, State, Zip:			
Phone, including area code:		(980) 721-5360	
Facsimile, including area code:			
Email address:		ckemp@globalguardian.com	
Alternate Contact Information			
Name:		Dale Buckner, President/ CEO	
Street Address:		8280 Greensboro Drive Suite 100	
City, State, Zip:		McLean, VA 22102	
Phone, including area code:		703-388-6644	
Facsimile, including area code:			
Email address:		d.buckner@globalguardian.com	
Primary Contact Information for Reference for ASG Subcontractor			
Name:		Chip Busker	
Street Address:		6836 Pine Lake Rd	
City, State, Zip:		Mint Hill, NC 28227	
Phone, including area code:		(704) 363-2391	
Facsimile, including area code:		(704) 553-7314	
Email address:		rfbusker@aol.com	
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:		Hendrick Automotive Group new construction project was building a large facility in a high-risk area. The requirement was to assist the integrator in the site design process and implement technologies that would allow for a complete perimeter protection solution using audio annunciation, intrusion and fire detection monitoring, and concierge services (remote escort) for late/lone workers to reduce risk/losses for both employees and outdoor assets.	
Original Project/Contract Start Date:		11/7/2015	
Original Project/Contract End Date:		1/6/2016	
Original Project/Contract Value:		\$140,000	

Final Project/Contract Date:	1/6/2016
Was project/contract completed in time originally allotted, and if not, why not?	Yes
Was project/contract completed within or under the original budget/cost proposal, and if not, why not?	Yes

Reference #: S-9 #2		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG'S SUBCONTRACTOR Global Guardian	
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:			
Primary Contact Information for ASG Subcontractor			
Name:		Clayton Kemp, CTO/President Sentry	
Street Address:			
City, State, Zip:			
Phone, including area code:		(980) 721-5360	
Facsimile, including area code:			
Email address:		ckemp@globalguardian.com	
Alternate Contact Information			
Name:		Dale Buckner, President/ CEO	
Street Address:		8280 Greensboro Drive Suite 100	
City, State, Zip:		McLean, VA 22102	
Phone, including area code:		703-388-6644	
Facsimile, including area code:			
Email address:		d.buckner@globalguardian.com	
Primary Contact Information for Reference for ASG Subcontractor			
Name:		Tyler Hassen	
Street Address:			
City, State, Zip:			
Phone, including area code:		(713) 206-1186	
Facsimile, including area code:			
Email address:		thassen@basinpower.com	
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:		Basin Power needed a custom environmental monitoring solution for active generators that provide primary power to oil pumping stations. The customer losses when a single generator goes offline equals \$20K+ each day. Global Guardian developed a signal transmission method that integrated to Basin Power's platform so that Global Guardian's Security Operations Center could monitor and respond	

	in real-time the continuity of the generators.
Original Project/Contract Start Date:	2/1/2017
Original Project/Contract End Date:	4/15/2017
Original Project/Contract Value:	\$50,000
Final Project/Contract Date:	4/1/2017
Was project/contract completed in time originally allotted, and if not, why not?	Yes
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	Yes

Reference #: S-9 #3		CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW	
Company Name:		ASG'S SUBCONTRACTOR Global Guardian	
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
	VENDOR	X	SUBCONTRACTOR
Project Name:			
Primary Contact Information for ASG Subcontractor			
Name:		Clayton Kemp, CTO/President Sentry	
Street Address:			
City, State, Zip:			
Phone, including area code:		(980) 721-5360	
Facsimile, including area code:			
Email address:		ckemp@globalguardian.com	
Alternate Contact Information			
Name:		Dale Buckner, President/ CEO	
Street Address:		8280 Greensboro Drive Suite 100	
City, State, Zip:		McLean, VA 22102	
Phone, including area code:		703-388-6644	
Facsimile, including area code:			
Email address:		d.buckner@globalguardian.com	
Primary Contact Information for Reference for ASG Subcontractor			
Name:		Michael Waterman, Basin Holdings	
Street Address:		200 Park Avenue, Suite 5800	
City, State, Zip:		New York, NY 10166	
Phone, including area code:		(563) 343-9079	
Facsimile, including area code:		(212) 202-5208	
Email address:		mwaterman@basinholdings.com	
Project Information involving ASG Subcontractor			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:		Basin Holdings needed to reduce guard cost at their headquarters location without sacrificing security. Global Guardian	

	performed a risk and technology assessment to address the needs of the client. After a comprehensive assessment, Global Guardian was able to recommend solutions to the integrator that would allow Global Guardian's Security Operations Center to perform remote guard services which required the interoperability and monitoring of the Honeywell intrusion detection and ADPRO CCTV system centralized on a single platform.
Original Project/Contract Start Date:	7/25/2016
Original Project/Contract End Date:	9/12/2016
Original Project/Contract Value:	\$40,120
Final Project/Contract Date:	8/26/2016
Was project/contract completed in time originally allotted, and if not, why not?	Yes
Was project/contract completed within or under the original budget/cost proposal, and if not, why not?	Yes

4.4.1 B ASG BUSINESS REFERENCES

ASG is a security industry leader who not only values their customers; we've developed our entire business model around understanding their market, their mission, and their risk and security objectives.

Positioned best to serve a diverse customer base, ASG has significant experience in aligning NASPO member customers' security to their organizations business objectives to plan, engineer and deploy system conversions to new, enterprise level platforms, system cutovers and upgrades within similar exacting organizational expectations and within corporate campus, urban, high rise and leased and T.I. facility environments, as diverse as NASPO's members are.

We have many project experiences, satisfied and long-term customer partners and successes to draw from; the references below are just a few and range from a private datacenter company on a high growth trajectory, to Dept. of Corrections and Critical Infrastructure where regulatory compliance is paramount, to Community Colleges, who's very brand has been impacted by the upswing of crime and the targeting of small town campuses in our national and local news. Many of our references are NASPO ValuePoint / DES customers, all were provided the Reference Questionnaire, and all confirmed their support of both ASG and the opportunity for us to continue working together using the DES NASPO ValuePoint PA for the State of Washington as high value to their organizations, and as such, committed to respond with their completed surveys before deadline.

The Lead State reserves the right to contact and verify any and all references listed regarding the quality and degree of satisfaction for such performance.

ASG, is most generally highly protective of disclosing our customers and their security information acknowledges that the customers providing references have approved including their information in the following documents to follow, and as further demonstration of their support and despite many of them having policies against such, have consented to being contacted directly.

Thank you in advance for being considerate of their time, it is highly valued.

Also, ASG stipulates and declares emphatically that the following Customer References and their project and security information provided herein, is HIGHLY SENSITIVE AND CONFIDENTIAL AND MAY NOT BE INCLUDED FOR PUBLIC VIEW OR ACCESS

Reference #: 1	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ARONSON SECURITY GROUP INC (ASG)		
Identify role company will have for this RFP project (Check appropriate role below):			
☒	VENDOR	☐	SUBCONTRACTOR
Project Name:	WASHINGTON DEPT OF CORRECTIONS		
Primary Contact Information			

Name:	Wayne Pederson, RCDD Telecom Infrastructure Specialist
Street Address:	7345 Linderson Way SW
City, State, Zip:	Tumwater, WA 98501
Phone, including area code:	360-725-8487
Facsimile, including area code:	
Email address:	Wayne.pederson@doc.wa.gov
Alternate Contact Information	
Name:	
Street Address:	
City, State, Zip:	
Phone, including area code:	
Facsimile, including area code:	
Email address:	
Project Information	
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Two (2) software applications were deployed integrated and are operational to meet customers risk, compliance, operational, IT Security and business objectives and include: a Unified Video Management Security Platform, IP Cameras and ASG coordination and Project Management for multi-manufacturer PLC/SCADA integration structured to meet varied scopes and programing needs, under subcontract.
Original Project/Contract Start Date:	November 2015
Original Project/Contract End Date:	On-going with multiple and varied DOC Admin, Work Release and Detention Facilities across their enterprise and located throughout State of Washington
Original Project/Contract Value:	\$1,531,864 (project total does not include Preventative Maintenance or Emergency Service Program value)
Final Project/Contract Date:	Ongoing –
Was project/contract completed in time originally allotted, and if not, why not?	All projects completed on time and on budget
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	ASG approach is to continually work with the Stakeholders at the various facility locations across DOC Enterprise (Facilities Personnel/multiple decision maker, leadership, and disciplines – IT Dept, Electrical, Facility and Systems, HVAC, etc., & DOC Operations Personnel Hdqtrs, and across enterprise) for mission impact, communication, strategic planning and scheduling. This approach has been very successful to this point in making sure that everyone knows what it happening and when. Resulting in all involved being informed, reducing

	stress, and feeling comfortable that they have been able to have input into getting the job completed within schedule and budget.
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Reference #: #2	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ARONSON SECURITY GROUP INC. (ASG)		
Identify role company will have for this RFP project (Check appropriate role below):			
X	VENDOR		SUBCONTRACTOR
Project Name:	Washington State Employment Security Department Example Access Control Projects 1) Wash. State Employment Security Dept. – Everett Work Source 2) Wash. State Employment Security Dept. – Building 640		
Primary Contact Information			
Name:	Jairus Rice		
Street Address:	212 Maple Park Ave SE		
City, State, Zip:	Olympia, WA 98501		
Phone, including area code:	360-902-9576 or 206-639-6399		
Facsimile, including area code:			
Email address:	jrice@esd.wa.gov		
Alternate Contact Information			
Name:			
Street Address:			
City, State, Zip:			
Phone, including area code:			
Facsimile, including area code:			
Email address:			
Project Information			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	1) Everett WorkSource Remodel – deployment of Enterprise Access Control System 2) ESD – Bldg. 640		
Original Project/Contract Start Date:	1) 9-13-2016 2) 7-7-2015		
Original Project/Contract End Date:	1) 12-13-2016 2) 12-30-2015		
Original Project/Contract Value:	1) \$ 122,019.00 2) \$ 40,890.00		
Final Project/Contract Date:	1) 12-13-2016 2) 9-19-2016		
Was project/contract completed in time originally allotted, and if not, why not?	1) Yes 2) Original completion date extended due to lease agreement issue		
Was project/contract completed within or under the original budget/	1) Yes 2) Customer issued change orders to improve locking		

cost proposal, and if not, why not?	hardware due to power fluctuation
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Reference: #3	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ARONSON SECURITY GROUP INC. (ASG)		
Identify role company will have for this RFP project (Check appropriate role below):			
☒	VENDOR	☐	SUBCONTRACTOR
Project Name:	PIERCE COUNTY VARIOUS EXAMPLE COUNTYWIDE PROJECTS		
Primary Contact Information			
Name:	Ed Casey		
Street Address:	1102 Broadway		
City, State, Zip:	Tacoma, WA 98401		
Phone, including area code:	253-798-6184		
Facsimile, including area code:			
Email address:	gcasey@co.pierce.wa.us		
Alternate Contact Information			
Name:			
Street Address:			
City, State, Zip:			
Phone, including area code:			
Facsimile, including area code:			
Email address:			
Project Information			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Example projects consist of Access Control, Video Surveillance and Intrusion Systems. All projects required ASG to perform system design, implementation, installation of devices & software, programming & integration, commissioning and training of County personnel and stakeholders. Parkland/Spanaway Precinct - \$120,594 950 Building Security - \$118,451 SOC Relocation - \$ 115,934 WWTP Building 25 - \$ 67,503 Annex Building Beta - \$ 62,368 1102 Building Access – \$ 61,856 112th Maintenance Access - \$ 51,473 WWTP Building 21 - \$ 31,862		
Original Project/Contract Start Date:	Varies from 1/1/15 through Present		
Original Project/Contract End Date:	Varying end dates		
Original Project/Contract Value:	Range from \$31,000.00 to \$120,594.00		

Final Project/Contract Date:	Additional Projects are continuing
Was project/contract completed in time originally allotted, and if not, why not?	Yes. Any additional time needed was generally due to changes in scope of work.
Was project/contract completed within or under the original budget/cost proposal, and if not, why not?	Yes. Any additional costs were attributed to changes in scope of work.

Reference: #4	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ARONSON SECURITY GROUP INC (ASG)		
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
☒	VENDOR	☐	SUBCONTRACTOR
Project Name:	Portland Community College Sylvania Campus District Wide System Upgrade		
Primary Contact Information			
Name:	Danielle Parker		
Street Address:	9700 SW Capitol Hwy Suite 260 PO Box 19000		
City, State, Zip:	Portland, OR 97219		
Phone, including area code:	971-722-4714		
Facsimile, including area code:	503-459-4701		
Email address:	Danielle.Parker2@pcc.edu		
Alternate Contact Information			
Name:	Greg Wooden		
Street Address:	12000 SW 49 th Ave		
City, State, Zip:	Portland, OR 97219		

Phone, including area code:	503-781-1601
Facsimile, including area code:	
Email address:	Gregg.Wooden@pcc.edu

Project Information	
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Installed the electronic security on the exterior of nine campuses for PCC. This included lockdown capabilities, analog video upgrade to IP technology, as well as redesigning the intrusion detection for the sites.
Original Project/Contract Start Date:	01/14/2016
Original Project/Contract End Date:	08/16/2017
Original Project/Contract Value:	\$2.53 million
Final Project/Contract Date:	Still in Progress
Was project/contract completed in time originally allotted, and if not, why not?	No, there was a customer-driven need for an expansion of scope, which required extending the project schedule.
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	The project is currently in progress and on budget.

Reference: #5	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ARONSON SECURITY GROUP INC (ASG)		
Identify role company will have for this RFP project (Check appropriate role below):			
X	VENDOR		SUBCONTRACTOR

Project Name:	Snohomish County PUD Beverly Park Security (Substation)	
Primary Contact Information		
Name:	Scott Hammond	
Street Address:	2320 California Street	
City, State, Zip:	Everett, WA 98206	
Phone, including area code:	425-783-8573	
Facsimile, including area code:	425-418-1212	
Email address:	<u>srhammond@snopud.com</u>	
Alternate Contact Information		
Name:	Doug Williams	
Street Address:	2320 California Street	
City, State, Zip:	Everett, WA 98206	
Phone, including area code:	425-783-8770	
Facsimile, including area code:	425-39-8503	
Email address:	<u>DGWilliams@SNOPUD.com</u>	
Project Information		
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Design & engineering for Access Control & Video Surveillance, Project Management, System/Equipment, Installation, Programming, Testing & Commissioning.	
Original Project/Contract Start Date:	3/22/2017	
Original Project/Contract End Date:	Current project scope on track to achieve expected completion date: 7/30/2017	
Original Project/Contract Value:	\$172,812.25	
Final Project/Contract Date:	\$176,107.00 (as of 5-5-2017)	
Was project/contract completed in time originally allotted, and if not, why not?	Project is on-going	
Was project/contract completed within or under the original budget/ cost proposal, and if not, why not?	Project is on-going	

Reference: #6	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ARONSON SECURITY GROUP INC (ASG)		
Identify role company will have for this RFP project (Check appropriate role below):			
☒	VENDOR	☐	SUBCONTRACTOR
Project Name:	Sound Transit Sounder Stations		
Primary Contact Information			
Name:	Chris Jefferies		
Street Address:	315 5 th Ave, South #100		
City, State, Zip:	Seattle, WA 98104		
Phone, including area code:	206-93-740		
Facsimile, including area code:	Not available		
Email address:	chris.jefferies@soundtransit.org		
Alternate Contact Information			
Name:	Carlos Arias		
Street Address:	401 South Jackson Street		
City, State, Zip:	Seattle, WA 98104		
Phone, including area code:	206-398-5285		
Facsimile, including area code:	Not available		
Email address:	Carlos.Arias@soundtransit.org		
Project Information			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Design & Engineering, Project Management, System/Equipment Specification, Procurement, Installation, Programming, Testing & Commissioning		
Original Project/Contract Start Date:	12/16/2016		
Original Project/Contract End Date:	06/06/2017 NOTE: Field work was completed 04/07/2017. Project ready to close 100% and ahead of schedule.		
Original Project/Contract Value:	\$181,078.00		
Final Project/Contract Date:	Same		
Was project/contract completed in time originally allotted, and if not,	Yes		

why not?	
Was project/contract completed within or under the original budget/cost proposal, and if not, why not?	Yes

Reference : #7	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	Aronson Security Group		
Identify role company will have for this RFP project (Check appropriate role below):			
☒	VENDOR	☐	SUBCONTRACTOR
Project Name:	Spokane International Airport NVR Upgrade		
Primary Contact Information			
Name:	Gregg Morrison		
Street Address:	900 W. Airport Dr.		
City, State, Zip:	Spokane, WA 99224		
Phone, including area code:	509-455-6477		
Facsimile, including area code:	509-624-6633		
Email address:	Greggm@spokaneairports.net		
Alternate Contact Information			
Name:	Julio Villareal		
Street Address:	900 W. Airport Dr.		
City, State, Zip:	Spokane, WA 99224		
Phone, including area code:	509-455-6443		
Facsimile, including area code:	509-624-6633		
Email address:	juliov@spokaneairports.net		
Project Information			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Deployment of (7) new Enterprise Dell NVR's, UPS units and Brocade Ethernet switch array. Decommission of existing Pivot3 NVR's.		
Original Project/Contract Start Date:	3-20-2017		
Original Project/Contract End Date:	In progress		
Original Project/Contract Value:	\$176,426.00		
Final Project/Contract Date:	5-31-2017		
Was project/contract completed in	In progress		

time originally allotted, and if not, why not?	
Was project/contract completed within or under the original budget/cost proposal, and if not, why not?	In progress

Reference : #8	CONFIDENTIAL AND SENSITIVE INFORMATION NOT FOR PUBLIC ACCESS OR VIEW		
Company Name:	ARONSON SECURITY GROUP INC (ASG)		
<i>Identify role company will have for this RFP project (Check appropriate role below):</i>			
☒	VENDOR	☐	SUBCONTRACTOR
Project Name:	Aligned Energy – Aligned Energy DataCenters		
Primary Contact Information			
Name:	Paul Fox, Director of Security and Operations		
Street Address:			
City, State, Zip:			
Phone, including area code:	908-455-0440		
Facsimile, including area code:			
Email address:	Paul.fox@aligneddatacenters.com		
Alternate Contact Information			
Name:			
Street Address:			
City, State, Zip:			
Phone, including area code:			
Facsimile, including area code:			
Email address:			
Project Information			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:	Four (4) software applications were deployed integrated and are operational to meet customers risk, compliance, operational and business objectives and include: Unified Security Platform VMS, Enterprise Access Control ACAMS, IP Cameras, Lobby Guard Visitor Management & IP Video Intercom systems		
Original Project/Contract Start Date:	April 24 th 2016		
Original Project/Contract End Date:	On-going with multiple and varied DOC Admin, Work Release		

	and Detention Facilities across their enterprise and located throughout State of Washington
Original Project/Contract Value:	\$1,011,279
Final Project/Contract Date:	Sept 19 th 2016 *Additional facilities in planning phase - Northern CA, Northern VA, Northern NJ, Chicago II
Was project/contract completed in time originally allotted, and if not, why not?	All projects on track to complete on time and on budget
Was project/contract completed within or under the original budget/cost proposal, and if not, why not?	Yes – projects are on track to be completed on budget. To meet multi-agency, industry standard compliance regulations, Data Centers require (4) layers of security. To accomplish the customer's security/operational goals, we designed a market distinguishing and auditable accountability 5 th layer integrating a wearable biometric device with tracking capabilities within the facilities

4.4.1C ORGANIZATIONAL CHART & ASG KEY PERSONNEL RESUMES

A resume must be completed for the vendor's key personnel responsible for administering the contract resulting from this RFP per *Attachment H, Proposed Staff Resume*.

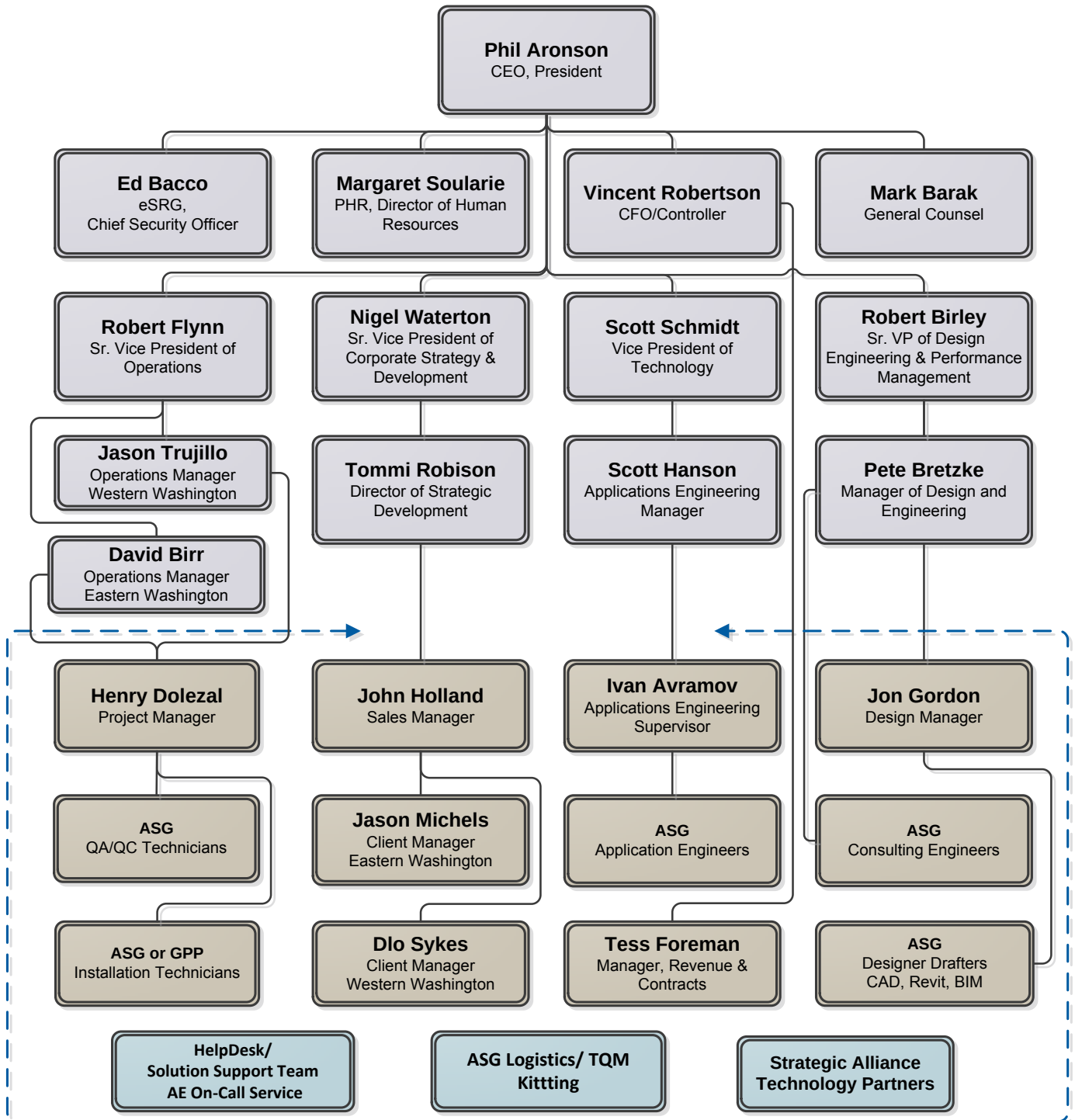
a. Key Personnel et al.

ASG understands the value of consistency in leadership and account management. Our business as a Trusted Advisor is after all, first and foremost a relationship business. As such, acknowledge and agree to comply with the requirements as stated above pertaining to Key Personnel and all enumerated and described therein.

Our people are our best resource.

The following chart reflects the primary ASG personnel and teams actively involved in the direct support of your member's project successes; designated as NASPO ValuePoint / DES Project Leads for the State of Washington. Also represented are ASG's Path to Value support and corporate leadership who provide vital resources with equal intention and interest in NASPO ValuePoint project, program and service support.

Our project teams are based out of our World Headquarters in Renton, WA and our Spokane Washington office locations, however, if needed to better achieve our customer's project / program objectives, we are capable of mobilizing additional resources as needed from other teams located in Beaverton Oregon, and in offices across the United States.



PROPOSED STAFF RESUME FOR RFP 3407

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	Aronson Security Group, Inc. (ASG)
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Check the appropriate box as to whether the proposed individual is prime contractor staff or subcontractor staff.

Contractor:	X	Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	Tommi J. Robison	Key Personnel: (Yes/No)	Yes
Individual's Title:	Director Strategic Development		
# of Years in Classification:	15	# of Years with Firm:	5

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Tommi Robison is Director Strategic Development at Aronson Security Group (ASG) an Enterprise Security Risk Management Services Technology Company focused on Risk, Resilience and Physical Security solutions.

Tommi's leadership role at ASG is the *tip of the spear* for conversations with customers, partners, industry and security leaders, honored to hear their challenges and gaining that initial, critical level of understanding as to what they need, their mission; their objectives, then aligning the right ASG and partner teams to accomplish them. Tommi continues as customer advocate involved in an oversight capacity, ensuring the customers objectives and metrics established at the front end with the customer, are carried out as planned.

As a business owner and as the leader of teams dedicated to helping clients identify and achieve their immediate and long term goals, Tommi exemplifies three key elements to drive organizational value. They are: 1) Visionary Leadership 2) Organizational Execution 3) Client Value-focus.

To find this in the security integration market is rare. The opportunity to partner with NASPO ValuePoint working with ASG to leverage holistic approach, all the skills developed to-date and extend her skills with and through the ASG Path to Value.

Through her role and involvement as *next generation* security leader, Tommi is a respected "Change Agent" and market influencer for industry leading, Physical and InfoSecurity, Emergency Management, Business Continuity, and Operational Resilience in Government and non-Government organizations especially where regulatory oversight, safety and compliance are impacting drivers to their business and brand.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Director Strategic Development and Management

June 2012 to

Present

Aronson Security Group, Inc.

Within ASG, Tommi's client development and systems change expertise spans diverse strategic development and market influencing initiatives in Government, Technology, Critical Infrastructure, Transportation, Higher Education, Healthcare/BioSciences and Campus Safety arenas.

CONSULTATIVE SALES/Sales Engineer

June 2008 – June 2012

ADT /Tyco Security

Solution provider and systems integrator for Intrusion, Life Safety and Fire Systems, Access Control, Video Surveillance and service technologies identifying business case for and selling to C-Suite, IT, Risk, Safety Compliance and Operational Management in commercial, retail, transportation, medical and scientific institutions, government agencies, port authorities and municipalities.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Security Executive Council Next Generation Security Leader Program CEU Certificate 2013, 2014, 2015

TYCO ADT UNIVERSITY Fire, Surveillance, Security Systems Design and Solution-based Sales Training

ANTIOCH UNIVERSITY, B.A., Change Management - Environment & Science Cohort

JIANG NING AND JINGLING ECONOMIC & TECHNOLOGY DISTRICTS & NANTONG UNIVERSITY HOSPITAL, Jiangsu Province, China Cross-Cultural Study: Impact of China's Changing Paradigm - Economic Development and Healthcare

HARRINGTON INSTITUTE OF DESIGN, Design, Ergonomics & Lighting / Space Planning

HIGHLINE COMMUNITY COLLEGE A.A., Technical Design & Space Planning

CERTIFICATIONS and CLEARANCES

Information required should include: type of certification and date completed/received.

FEDERAL Transportation Workers Identification Credential (TWIC)

ASIS International Executive Committee - Puget Sound Chapter

King County Co-Chairman - Critical Infrastructure Protection Working Group (CIPWG)

Strategic Action Planning Select Team – Aronson Security Group Inc (ASG)

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Ed Bacco, Chief Security Officer

Aronson Security Group, Inc.
600 Oakesdale Ave SW Ste 100
Renton, WA 98057
Elizabeth F Klute

(Lis), CEM, Northwest Regional Emergency Manager (OR/WA/ID/MT/ND)
Emergency Management & Corporate Security Department
National Railroad Passenger Corporation - Amtrak
187 S Holgate St, Seattle, WA 98134
Mobile: 1-206-445-5952
elizabeth.klute@amtrak.com<<mailto:elizabeth.klute@amtrak.com>>

Louis P. Cooper, Jr Senior Director Operations and Labor Relations
Port of Tacoma
1Sitcum Plaza
Tacoma, WA 98421
[email: lcooper@portoftacoma.com](mailto:lcooper@portoftacoma.com)
[website: www.portoftacoma.com](http://www.portoftacoma.com)
Cell: (253) 377-1034
Tacoma: (253) 592-6776
Seattle: (253) 838-0142
Fax: (253) 428-8647

Gary Moore
Security Program Specialist
Security City of Seattle – Seattle Public Utilities
2700 Airport Way South
Seattle, WA 98134
Cell: 206-396-9031
Email: gt.moore@seattle.gov

Ralph Johnson, Chief Information Security & Privacy Officer
King County IT
401 5th Avenue Ste 700
Seattle, WA 98104
Cell: 206-818-7929

PROPOSED STAFF RESUME FOR RFP 3407

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	Aronson Security Group
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Check the appropriate box as to whether the proposed individual is prime contractor staff or subcontractor staff.

Contractor:	x	Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	Dlo L. Sykes	Key Personnel: (Yes/No)	yes
Individual's Title:	Client Manager		
# of Years in Classification:	20	# of Years with Firm:	3

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Dlo L. Sykes has 20+ years of experience in the security and risk management industry working with local, national and international organizations identifying baseline needs, developing immediate and long term technology and design solutions (Access Control, Surveillance, Intrusion Detection, Fire, System Integration) managing deployment and continued customer care. Specialized areas include: Commercial & Industrial, Retail, Real Estate, Transportation, Higher Education, Government, Technology and Data Centers.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

- 1) Aronson Security Group
Client Manager
Seattle, WA
2014 - Present
- 2) G4S Technology
Regional Sales and Business Development Manager
Seattle, WA
2013 -2014
- 3) Stanley CSS
Sr. National Account Manager
Bellevue, WA
2009 – 2013
- 4) ADT Security Services

National Account Manager
San Bruno, CA and Seattle, WA
1994 - 2008

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Iowa State University
Ames, Iowa
BFA, Design-Interior/Architecture
June - 1987

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Cyber Security Awareness 5-19-17

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Insert here a minimum of three (3) references with the above information

1) Mr. Paul Corigliano
Renton Technical College
Chief Information Officer
Safety
425.235.2352 x5555
pcorigliano@rtc.edu

2) Mr. Matthew Vielbig
Renton Technical College
Director, Campus Safety
and Security
425.235.7836
mvielbig@rtc.edu

3) Mr. Scott Snider
Gonzaga University
Director of Campus
& Public Security
509.313.4151
sniders@gonzaga.edu

PROPOSED STAFF RESUME FOR RFP 3407

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	Aronson Security Group, Inc
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Check the appropriate box as to whether the proposed individual is prime contractor staff or subcontractor staff.

Contractor:	X	Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	Jason Trujillo	Key Personnel: (Yes/No)	Yes
Individual's Title:	Operation Manager		
# of Years in Classification:	4	# of Years with Firm:	6+

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Senior Project Manager, Core Operations Manager

13+years Operations, Service Department and Project Management, including multi-project scheduling and managing National Accounts; Lead Estimator experience; and

5+ years of AutoCAD; drafting as-built conformed project documentation and system design for security integration and installation;

over 10 years field experience in commercial, low voltage wiring/cabling, commissioning, installing and maintaining electronic security systems, access control, communication, intrusion detection and video surveillance systems.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

9/2010 – Present

Aronson Security Group Inc. (ASG)

600 Oakesdale Avenue Suite 100 (headquarters)

Renton, WA

Positions Held: Operation Manager, Core Operations Manager & Project Manager

2/2005 – 09/2010

FocusMicro Global Security System

4640 Campus Place Suite #100

Mukilteo, WA

Positions Held: Lead Project Manager, Lead Estimator, Head of Engineering

09/1997 – 01/2005

RFI Communications & Security Systems

Industry Drive

Tukwila, WA

Positions Held: Field Technician, CAD Tech, Project Manager, Service Manager

EDUCATION

**Information required should include: institution name, city, state,
Degree and/or Achievement and date completed/received.**

**C-Cure System 800, Integrated Security Management System, apC, Advanced Processing Controller and
Associated Hardware Technician, Sensormatic;
Integral Product Lines: Continuum, Intelli-M and Digital Sentry;
Loronix, AMAG & Kantech;
Casi-Rusco, Picture Perfect & Secure Perfect Software/Hardware; Radionics Panels/Software; Nexwatch
Panel and Prowatch WinPak Pro Software;**

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

**Sony Network Certified
C-Cure 9000 Certified
ONSSI Certified
Verex Certified**

REFERENCES

**A minimum of three (3) references are required, including name, title, organization, phone number, fax number
and email address.**

**Scott Hammond
Snohomish County PUD
Facilities Maintenance Manager
2320 California St
Everett, WA
425-783-8573**

**Alonzo Barela
EC Company, VP of Operations
6412 South 196th Street
Kent WA 98032
206-242-3010
alonzob@e-c-co.com**

**Dylan Hayes,
Seattle Childrens
Access Control Manager
4800 Sand Point Way NE MS A-4926
Seattle WA 98204
206-987-4625**

dylan.hayes@seattlechildrens.org

Company Name Submitting Proposal:	Aronson Security Group
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Check the appropriate box as to whether the proposed individual is prime contractor staff or subcontractor staff.

Contractor:	X	Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	Ivan Avramov	Key Personnel: (Yes/No)	
Individual's Title:	Application Engineering Supervisor		
# of Years in Classification:	5 years	# of Years with Firm:	5 years 11 months

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

- Designing, building and managing security solutions primarily Lenel OnGuard, Lenel Video, and other access control solutions.
- Deploying, maintaining and supporting all aspects of Access Control and Video Solutions
- Troubleshoot all aspect of Desktop and Server related issues including Microsoft SQL Server
- Proficient in Data Integrations and Custom Solutions
- Understanding and knowledge of Enterprise level systems
- Proficient in custom PISM solutions
- High proficiency in Microsoft SQL Server and high level understanding of relational data
- Supporting /Managing an entire team of Application Engineers
- Promoting a leadership culture across multiple organizational layers and assuring all processes are followed through accurately and meeting the highest level of expectation.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

- Noble Energy – Global Security Operation Center deployment of PISM solution with multiple layers of data integrations
- Aligned Data Centers – Access Control Solution for Data Centers in multiple geographical locations; Phoenix and Plano Texas.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

- City University of Seattle – Bachelor of Science in Computer and Networking Systems
- Bellevue College, Associate in Arts Information Technology-Network Services and Computing Systems Degree
- Diploma for Graduated High School Education; Profile: Mathematics and Natural Sciences Concentration in Informatics and Information Technologies

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

- Certificate of Achievement- Microsoft Network Support
- Certificate of Achievement- Cisco Network Support Technician
- Cisco Network Exploration Certified / PC support and Analysis
- Dell SonicWALL Network Security Administrator Certified (Expired)
- Lenel Master Certified
- Stanley Hugs Certified
- Software House Certified
- IDV Visual Command Center Certified
- ExacQ video Certified

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Bryan Kramer – GSOC Manager for Noble Energy; 281-943-2167; bryan.kramer@nblenergy.com
Carlos Ladesma – Aligned Data Centers ; [\(469\) 910-0039](tel:4699100039) ; carlos.ladesma@aligneddatacenters.com

Company Name Submitting Proposal:	Aronson Security Group
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Check the appropriate box as to whether the proposed individual is prime contractor staff or subcontractor staff.

Contractor:	x	Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	Paul Aronson	Key Personnel: (Yes/No)	Yes
Individual's Title:	V.P. Corporate – Procurement/Logistics		
# of Years in Classification:	43	# of Years with Firm:	43

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

1974 to Present:, Aronson Security Group, Inc.

In addition to corporate ownership of ASG, role has included: Purchasing and Product Procurement, Warehouse Management, Inventory Control/Logistics, Customer Fulfillment, Fleet Inventory and Asset Tracking, staging systems for remote location installation and specialized packaging for electronics, shipping and receiving, Administer all Supply Chain, product and order volume tracking and reporting within established reporting mechanism(s).

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

1963 – 1974: C. "Connie" Aronson, Inc, dba Best Access Systems (which became Aronson Security Group, Inc.)

Grew up in the family business performing varied day to day tasks needed to support the operation and growth of the company.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Big Bend Community College, Moses Lake WA

Graduated with Associate Degree of Applied Sciences - 1974

Received Airframe & Powerplant License - 1974

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Washington State Limited Voltage Administrator License

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

***Tammy Rogers, Security Specialist
Anixter
Phone: 503-943-5137
tammy.rogers@anixter.com***

***Diana Hanna, Director of Sales
PSA Security Network
Phone: 720-227-4657
dhanna@psasecurity.com***

***Mike Osterfeld, Vice President
Fremont Dock Company
206-632-0124
office@fremontdockco.com***

Company Name Submitting Proposal:	Aronson Security Group
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Check the appropriate box as to whether the proposed individual is prime contractor staff or subcontractor staff.

Contractor:	x	Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	David Birr	Key Personnel: (Yes/No)	YES
Individual's Title:	Operations Manager SPK		
# of Years in Classification:	5	# of Years with Firm:	8

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

2010-2017 ASG Title: Operations Manager SPK
2008-2010 Focus Micro Title: Regional Project and Service Manager
2007-2008 ASG Title: Lead Install
2006-2007 Ingersoll Rand Security Title: Lead Technician/ Service
2002-2006 FirePower Title: Service Technician

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Key Projects

- **Spokane International Airport (Access Control/CCTV) ASG 2008,2010,2011,2015**
- **Spokane Transit Authority (Access Control, CCTV) ASG 2009,2011,2012**
- **Gonzaga (Access Control) ASG 2014**
- **Northwest Farms Credit Services (Access Control, CCTV) ASG 2016**
- **Northern Quest Casino (Access Control) ASG 2015**
- **Waste Management (Access Control, Intrusion) Focus Micro 2008**
- **Simplot (Access Control) Focus Micro 2009**
- **Sacred Heart Medical Center (Access Control, CCTV)**
- **Washington State University Veterinary (Access Control) Ingersoll 2006-2007**
- **Lincoln County Hospital (Access Control) Ingersoll 2006**
- **Richland School District (Access Control) Ingersoll 2006-2007**
- **City of Richland (Access Control) Ingersoll 2006**
- **Energy Northwest (Fire Alarm) FirePower 2005**

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Licenses

- **Washington certified LTD energy EL06**
- **Idaho Specialty journeyman Limited Energy**

Product I have received factory training in.

- **Software House 800 Date:2007**
- **G.E. Sym-Ccure Date:2008**
- **RS2 Date:2009**
- **FirstAlert Date:2005**
- **Lenel Access and Video Date:2008**
- **Dedicated Micro Date:2007**
- **Bosh RPS Date:2011**
- **S2 Date:2012**
- **Verint Date: 2013**
- **Milestone Date:2012**
- **Axis Date: 2014**
- **Pivoit3 Date:2010**
- **Assa Abloy Wireless locks / Physical Door hardware Date:2012**

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Insert here a minimum of three (3) references with the above information.

Matt Jarussi
Assa Abloy
Western Regional ISS Lead
Phone: 206-307-9295
matthew.jarussi@assaabloy.com

Gregg Morrison
Spokane International Airport
IT Manager
Desk: 509-455-6477
greggm@spokaneairports.net

Russell Humphreys
Washington State DoT Eastern Region
Facility Manager
Office 509-324-6545
Fax 509-324-6542

HumphrR@wsdot.wa.gov

Company Name Submitting Proposal:	Aronson Security Group
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Check the appropriate box as to whether the proposed individual is
prime contractor staff or subcontractor staff.

Contractor:	X	Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	John W Holland	Key Personnel: (Yes/No)	Yes
Individual's Title:	Sales Manager		
# of Years in Classification:	1	# of Years with Firm:	4

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Thirty years of experience in the Physical Security Industry with Sales, Supervisory and Management experience. Strategic, contingency, and emergency management planning and implementation, with operational knowledge and experience. Excellent understanding of life safety, Video Management, Access Control and Intrusion systems. Recognized for a strong work ethic, operational and management abilities and possess an understanding of physical security methodology and requirements.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Aronson Security Group

2013 – Present

An international premier Security Risk Management Services company, which provides end to end security solutions and other value services.

Sales Manager – January 2017 – Present

Client Manager – July 2013 – January 2017

Protection One, Seattle Branch

2007 – 2013

A multi-million dollar national alarm installation and monitoring company, Responsible for the day-to-day operations of all Sales, Installation, Administrative, Service as well as Inventory Departments.

General Manager – November 2009 – June 2013

Operations Manager – July 2007 – November 2009

Norvanco International, Inc. Sumner WA

2004 – 2006

Multi-million dollar Customs Brokerage warehouse providing logistic services to international manufactures of electronics, toys and industrial products.

Security Director/Safety Coordinator – July 2004 – July 2006

Pierce County Security Services, Tacoma WA

2001 - 2004

\$12 million Regional contract Security Company, largest privately owned in Washington State. Providing contracted security services to Public Utilities, Financial Institutions, Logistic Companies and Industrial facilities.

Account Manager & Business Development – August 2001 – July 2004

Burns International Security Services, Seattle WA 1990 - 2001

1.3 billion-dollar international Security Company headquartered in Chicago Illinois. Provided various contract security services to regional, national and international clients.

Business Development Manager, 1997 - 2001

General Manager, 1996 - 1997

Client Service Supervisor, 1990-1996

**United States Navy
Cryptologist**

1978 – 1989

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Communications, Technical Writing, Leadership Management – Diablo Valley College

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Professional Selling Skills – Learning International

Business Development Institute – Burns International Security Services

Leadership and Management Training – U.S. Navy, Diablo Valley College

Interviewing and Negotiation Training – The Bay Group

Certified State Trainer for Security Officers – State of Washington Department of License

Security in Logistics – Burns International Security Services

Security Management – Burns International Security Services

Civil Treatment for Managers – Burns International Services

Contracts Management – Burns International Security Services

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Annette Leslie

Director of Client Management

Aronson Security Group

206-245-1428

206-284-7717

Annette.leslie@aronsonsecurity.com

Scott Bursch

Vice President

Husky/ITS Terminals

253-680-2852

253-686-8100

Scott.bursch@husky.itslb.com

Alonzo Barela

Senior Executive

EC Electrical
206-242-3010
206-718-9254
alonzob@e-c-co.com

Company Name Submitting Proposal:	Aronson Security Group
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*Check the appropriate box as to whether the proposed individual is
prime contractor staff or subcontractor staff.*

Contractor:	X	Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	Jason Michels	Key Personnel: (Yes/No)	Yes
Individual's Title:	Client Manager		
# of Years in Classification:	10	# of Years with Firm:	2

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Client Manager/Sales Engineer (10) years.

Skills and Qualifications:

- **Create custom detailed integrated security electronics proposal/estimates**
- **Participate in design-build RFP process, interpret room data sheets, create design and detailed proposal/estimates**
- **Project management, design, procurement**
- **Negotiate direct sales with owners, and general contractors**
- **Software: CAD, Microsoft Project Management, Word, Excel, Outlook, and PowerPoint**

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Aronson Security Group, Inc. Client Manager Spokane, WA 2015-Current

- **Create custom detailed integrated security electronics proposals/estimates**
- **Participate in design-build RFP process, interpret room data sheets, create design and detailed proposal/estimates**
- **Negotiate direct sales with owners, and general contractors**

Cornerstone/ECS. Sales Engineer/Chief Estimator Spokane, WA 2008-2015

- **Create custom detailed integrated security electronics proposals/estimates**
- **Participate in design-build RFP process, interpret room data sheets, create design and detailed proposal/estimates**
- **Project management, design, procurement**
- **Negotiate direct sales with owners, and general contractors**

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

ITT Technical Institute **Spokane, WA** **September 2005**
Bachelor's Degree: Computer and Electronics Engineering Technology

Spokane Community College **Spokane, WA** **June 1998**
Associate of Applied Science: Water Resources/Water Quality

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

N/A

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Don Rochon
Executive Vice President
Cornerstone/ECS
Ph: 586-752-3200
drochon@cornerstonedetention.com

Mike Stratton
Project Engineer/Programmer
Cornerstone/ECS
Ph: 509-483-6215 ext. 106
mike@ecs-systems.com

Jim Blair
CTG Security Electronics
Ph: 509-436-9060
jim@ctgse.com

Company Name Submitting Proposal:	Aronson Security Group
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*Check the appropriate box as to whether the proposed individual is
prime contractor staff or subcontractor staff.*

Contractor:		Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	Tess Foreman	Key Personnel: (Yes/No)	
Individual's Title:	Manager, Revenue & Contracts		
# of Years in Classification:	20	# of Years with Firm:	9

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

*Cost Accounting, Record Keeping, TQM evaluation of transactions in order to run the company
successfully and profitably.*

RELEVANT EXPERIENCE

*Information required should include: timeframe, company name, company location, position title held during
the term of the contract/project and details of contract/project.*

April 2008 – Present, Manager of Revenue & Contracts

Aronson Security Group

Roles and key responsibilities include:

- Job Cost Analysis
- Accounts Receivable
- Subcontractor Orders
- Project booking, Reconciliation and Closing
- Project Management support as needed
- Review Client Contracts for ASG's TQM ensuring deliverable compliance
- Issuance of Insurance, OCIP, CCIP, Bonds and Lien Waivers
- Filing Prevailing Wages
- Monthly Closing, accruals and adjustments

1998 – November 2004

Siemens Building Tech., Inc.

Issaquah WA

- Responsible for the communication of monthly financial results incl: gross margin analysis and operating expenses, reduced admin expenses by 25%;
- Supervision of administrative personnel;
- Responsible for contract, service, monitoring billing and collections. Maintained 45 days (DSO) Day Sales Outstanding.
- Responsible for processing Certificate of Insurance, Intent & affidavit of wages paid, certified payroll; processing monthly excise tax, analyze & create reporting such as CTC, revenue vs. cost, direct/indirect cost and yearly internal audits.
- Implemented training course on Accounts Receivables/Collection/Credits;
- System/Service Sales Bookings/Packages;
- Maintaining customer relationships as they relate to accounts receivables and accounts payables.
- Responsible for reconciliation of branch cost accruals, deferrals, preparation and maintenance for sales rep commission, P & L and job costing on a regional basis;
- Process ICC (Inter Company Charges) for labor hours and materials (T & M).

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

University of Texas

San Antonio, Texas

Principles of Accounting, 1985

University of Manila

Manila, Philippines

Major in Accounting, 1983

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Wennsoft (Great Plains), Oracle, AS-400 Maxwell, Peachtree, Quicken, Timberline, Master Builder and Complete View

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Phil C Aronson, President of Aronson Security Group, Inc. (ASG)
206-245-1431

Maria Hoxsie, Facility Manager, West Data Centers, CBRE (Microsoft)
650-693-7836

Teresa Overhauser, PM of Spokane Transit Authority
509-325-6063

PROPOSED STAFF RESUME FOR RFP 3407

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	Aronson Security Group
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Check the appropriate box as to whether the proposed individual is prime contractor staff or subcontractor staff.

Contractor:		Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	Jon Gordon	Key Personnel: (Yes/No)	
Individual's Title:			
# of Years in Classification:	15	# of Years with Firm:	4

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Jon Gordon has experience documenting electrical design projects of many types and sizes including data centers, commercial office, hospitals, high-rises, and multi-family residential. Jon specializes in creating AutoCAD and Revit content customized for the client to produce detailed drawings quickly and accurately.

Qualification Summary:

- *Expert-level Autocad User, able to manage large drawing sets and ensure accuracy, consistency and adherence to ASG and Client standards.*
- *Highly skilled Revit MEP user, adept at creating custom content and specialized view settings to ensure design integrity and aid cross-discipline coordination.*
- *Proficient in Navisworks Simulate.*
- *Migrated AutoCAD-based details into Revit for seamless integration into new BIM models.*

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

2012 – Present: Aronson Security Group – Renton, WA

Security CAD Designer, Design Manager

Project experience includes Data Centers, Commercial Office, Hospitals, Public Utilities.

2005 – 2011: BrN Engineering – Seattle, WA

Electrical CAD Designer, Project Manager

Project experience includes Commercial Office, High-rise, Multifamily Residential, Medical Office, K-12, Higher Education, Retail.

Cierra Electrical Group – Seattle, WA (1998-2004)

Electrical CAD Designer

Project experience includes: Commercial Office, Multifamily Residential, Hospital, Medical Office, Retail.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Western Washington University, Bellingham, WA. Bachelor of Science in Industrial Technology (1997)

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Jay Jack, Associate Principle, Mazzetti – 425-712-2172

Tony Penna, Senior Project Manager, Veca Electric – 206-579-3992

Corey Hansen, Security Design Manager, Microsoft – 253-279-8421

4.4.2 CUSTOMER SERVICE

No matter how you boil it, Security is knowing IT Works!

At ASG, we strive for Fanatical Customer Service. And, have a corporate 'I Own It' initiative to achieve it! The ASG Customer Service or our Solution Support Team has been providing proactive, efficient, reliable and cost-effective service and support for over 50 years.

ASG Solution Support Professionals maintain the latest software and equipment certifications and are experienced troubleshooters. They are trained to deliver the appropriate level of service required by any problem that a client may face. And because we support global, enterprise customers, ASG has created a Global Management Program to support your service needs 24 hours a day, 7 days a week, anywhere your member's critical facilities are located.

With a single call to ASG, your members can be sure that they will receive the type of support they need, when and where they need it.

4.4.2. Customer Service

a. What are your hours of operation and when are key account people available to us?

ASG's Customer Service Team is available 24/7/365 via a convenient number 888.284.3553

Our business hours are 7:30 – 4:30 Monday through Friday PST.

ASG's LIVE Help Desk is located in our Renton, Washington Headquarters and is manned with an Application Engineer from 7:30 to 4:30 PST.

For urgent problems that can't wait for business hours, factory-trained and experienced technicians are on-call for emergency service 24hours a day including weekends and holidays.

Quality Assurance and Performance Management go hand in hand with Customer Service.

As any security executive will tell you, fixing something that breaks does not tell you how it will predictably perform in the future. ASG's Service offerings extend beyond break-fix. As your Trusted Security Advisor Contractor ASG offers a partnership that will help your members support their unique security systems and programs. We'll guide them through the process of identifying their security performance and maintenance needs and creating a customized plan to meet them. Whether they need a quarterly Test & Inspect, a full 24/7 Extended Warranty Program, or even annual employee training refresher courses, ASG is here to provide your members exactly what they need.

In addition to our Help Desk Solution Support teams, our Client Managers and Executives are all accessible directly; their contact information is included as part of a project-tailored communication plan set in place for issue escalation should one arise.

b. Describe how problem identification and resolution will be handled.

Largely, we are alerted to a problem either by our client or by ASG's Monitoring Service (this is a monthly or yearly cost). Once the problem has been identified, ASG Service Manager creates a numbered work order in

our tracking software and assigns the appropriate technician resources required to address the problem. ASG then contacts the client or client's on site authorized person to coordinate resolution and remediation.

c. How will you service our account? Describe the system you will use to manage our account.

ASG knows Customer Service is most critical to customer satisfaction overtime, and necessary to keep the long-term customer relations we covet. ASG has invested in an internal software program and situational awareness dashboard technology that gives our Solution Support and Help Desk Team, visibility to our client's locations, and system data which is aligned with ASG resources/fleet assets are quickly assessed for best availability to our respond to customers service requests. This common operating platform gives us the ability to track the issue in realtime and measure response and performance toward resolution. Each service request is assigned to a Service Manager responsible to coordinate, schedule, follow up and manage cost associated with the request.

For ASG's project approach, which is foundational to Customer Service:

Agile, ASG has seasoned design and management staff and partners that have worked together on numerous projects allowing rapid, well-oiled mobilization for new projects. Before starting a new project, ASG will perform an initial task assessment and resource allocation study to determine project requirements for each location. This study determines the skills and experience necessary to complete the project. Based on this process, we have selected a qualified team for the Select, NASPO ValuePoint Project Team, from our Renton, and Spokane WA locations (See 2.11.2 PART I A - TECHNICAL PROPOSAL – SECTION V – COMPANY BACKGROUND AND REFERENCES for ASG Org Chart and Key ASG personnel resumes and references) This team has the skill sets required to manage, plan, control, supervise, install, test, train and integrate the multiple work tasks under this RFP.

ASG will be self-performing on DES/NASPO projects as well as utilizing deeply vetted and long standing strategic alliance partners from the ASG Global Partner Program where and when; it benefits your member's project(s).

As a rule, GPP Strategic Partners will be local to NASPO/DES member and customer locations and will bring the specific jurisdictional and state requirements to perform low voltage security work. The ASG project manager is actively involved and will personally visit each location, on routine schedule during the project to assure alignment with the strategic partner, our mutual customer and their team, and any stake holders or other team members associated such as property and facility management and the project objectives and for quality control.

ASG - Doing what we plan, on budget and on schedule, requires having one. (See example of ASG Project Schedule Document @ 2.11.2 PART I A – TECHNICAL PROPOSAL – SECTION VI – OTHER INFORMATIONAL MATERIAL)

d. How do you respond to customer complaints and service issues?

First, we listen.

At ASG we take customer complaints very seriously and have a documented Corporate Issue Escalation process designed to receive, respond, track and measure resolution performance, both immediate and over-time. Customer complaints are first addressed by the Service Manager, managing the work order. This Team

leader is empowered to problem-solve as needed, and has Application Engineering and Technical team support for best resolution, so most of them are to the customer's satisfaction, at this early stage. If the issue is not resolved, or the issue for whatever reason, persists, the next team member in our escalation process is the Manager of Solution Support. If the issue is still not resolved, it will quickly get direct hands on, attention by the Senior Vice President, ASG Executive leadership responsible for the Solution Support Department. ASG's philosophy of "I own it" makes a difference here suggesting – Challenges and Customer support is everyone's job, no matter the title, to improve ASG and as part of that corporate culture, identify, and communicate problems as they arise - we prefer to address them when they are small. (See Oil Leak in section f)

e. How do you assess customer satisfaction?

Immediately following a service response, ASG sends a follow up survey to our clients. The responses are reviewed persistently, on a weekly basis as part of a standing Executive Leadership Team meeting held each Monday. Further, for Total Quality Management, and because we really want to know, ASG also completes periodic phone calls on a random basis to follow up with customers for the opportunity to ask directly, "How did we do? "

f. What are your quality assurance measures and how are they handled in your organization.

As a Family Owned Business that's withstood 54 years by keeping customers first, we understand the importance of investing time and resources to measure and ensure excellence in all that we do. ASG's Vision, Mission and Values are the foundation of ASG. Our Standard for Excellence is built on the ASG process called "The ASG Path to Value." (See 2.11.2 Part I A – Technical Proposal Section V – Company Background) Each business unit within the Path to Value is measured, held to a standard and supported by a documented process for that discipline. These processes are continually reviewed and revised as we learn from each project. Key teams meet weekly; for best resource coordination. Even our meetings have a process – SWOT Strengths/Weaknesses/Opportunities/Tactics is our series of team meetings conducted persistent dedication. SWOT A all teams, SWOT B customer support & program team leads, SWOT C operations, engineers and TQM etc. Because being proactive matters, ASG holds bi-monthly technical meetings designed expressly to address in field and manufacturer problems that may affect our clients.

It begs restating, ASG has a culture of addressing problems while their small - Our 'Oil Leak Communication Plan' was developed because we'd rather take care of the leak and avoid having to replace the engine (See 2.11.2 Part I A – Technical Proposal – Section VI – Other Informational Material) and was largely grown out of a valuable lesson learned as a NASPO ValuePoint Contractor, when we didn't, speaks to our culture of accountability and innovation as a powerful force in identifying problems and finding solutions. It is what creates value with our clients and ultimately, what drives us to higher levels of performance.

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Lastly, building and sustaining a culture of Fanatical Customer Care takes Integrity, a disciplined approach, and top down leadership and an occasional reminder of the importance of the business we're in; it's truly not about selling equipment, it's about improving security and safety for our communities, our customers, and the world we live in. (See 2.11.2 Part I A – Technical Proposal – Section VI – Other Informational Material for The Language of ASG, An internal corporate message from the President and CEO, Phil Aronson re: Why we should care that we do).

4.4. PROMOTION OF THE NASPO VALUEPOINT MASTER AGREEMENT

The NASPO ValuePoint Master Agreement Terms and Conditions include program provisions governing participation in the cooperative, reporting and payment of administrative fees, and marketing/education relating to the NASPO ValuePoint cooperative procurement program. In this regard,

ASG is well positioned with great and positive experiences in this arena, and the marketing and communication expertise and keen interest to align with NASPO's mission of Strengthening the Procurement Community through Education, Research and Communication, and look forward to collaborating and to the potential of planning and executing on a plan to promote the use of the Master Agreement.

a. Briefly describe how you intend to promote the use of the Master Agreement.

By now, through this RFP process and working with us directly under the original contract, no surprise to learn ASG has a strategy and process for scalable, go-to-market planning with metrics to track and measure our successes. In brief, the key objective is:

- 1 Position NASPO ValuePoint as the go-to-purchase vehicle for Security Services*
- 2 Educate to create demand by offering high level domain expertise unique to any of its competitors*
- 3 Develop and leverage lead generation – and connections into the Purchasing and Security Leader communities with a compelling business case and/or a case study that tells a story and resonates with the challenges they face.*

If approved, we look forward to reconnecting with our DES partners and others with the NASPO team, to promote NASPO ValuePoint to the right audience of influence. We have several great ideas, we believe you'll like!

We know time to improve security is critical for many, demand exists; it's getting to the decision makers at the right time, with the right message, and with a strategic plan they can follow that will make a difference for them. Again, its less how many cameras your members buy; its understand why or if they need them and how they impact their organization. .

We all agree, actions speak louder than words, right? For demonstration of our ability to satisfy the requirement of promoting NASPO agreement; We offer examples of successful campaigns ASG set in place to promote WSCA-NASPO. 1) See Survey, Pierce County Case Study, and follow up communication we collaborated with DES for a targeted Security and Procurement launch of WSCA-NASPO PA #04814 Contract designed to promote education on the contract and inform Purchasing Officials on The Business of Security is the Business of the Organization that achieved Governor's Lean Initiatives. This campaign, featured ex Chief Security Officer of Starbucks and Ron Worman, Managing Partner of Sage Group, leaders in the industry of Security. This collaborative effort launched the WSCA-NASPO PA program in Washington State, and resulted in 5 key DES customers improving their security through using it.

The second was an email campaign reaching out to Community Colleges, who are challenged in the aftermath of published campus shootings. The email connections contained links to the WSCA Contract, DES Website and link for MCOA to ensure they could take full advantage of the new contract vehicle. This campaign was conducted in collaboration SBCTC- Washington State Board for Community and Technical Colleges, identified through developing relationship with our State leadership who supports them.

(See both campaigns working examples of ASG's promotion of (now) NASPO ValuePoint, resulting in contract use: DES Educational Material and Meeting Summary and Community College email

advertisement @ 2.11.3. PART I A – TECHNICAL PROPOSAL – SECTION VI - OTHER INFORMATIONAL MATERIAL)

b. Knowing that state procurement officials (CPO) must permit use of the Master Agreement in their state, how will you integrate the CPO's permission into your plan for promoting the agreement?
Agreed, our experience as part of original agreement has had both highs and lows. Frequent changes in Contract Administrators, especially had significant impact. If selected, and with active PA agreements, as anticipated, we very much look forward to working with the NASPO Education team promoting the 'next generation' agreement and aligning with CPOs permission and vision for success.

c. Public entities are sensitive to "scope" issues, that is, whether performance is within the intended scope of the solicitation as awarded. In the context of your method of promoting agreements of this nature, how would you clarify any questions regarding the scope the agreement with respect to any potential order?

Gladly, our experience has been very positive around scope alignment, largely due to consistent messaging that informs what the scope includes. What we found wasn't magic...simply the clearer the messaging the fewer, if any issues. We look forward to continued good success here if selected, and to hopefully, partnering on next generation PA scope development with DES based on "end user" feedback from the many successes as well as lessons learned, under the original scope of service.

d. How will your company manage due dates for administrative fee payments and usage reports?
This is an area of process and professional discipline, ASG excels. (See 4.4.5. USAGE FEE AND REPORTING PLAN) which describes our current process and commitment to continuing ASG's quality, timely and accurate reporting.

e. Through its Cooperative Development Coordinators and Education & Outreach team, NASPO ValuePoint assists Lead States by engaging vendors in strategies aimed at promoting master agreements. What opportunities and/or challenges do you see in working with NASPO ValuePoint staff in this way?

ASG and our deep bench of industry leading subject matter experts, welcomes opportunity to collaborate with NASPO ValuePoint staff, Cooperative Development Coordinators and Education & Outreach teams, and if selected, has every intention of being an effective contributor and valued business partner identifying, planning, and executing strategies that best support customers reducing their risk, and improving their security, as well as measurably influencing return on the investment made by our customers organizations and mutually, by yours and ours.

4.4.5 USAGE FEE AND REPORTING PLAN

Usage Fee and Reporting is where ASG has received very positive feedback and high praise during our NASPO ValuePoint Security Products and Services, Contactor Review. In our review we heard ASG Reporting was, "easy to read," and "dependably timely," and "dependably accurate." In this next generation, ASG looks forward to this same standard of excellence with Usage Fee and Reporting Plan.

Prior to the original (formerly WSCA) NASPO contract, ASG had experience as a contract holder with reporting from multiple cooperative purchasing agreements, over the year. Each had a quarterly reporting requirement. However, none to date as provided so many opportunities to grow and improve!

Our customers tell us we're different, especially when we introduce our Finance and Accounting's highly disciplined and conscientious team as vital project team members, and involved by design, to ensure their project success! We know we're unique in the industry, and are proud of our track record for our dependability in reporting. We know it's important!

After a learning curve and we'll admit, a thankfully, short but somewhat of a rocky start; we developed a track record for dependable reporting and have since, worked in partnership with the NASPO ValuePoint and State of Nevada team, helping establish guidelines and data sets possible for the next generation Security contracting reporting.

If awarded for this next generation Security Products and Services contract, ASG will continue to provide the accurate, timely and quality reporting you appreciate from us. ASG intends to satisfy the reporting content, frequency and format as required by this RFP; accomplished by the following:

- a. Offerors shall identify the person responsible for providing the mandatory usage reports.**
Tess Foreman Manager, Revenue & Contracts from ASG's Finance/Accounting team and of whom, together with ASG's proven processes, makes ASG shine in Usage Fee and Reporting. Tess will continue as the designated ASG team member responsible for NASPO ValuePoint/State of Nevada/DES usage reports. Tess Foreman is a valued and key team member for NASPO ValuePoint / DES Customer Account Management Team. You will find her noted in the ASG Organizational Chart (See 2.11.2 Part I A – Technical Proposal - Section V – Company Background and References) and her resume is included with this proposal.
- b. Offerors shall identify the method and frequency in which usage data will be collected from authorized distributors.**
ASG implemented a computerized reporting (Data Link) to be able to pull authorized distributors activities such as: Client Name/Authorize Distributors, MCI#, Job/WO#, Description, PO#/Contract#, ASG Invoice#, Invoice Date and Invoice Amount and Total.
- c. Offerors shall identify the method in which usage fees will be distributed to NASPO ValuePoint and applicable Participating States.**
ASG quarterly reporting utilizes on-line usage reporting system at <https://fortress.wa.gov/ga/apps/CSR/login.aspx>. Reports submitted after the quarter end and fees payable due end of the month the following month. Payment includes Fee Report Confirmation.
- d. Offerors shall identify the method in which up to date information will be provided to NASPO ValuePoint and the Lead State Contract Administrator**
After completing the Sales Reporting on-line, a copy of the detailed report (excel format) is sent to Kate Offerdahl and David Boyd from DES.

The following reports are working examples of the quality of documentation we've provided.

Contract Name:	Security & Protection Services	
Lead State:	NEVADA	
Vendor Name:	Aronson Security Group, Inc.	
Vendor Contact:	Tess Foreman	
Contact Phone Number:	(206) 245-1439	
Contact Email:	tess.foreman@aronsonsecurity.com	
Secondary Email:		
Date Report Submitted:	4/13/2017	
Report Due Date:	4/30/2017	
Revised?	NO	
Report Received:	ON-TIME	
Notes:		
<u>NASPO ValuePoint</u> Quarterly Sales/Administrative Fee Report Confirmation		
Abbr.	State	Sales
WA	WASHINGTON	\$1,182,055.03
Total Reported Sales:		\$1,182,055.03
Total Sales Subject To Administrative Fee:		\$1,182,055.03
Administrative Fee Percentage:		0.25%
Calculated Administrative Fee:		\$2,955.14
*Credit Balance or Outstanding Balance Due On Account:		\$0.00
Total Administrative Fee Due This Period:		\$2,955.14
Payment Due Date:		5/30/2017

Contract #: 04814

Contract Title: Security Technology Services

Reporting Period: 2017 - Qtr:1

Vendor Name: W10 - ARONSON SECURITY GROUP, INC.

Vendor Contact Name: Paul Aronson

Vendor Contact Email: paula@aronsonsecurity.com

Vendor Contact Phone: (206) 284-3553

Submitted By: tess.foreman@aronsonsecurity.com

Contract Administrator: Bart Potter

Contract Administrator Email: bart.potter@des.wa.gov

Contract Administrator Phone: (360) 407-9431

Organization Sales

Organization	Amount	MCUA
CORRECTIONS DEPARTMENT OF - 310	\$788,082.00	Y
EMPLOYMENT SECURITY DEPARTMENT OF - 540	\$23,701.00	Y
EVERETT PORT OF - 43101	\$5,000.00	Y
HIGHLINE WATER DISTRICT - 31714	\$17,783.00	Y
PIERCE COUNTY - 12700	\$254,212.00	Y
PUYALLUP SCHOOL DIST 3 - 37003	\$13,772.00	Y
SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT - 33104	\$25,774.00	Y
SOUND TRANSIT-SEATTLE - 34703	\$1,140.00	Y
SPOKANE INTERNATIONAL AIRPORT - 43200	\$658.00	Y
SPOKANE TRANSIT AUTHORITY - 82351	\$2,058.00	Y
VANCOUVER CITY OF - 20605	\$1,453.00	Y
WASHINGTON COUNTY - 84374	\$48,090.00	Y
WASHINGTON STATE PATROL - 225	\$333.00	Y
Total Organizaton Sales:		\$1,182,056.00

Aronson Security Group, Inc.

**NASPO ViewPoint
(WSCA) Sales Report**
1/1/2017 to 3/31/2017

Client#	Client Name	Job/WO#	Job/WO Description	WSCA#	Invoice #	Invoice Date	Invoice Amount
City of Issaquah - 20605							
100789	City of Issaquah	305013857	PSG	31600097	22557	3/15/2017	1,452.50
Client Total							1,452.50
Dept. of Corrections- WA State - 310							
1354	Dept. of Corrections- WA State	305015874	WCC Security Video Systems	310PO162973 6	22287	1/20/2017	460,318.81
1354	Dept. of Corrections- WA State	305015874	WCC Security Video Systems	310PO162973 6	22579	3/22/2017	111,788.48
1354	Dept. of Corrections- WA State	305015874	WCC Security Video Systems	310PO162973 6	22408	2/24/2017	213,824.77
1354	Dept. of Corrections- WA State	WO-SEA-15116	Sarah Lamm	Sarah Lamm	WSEA15116	1/26/2017	420.00
1354	Dept. of Corrections- WA State	WO-SEA-15027	Bill Shepard	Bill Shepard	WSEA15027	1/26/2017	1,110.00
1354	Dept. of Corrections- WA State	WO-SEA-15220	Thamasha Pumchi	Thamasha Pumchi	WSEA15220	1/18/2017	620.00
Client Total							788,082.06
Highline Water District - 31714							
100876	Highline Water District	305016097	Headquarters Access Control Up	Signed Proposal	22543	3/8/2017	871.54
100876	Highline Water District	305016097	Headquarters Access Control Up	Signed Proposal	22404	2/24/2017	16,911.90
Client Total							17,783.44
Pierce County Facilities Mgmt. - 12700							
100383	Pierce County Facilities Mgmt.	305016209	1102 Broadway Building Access	121629-0	22271	1/11/2017	26,232.69
100383	Pierce County Facilities Mgmt.	305016107	950 Security Project	121002-0	22280	1/12/2017	36,863.94
100383	Pierce County Facilities Mgmt.	305014352	Building 21 Access	114421	22275	1/11/2017	14,557.93

100383	Pierce County Facilities Mgmt.	305016064	1102 Broadway Access/Video	120866-0	22268	1/11/2017	18,952.19
100383	Pierce County Facilities Mgmt.	305015163	Gate Access System	116225-0	22278	1/11/2017	26,042.38
100383	Pierce County Facilities Mgmt.	305015533	Annex Beta Project	113946-0	22269	1/11/2017	17,147.99
100383	Pierce County Facilities Mgmt.	305016220	112th Maintenance Access Contr	122671-0	22274R1	1/11/2017	51,473.25
100383	Pierce County Facilities Mgmt.	305015613	CMF & ECMF Camera Replacement	115368-0	22270	1/11/2017	12,367.51
100383	Pierce County Facilities Mgmt.	305016329	Demo Merit Bldg.	Signed Proposal	22533	3/7/2017	1,107.50
100383	Pierce County Facilities Mgmt.	305014397	Building 25 Access	116227-0	22279	1/11/2017	30,626.74
100383	Pierce County Facilities Mgmt.	305014396	Building 12 Access	114423-0	22276	1/11/2017	5,606.66
100383	Pierce County Facilities Mgmt.	305014393	Building 08 Access	116224-0	22277	1/11/2017	7,563.96
100383	Pierce County Facilities Mgmt.	WO-SEA-15158	WO# 73511	WO# 73511	WSEA15158	1/18/2017	646.24
100383	Pierce County Facilities Mgmt.	WO-SEA-15157	WO# 73510	WO# 73510	WSEA15157	3/14/2017	1,698.41
100383	Pierce County Facilities Mgmt.	WO-SEA-15587	78270	78270	WSEA15587	3/14/2017	142.50
100383	Pierce County Facilities Mgmt.	WO-SEA-15256	WO 75164	WO 75164	WSEA15256	3/14/2017	427.50
100383	Pierce County Facilities Mgmt.	WO-SEA-15360CR	WO # 76032	WO # 76032	WSEA15360CR	1/31/2017	(261.25)
100383	Pierce County Facilities Mgmt.	WO-SEA-15386	WO #76567	WO #76567	WSEA15386	3/6/2017	308.75
100383	Pierce County Facilities Mgmt.	WO-SEA-14868CR	70192	70192	WSEA14868CR	2/9/2017	(1,595.91)
100383	Pierce County Facilities Mgmt.	WO-SEA-14868R	70192	70192	WSEA14868R	2/9/2017	1,382.16
100383	Pierce County Facilities Mgmt.	WO-SEA-15360	WO # 76032	76032	WSEA15360	1/27/2017	261.25
100383	Pierce County Facilities Mgmt.	WO-SEA-15428	76570	76570	WSEA15428	3/6/2017	142.50
100383	Pierce County Facilities Mgmt.	WO-SEA-15503	77216	77216	WSEA15503	3/6/2017	238.75
100383	Pierce County Facilities Mgmt.	WO-SEA-15488	77116	77116	WSEA15488	3/31/2017	1,760.65
100383	Pierce County Facilities Mgmt.	WO-SEA-15655	78936	78936	WSEA15655	3/31/2017	517.50

Client Total **254,211.79**

Port of Everett - 43101

59150	Port of Everett	WO-SEA-15187	WO # 16-014	WO # 16-014	WSEA15187	1/27/2017	435.00
59150	Port of Everett	WO-SEA-15160	WO # 16-013	WO # 16-013	WSEA15160	1/27/2017	1,955.00
59150	Port of Everett	WO-SEA-15033	WO# 16-011	WO# 16-011	WSEA15033	1/27/2017	465.00
59150	Port of Everett	WO-SEA-15034	16-012	16-012	WSEA15034	1/27/2017	2,145.00

Client Total **5,000.00**

**PUD of Snohomish County
- 33104**

60540	PUD of Snohomish County	305015486	Security adds to Hewitt	4500000963	22374	2/9/2017	2,016.00
60540	PUD of Snohomish County	305016042	New Microwave building	4500000963	22378	2/9/2017	8,526.61
60540	PUD of Snohomish County	305015957	East Gate Intercom	4500000963	22456	2/28/2017	2,900.15
60540	PUD of Snohomish County	305016042	New Microwave building	4500000963	22455	2/28/2017	860.00
60540	PUD of Snohomish County	WO-SEA-15447	45000017603	45000017603	WSEA15447	3/14/2017	297.50
60540	PUD of Snohomish County	WO-SEA-15489	45000017603	45000017603	WSEA15489	3/14/2017	480.00
60540	PUD of Snohomish County	WO-SEA-15580	45000017603	45000017603	WSEA15580	3/14/2017	505.00
60540	PUD of Snohomish County	WO-SEA-15293	4500000963	4500000963	WSEA15293	2/8/2017	750.00
60540	PUD of Snohomish County	WO-SEA-15264	4500000963	4500000963	WSEA15264	1/17/2017	390.00
60540	PUD of Snohomish County	WO-SEA-15131	4500000963	4500000963	WSEA15131	1/17/2017	240.00
60540	PUD of Snohomish County	WO-SEA-15304	4500000963	4500000963	WSEA15304	2/8/2017	90.00
60540	PUD of Snohomish County	WO-SEA-14865	4500000963	4500000963	WSEA14865	1/17/2017	1,827.50
60540	PUD of Snohomish County	WO-SEA-15297	4500000963	4500000963	WSEA15297	2/8/2017	60.00
60540	PUD of Snohomish County	WO-SEA-15295	45000017603	45000017603	WSEA15295	3/6/2017	475.00
60540	PUD of Snohomish County	WO-SEA-15402	45000017603	45000017603	WSEA15402	3/6/2017	2,146.75
60540	PUD of Snohomish County	WO-SEA-15450	45000017603	45000017603	WSEA15450	3/14/2017	60.00
60540	PUD of Snohomish County	WO-SEA-15113	4500017603, Scott Hammond	4500017603	WSEA15113	1/17/2017	2,139.73
60540	PUD of Snohomish County	WO-SEA-15175	45000017603	45000017603	WSEA15175	3/6/2017	480.00

60540	PUD of Snohomish County	WO-SEA-15445	45000017603	45000017603	WSEA15545	3/14/2017	1,530.00
Client Total							25,774.24
Puyallup School Dist#3 - 37003							
100500	Puyallup School Dist#3	WO-SEA-15708	PW3886	PW3886	WSEA15708	3/31/2017	150.00
100500	Puyallup School Dist#3	WO-SEA-15679	PW3886	PW3886	WSEA15679	3/31/2017	95.00
100500	Puyallup School Dist#3	WO-SEA-15726	PW3886	PW3886	WSEA15726	3/31/2017	23.75
100500	Puyallup School Dist#3	WO-SEA-15218	PW3886	PW3886	WSEA15218	1/18/2017	300.00
100500	Puyallup School Dist#3	WO-SEA-15772	PW3886	PW3886	WSEA15772	3/31/2017	292.50
100500	Puyallup School Dist#3	WO-SEA-15552	PW3886	PW3886	WSEA15552	3/31/2017	666.34
100500	Puyallup School Dist#3	WO-SEA-15305	PW3886	PW3886	WSEA15305	3/14/2017	1,170.00
100500	Puyallup School Dist#3	WO-SEA-15591	PW3886	PW3886	WSEA15591	3/23/2017	513.76
100500	Puyallup School Dist#3	WO-SEA-15219CR	PW3886	PW3886	WSEA15219CR	1/19/2017	(150.00)
100500	Puyallup School Dist#3	WO-SEA-15263	PW3886	PW3886	WSEA15263	2/8/2017	866.25
100500	Puyallup School Dist#3	WO-SEA-15242	PW3886	PW3886	WSEA15242	3/14/2017	911.25
100500	Puyallup School Dist#3	WO-SEA-15384	PW3886	PW3886	WSEA15384	3/6/2017	411.25
100500	Puyallup School Dist#3	WO-SEA-15383	PW3886	PW3886	WSEA15383	3/6/2017	308.75
100500	Puyallup School Dist#3	WO-SEA-15385	PW3886	PW3886	WSEA15385	3/6/2017	505.79
100500	Puyallup School Dist#3	WO-SEA-15398	PW3886	PW3886	WSEA15398	3/6/2017	126.25
100500	Puyallup School Dist#3	WO-SEA-15535	PW3886	PW3886	WSEA15535	3/14/2017	985.00
100500	Puyallup School Dist#3	WO-SEA-15617	PW3886	PW3886	WSEA15617	3/31/2017	228.75
100500	Puyallup School Dist#3	WO-SEA-15219	PW3886	PW3886	WSEA15219	1/18/2017	150.00
100500	Puyallup School Dist#3	WO-SEA-15259	PW3886	PW3886	WSEA15259	1/18/2017	71.25
100500	Puyallup School Dist#3	WO-SEA-15349	PW3886	PW3886	WSEA15349	3/6/2017	292.50
100500	Puyallup School Dist#3	WO-SEA-14769	PW3886	PW3886	WSEA14769	1/18/2017	4,502.50
100500	Puyallup School Dist#3	WO-SEA-15333	PW3886	PW3886	WSEA15333	3/6/2017	47.50
100500	Puyallup School Dist#3	WO-SEA-15290	PW3886	PW3886	WSEA15290	2/15/2017	120.00
100500	Puyallup School Dist#3	WO-SEA-15459	PW3886	PW3886	WSEA15459	3/14/2017	197.50

100500	Puyallup School Dist#3	WO-SEA-15460	PW3886	PW3886	WSEA15460	3/14/2017	95.00
100500	Puyallup School Dist#3	WO-SEA-15463	PW3886	PW3886	WSEA15463	3/14/2017	173.75
100500	Puyallup School Dist#3	WO-SEA-15461	PW3886	PW3886	WSEA15461	3/14/2017	71.25
100500	Puyallup School Dist#3	WO-SEA-15536	PW3886	PW3886	WSEA15536	3/14/2017	30.00
100500	Puyallup School Dist#3	WO-SEA-15554	PW3886	PW3886	WSEA15554	3/14/2017	71.25
100500	Puyallup School Dist#3	WO-SEA-15553	PW3886	PW3886	WSEA15553	3/14/2017	126.25
100500	Puyallup School Dist#3	WO-SEA-15563	PW3886	PW3886	WSEA15563	3/14/2017	268.75
100500	Puyallup School Dist#3	WO-SEA-15651	PW3886	PW3886	WSEA15651	3/31/2017	150.00

Client Total 13,772.14

Sound Transit - 34703

2026	Sound Transit	305015361	Sound Transit Technology SPO	154857 OP	22380R	2/13/2017	1,140.00
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Client Total 1,140.00

Spokane Int'l Airport - 43200

72880	Spokane Int'l Airport	WO-SPK-2214	IT-2310	IT-2310	WSPK2214	2/15/2017	420.00
72880	Spokane Int'l Airport	WO-SPK-2242	IT-2298	IT-2298	WSPK2242	2/1/2017	95.00
72880	Spokane Int'l Airport	WO-SPK-2250	IT-2303	IT-2303	WSPK2250	2/15/2017	142.50

Client Total 657.50

Spokane Transit Authority - 82351

98153	Spokane Transit Authority	405011068	STA Lenel Training	Signed Proposal	22290	1/24/2017	800.00
98153	Spokane Transit Authority	405011068	STA Lenel Training	Signed Proposal	22290R	1/24/2017	800.00
98153	Spokane Transit Authority	405011068	STA Lenel Training	Signed Proposal	22290CR	1/24/2017	(800.00)
98153	Spokane Transit Authority	WO-SPK-2270	17000241	17000241	WSPK2270	3/14/2017	95.00
98153	Spokane Transit Authority	WO-SPK-2275	17000256	17000256	WSPK2275	3/23/2017	95.00
98153	Spokane Transit Authority	WO-SPK-2251	17000131	17000131	WSPK2251	3/6/2017	925.59
98153	Spokane Transit Authority	WO-SPK-2258	17000169	17000169	WSPK2258	3/6/2017	142.50

Client Total 2,058.09

WA COUNTY - FACILITIES MGMT. - 84374

(Dept of Support Services)

100315	WA COUNTY - FACILITIES MGMT.	205014452	Washington County	171041	22488	3/1/2017	7,825.60
100315	WA COUNTY - FACILITIES MGMT.	205014405	Adam's Crossing TI Improvement	171041	22651	3/29/2017	10,560.34
100315	WA COUNTY - FACILITIES MGMT.	205014405	Adam's Crossing TI Improvement	171041	22485	3/1/2017	29,703.79
Client Total							48,089.73

WA Employment Security Dept. - 540

100827	WA Employment Security Dept.	305016263	Upgrade Access Control	Signed Proposal	22414	2/24/2017	18,418.36
100827	WA Employment Security Dept.	305014800	Access Control - Maple Park		22421	2/27/2017	1,706.67
100827	WA Employment Security Dept.	WO-SEA-15595	Jairus Rice	Jairus Rice	WSEA15595	3/31/2017	861.25
100827	WA Employment Security Dept.	WO-SEA-15232	Diana Iverson	Diana Iverson	WSEA15232	1/18/2017	190.00
100827	WA Employment Security Dept.	WO-SEA-15330	A. Schmidtkofer	A. Schmidtkofer	WSEA15330	1/26/2017	303.27
100827	WA Employment Security Dept.	WO-SEA-15603	Tim McBride	Tim McBride	WSEA15603	3/23/2017	360.00
100827	WA Employment Security Dept.	WO-PDX-20642R	Allyn S.	Allyn S.	WPDX20642R	1/12/2017	620.00
100827	WA Employment Security Dept.	WO-SEA-15200	Allyn Schmidtkofer	A. Schmidtkofer	WSEA15200	1/12/2017	1,241.49
Client Total							23,701.04

WA State Patrol - 225

89940	WA State Patrol	WO-SEA-15272	Sandra Distefan	Sandra D.	WSEA15272	1/18/2017	142.50
89940	WA State Patrol	WO-SEA-15343	Sandra D.	Sandra D.	WSEA15343	2/15/2017	190.00
Client Total							332.50

Grand Total **1,182,055.03**

WA State Department of Enterprise Services

1500 Jefferson St SE

PO Box 41460, Olympia WA
98504-1460

*must reference Contract #
04814 on the payment*

NASPO ViewPoint .25% Fee	2,955.14
State Cont .74% Fee	8,747.21
Total Due	11,702.34

Offerors shall include in their proposal a detailed plan for meeting the usage fee and reporting requirements of NASPO ValuePoint and Participating States. All information within the plan must be kept current, with NASPO ValuePoint and the Lead State Contract Administrator being notified of any changes to the usage fee and reporting plan immediately.

The plan shall include but not be limited to the following components:

- e. Offerors shall identify the person responsible for providing the mandatory usage reports.**
Tess Foreman Manager, Revenue & Contracts from ASG's Finance/Accounting team and of whom, together with ASG's proven processes, makes ASG shine in Usage Fee and Reporting. Tess will continue as the designated ASG team member responsible for NASPO ValuePoint/State of Nevada/DES usage reports. Tess Foreman is a valued and key team member for NASPO ValuePoint / DES Customer Account Management Team. You will find her noted in the ASG Organizational Chart (See 2.11.2 Part I A – Technical Proposal - Section V – Company Background and References) and her resume is included with this proposal.
- f. Offerors shall identify the method and frequency in which usage data will be collected from authorized distributors.**
ASG implemented a computerized reporting (Data Link) to be able to pull authorized distributors activities such as: Client Name/Authorize Distributors, MCI#, Job/WO#, Description, PO#/Contract#, ASG Invoice#, Invoice Date and Invoice Amount and Total.
- g. Offerors shall identify the method in which usage fees will be distributed to NASPO ValuePoint and applicable Participating States.**
ASG quarterly reporting utilizes on-line usage reporting system at <https://fortress.wa.gov/ga/apps/CSR/login.aspx>. Reports submitted after the quarter end and fees payable due end of the month the following month. Payment includes Fee Report Confirmation.
- h. Offerors shall identify the method in which up to date information will be provided to NASPO ValuePoint and the Lead State Contract Administrator**
After completing the Sales Reporting on-line, a copy of the detailed report (excel format) is sent to Kate Offerdahl and David Boyd from DES.

SECTION 5 - PRICE AND COST

(See separate PDF File: ASG Price and Cost Proposal)

5.1 PRICE AND RATE GUARANTEE PERIOD

All prices and rates offered shall be guaranteed for the initial term of the Master Agreement. Any request for price or rate adjustment following the initial Master Agreement term, is detailed in Section 11 of the NASPO ValuePoint Master Agreement Terms and Conditions.

ASG has read, understands and agrees to fully satisfy these requirements.



Staff Report 104-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 7/15/2019

SUBJECT Award of Bid - Pearson Field Pavement Rehabilitation, PAPI and Sign Replacement

Key Points

- Pearson Field Airport is owned and maintained by the City of Vancouver
- The airport has one major runway.
- Although there has been periodic pavement surface maintenance efforts since, the runway pavement was last rehabilitated in 1991.
- The pavement rehabilitation project proposed will be 90% funded through a grant from the Federal Aviation Administration (FAA).

Strategic Plan Alignment

Goal 1, Objective 1.2: Ensure our infrastructure, including buildings and utilities, is safe, environmentally responsible and well maintained.

Present Situation

The City of Vancouver owns and maintains Pearson Field Airport. The airport serves the local general aviation community with one runway; runway 8-26. The runway is surfaced with asphalt pavement which, although maintained in intervening years, has not be rehabilitated since 1991. With a design life of 20 years at the longest, the existing pavement has served its purpose well, but is now past its useful life and must be rehabilitated.

The proposed project calls for the removal and replacement of the asphalt surface of the 60' x 3250' runway, the replacement of the Precision Approach Path Indicator (PAPI) pilot landing assistance system for runway 26, and the replacement of some field guidance signs.

The project will be 90% funded from a pending grant from the Federal Aviation Administration (FAA), and 10% funded from the Pearson Airfield enterprise fund. The City has applied for an additional 5% grant for the project from the Washington Department of Transportation Aviation Section (WSDOTA). If that WSDOTA grant is awarded, the Pearson Field enterprise fund will

need to fund only the remaining 5% of the project.

Invitation to bid #19-16 was released in April 2019, with bids being opened May 21. Four bids were received and ranged from \$742,197.46 to \$883,167.32

Summary of Bids	
Bidder	Amount
Granite Construction Company – Vancouver, WA	\$742,197.46
Lakeside Industries – Vancouver, WA	\$784,706.19
Clark and Sons Excavating – Battle Ground, WA	\$863,274.46
Tapani Inc. – Battle Ground WA	\$883,167.32
<i>Engineer's Estimate</i>	<i>\$770,000.00</i>

Granite Construction's low bid was responsive.

Because of the federal grant funding being used for the project, there are no City of Vancouver apprentice utilization goal requirements for this project.

As FAA grants are not confirmed until late July, the City may not have grant award confirmation by the time City Council considers this award proposal. Staff is requesting that City Council authorize the City Manager or his designee to enter into a construction contract with Granite only after the FAA grant has been confirmed.

Advantage(s)

1. Pearson Field Airport's runway will be resurfaced with an anticipated 20 year+ surface life.
2. The aging existing PAPI will be replaced new state-of-the-art PAPI
3. The FAA grant will pay for 90% of the project's costs.
4. A pending WSDOTA grant could pay for an additional 5% of the project's costs.

Disadvantage(s)

None

Budget Impact

With 90% of the project paid for using an FAA grant, the Pearson Field enterprise fund will need to pay for the remaining 10%. However, if the WSDOTA grant is awarded, that enterprise fund costs could be reduced to 5%.

10% of the project's costs have been appropriated from the Pearson Field enterprise fund.

Prior Council Review

Authorization for the City Manager to accept the 90% FAA grant on June 24, 2019 (Staff Report 078-19)

Action Requested

Authorize the City Manager or designee to enter into a contract with Granite Construction Company for \$742,197.46, including Washington State sales tax, for the Pearson Field Runway Pavement Rehabilitation, PAPI, and Sign Replacement Project.

Authorization for the City Manager to enter into this contract is requested to be granted only after confirmation of the 2019 FAA grant for this project has been received.

Dan Swensen, Engineering and Construction Services Manager, 487-7750

ATTACHMENTS:

- ▣ Contract

CONTRACT # _____

ITB 19-16 PAVEMENT REHABILITATION & PAPI & SIGN REPLACEMENT PROJECT

THIS CONTRACT, effective this ____ day of _____, 2019, is entered into by and between Granite Construction Company, 16821 SE McGilivray Blvd B-210, Vancouver, WA 98683, hereinafter referred to as the Contractor, and the City of Vancouver, a municipal corporation of the State of Washington, hereinafter referred to as the Owner.

1. **Contractor's Obligation:** The Contractor, for and in consideration of the sum to be paid to it by the Owner in the manner and at the times provided, hereinafter and in the Specifications, and in consideration of the covenants and agreements herein contained, which documents are incorporated into and made a part of this contract, hereby agrees to furnish all materials, labor, tools, machinery and implements of every description necessary for construction and installation of the following improvements:

This contract provides for the rehabilitation of the Runway 8-26 pavement, and the replacement of two (2) lighted signs and the Runway 26 Precision Approach Path Indicator (PAPI), at the Pearson Field Airport, and other work, all in accordance with the attached Contract Plans, these Contract Provisions, and the Standard Specifications for ITB 19-16 Pavement Rehabilitation & PAPI & Sign Replacement Project.

The work under the contract shall be substantially completed within 45 working days of the Notice to Proceed date with all work to take place between September 3, 2019 and October 17, 2019.

All work shall be done in accordance with the Contract on file with the City of Vancouver, and in accordance with such alterations or modifications as may be made by the Owner. The Contractor agrees to do the work and furnish the materials in a most substantial and workmanlike manner and within the time limits stated in the Contract. The Contractor agrees that it will make all necessary arrangements for the obtaining of permits from the United States, State of Washington, and/or any of its agencies as may be necessary to do the work required and covered by this Contract.

2. **E-Verify Program:** Contractor shall register and enter into a Memorandum of Understanding (MOU) with the Department of Homeland Security E-Verify program within sixty (60) days after execution of this Agreement. Contractor shall ensure all Contractor employees and any sub-contractor(s) assigned to perform work under this Agreement are eligible to work in the United States. Contractor shall provide verification of compliance upon City request. Failure by Contractor to comply with this subsection shall be considered a material breach.
3. **Subcontractor Responsibility:** The Contractor shall include the language of this section in each of its first tier subcontracts, and shall require each of its subcontractors to include

**ITB 19-16 Pavement Rehabilitation & PAPI & Sign Replacement Project
Contract**

C-1

the same language of this section in each of their subcontracts, adjusting only as necessary the terms used for the contracting parties. The requirements of this section apply to all subcontractors regardless of tier.

At the time of subcontract execution, the Contractor shall verify that each of its first tier subcontractors meets the following bidder responsibility criteria:

1. Have a current certificate of registration in compliance with chapter 18.27 RCW, which must have been in effect at the time of subcontract bid submittal;
 2. Have a current Washington Unified Business Identifier (UBI) number;
 3. If applicable, have:
 - a. Have Industrial Insurance (workers' compensation) coverage for the subcontractor's employees working in Washington, as required in Title 51 RCW;
 - b. A Washington Employment Security Department reference number, as required in Title 50 RCW;
 - c. A Washington Department of Revenue state excise tax registration number, as required in Title 82 RCW;
 - d. An electrical contractor license, if required by Chapter 19.28 RCW;
 - e. An elevator contractor license, if required by Chapter 70.87 RCW.
 4. Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065 (3).
4. **City of Vancouver Business & Occupational License:** Contractors will be required to get a business license when contracting with the City of Vancouver, unless allowable exemptions apply. Businesses/Contractors shall contact the State of Washington Business License Service (BLS) at 800-451-7985, or go to www.bls.dor.wa.gov/cities/vancouver.aspx or www.cityofvancouver.us/businesslicense, to determine whether a business license is required pursuant to VMC Ch. 5.04.
5. **Owner's Obligation:** In consideration of the promises and agreements of the Contractor as set forth herein, and in consideration of the faithful performance and furnishing of the work and materials required by this Contract to the satisfaction of the Vancouver City Council, the Owner agrees to pay to the Contractor in the manner and at the times provided hereinafter and in the Contract Documents, and in accordance with the ordinances of the City of Vancouver and the laws of the State of Washington, the following sum as indicated:

Including 8.4% Washington State Sales Tax (if applicable)

\$742,197.46

Seven Hundred Fourty Two Thousand, One Hundred Ninety Seven Dollars 46/100

The amount finally to be paid is, however, variable upon the work actually done and final payment will be made upon the basis of the amount of work done and the materials furnished and at the lump sum or unit prices fixed in the Contractor's Proposal or as modified by any or all approved Change Orders.

5. **Contractor's Insurance:** The Contractor agrees to procure insurance coverage as required by Section 1-03 Insurance of the General Conditions for Facility Construction.
6. **Contractor's Bond:** The Contractor agrees that before it undertakes performance of this Contract, it will file with the City of Vancouver a Contract Performance Bond and Payment Bond, in the forms prescribed by the City of Vancouver, in the full amount of the Contract price executed by itself as principal and by a surety company authorized to do business in the State of Washington as surety. The bonds shall comply with the laws of the State of Washington, and especially with the provisions of Revised Code of Washington, Chapter 39.08.
7. **Employment of Labor:** The Contractor agrees that all persons employed in it and by any of its subcontractors in work done pursuant to this Contract shall not be employed in excess of 8 hours in any one day, except as provided or allowed by law.
8. **Payment of Labor:** The Contractor agrees that all laborers, workers, or mechanics employed by it or by any subcontractor in the work of this Contract will be paid not less than the prevailing rate of wage for an hours work in accordance with the provisions of the Revised Code of Washington, Chapter 39.12, and all rules and regulations promulgated pursuant thereto.

The Contract will require the payment and tracking of federal wages through Davis Bacon and will be subject to regulations of the U.S. Department of Labor. The higher wage rate between the Federal and State rates, at minimum shall prevail per WAC 296-127-025.

In case any dispute arises as to what the prevailing rates of wages for work of a similar nature are and such dispute cannot be adjusted by the parties involved, the matter shall be referred to the director of the Department of Labor and Industries of the State of Washington and the US Department of Labor for arbitration, and the director's decision therein shall be final and conclusive and binding on all parties involved in the dispute.

9. **Payment to the Contractor:** Payment to the Contractor of the Contract price by the Owner shall be made in checks drawn on the fund provided therefore. Payment shall be in the manner provided below unless another manner has been specified in Special Provisions.

Progress estimates of the work done by the Contractor will be submitted to the Engineer ten days (10) before the end of each calendar month. Estimates will be approved and acted upon by the Owner in the following month which the work is done. No retainage

will be held by the Owner from progress payments due the Prime. Checks will be issued by the Owner for the amount of the estimate. If the Contractor fails to complete the work within the time limit fixed in the contract, no estimate shall be made or progress payments allowed thereafter until the work is finally completed.

Every person performing labor or furnishing supplies toward the completion of said improvement of work shall have a lien upon said monies so reserved; provided, that such notice of the lien of such claimant shall be given in the manner provided in RCW 39.08.030 and within the time provided in Chapter 60.28 RCW as now existing and in accordance with any amendments that may hereafter be made thereto.

No payment shall be made to the Contractor, however, until the Contractor and all subcontractors who have performed work shall have filed, with Procurement Services, the Labor and Industries executed Statement of Intent to Pay Prevailing Wage as required by Revised Code of Washington 39.12.040. Said Contractor and all subcontractors shall also keep accurate payroll records for three years from the date of acceptance as described in WAC 296-127-320 *Payroll*. A Contractor and all subcontractors shall, within ten days after it receives a written request, as defined by RCW 39.12.010(4) file a certified copy of the payroll records with the Owner. A contractor's noncompliance with this section shall constitute a violation of RCW 39.12.050.

10. Indemnity:

A. CONTRACTOR'S RESPONSIBILITY. Contractor agrees to indemnify, defend, save and hold harmless the City, its officials, employees and agents from any and all liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, or whatsoever kind or nature, arising out of, or in connection with, or incident to, the performance of services by Contractor pursuant to this Contract.

1. In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against the Contractor, the City retains the right to participate in said suit.
2. This indemnity and hold harmless shall include any claim made against the City by an employee of Contractor or subcontractor or agent of the Contractor, even if Contractor is thus otherwise immune from liability pursuant to the workers' compensation statute, Title 51 RCW. To the extent that such liability arises from the concurrent negligence of both the City and the Contractor, such cost, fees and expenses shall be shared between the City and the Contractor in proportion to their relative degrees of negligence. This indemnity and hold harmless shall NOT apply in the case where liability arises from the sole negligence of the City. Contractor specifically acknowledges that the provisions contained herein have been mutually negotiated by the parties and it is the intent of the parties that

Contractor provide the broadest scope of indemnity permitted by RCW 4.24.115.

11. **Ownership of Records and Documents – Public Disclosure:** All materials, writings and products produced by the Contractor in the course of performing this Contract shall immediately become the property of the City. In consideration of the compensation provided for by this Contract, the Contractor hereby further assigns all copyright interests in such materials, writings and products to the City. A copy may be retained by the Contractor. In the event the City receives a public record request for such materials, writings of products the City may, in its discretion, notify the Contractor of such request and withholds disclosure of such information for not less than five (5) business days to permit the Contractor to seek judicial protection of such information, provided that the Contractor shall be responsible for attorney fees and costs in such action and shall save and hold harmless the City from any costs, attorney fees, or penalty assessment under Ch.42.56 RCW.
12. **Amendments:** All changes to this Contract, including changes to the statement of work and compensation, must be made by written amendment and signed by all parties to this Contract.
13. **Jurisdiction/Venue:** In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Contract, the venue of such action of litigation shall be in the Superior Court of the State of Washington in and for the County of Clark. This Contract shall be governed by the law of the State of Washington.
14. **Assignment:** This Contract is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstances, be assigned or transferred by either party without express written authorization.
15. **Termination for Cause:** In the event the Contractor is, or has been, in violation of the terms of this Contract, including the Invitation to Bid, the Owner reserves the right, upon written notice to the Contractor, to cancel, terminate, or suspend this contract in whole or in part for default. Termination shall be effected by serving a notice of termination on the Contractor setting forth the manner in which the Contractor is in default. The Contractor will be paid only the contract price for services performed in accordance with the manner of performance set forth in the Contract.

If it is later determined by the Owner that the Contractor had an excusable reason for not performing, such as a strike, fire, or flood, or events which are not the fault of or are beyond the control of the Contractor, the City after setting up a new delivery or performance schedule, may allow the Contractor to continue work or treat the termination as a termination for convenience.

16. **Opportunity to Cure:** The Owner at its sole discretion may in lieu of a termination allow the Contractor to cure the defect(s), by providing a “Notice to Cure” to Contractor

setting forth the remedies sought by Owner and the deadline to accomplish the remedies. If the Contractor fails to remedy to the Owner's satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within the time stated time, the Owner shall have the right to terminate the Contract without any further obligation to the Contractor. Any such termination for default shall not in any way operate to preclude the Owner from also pursuing all available remedies against the Contractor and its sureties for said breach or default, including but not limited to termination of this Contract for convenience.

17. **Termination for Convenience:** The City, at its sole discretion, may terminate this Contract for convenience at any time for any reason deemed appropriate. Termination is effective immediately upon notice of termination given by the City.
16. **Bid Documents & Contract:** The complete Contract includes these parts: the Contract Form, Bidder's complete Proposal Form, Contract Plans, Contract Provisions, Standard Specifications, Supplementary Conditions, Technical Specifications, Standard Plans, Addenda, various certifications and affidavits, supplemental agreements, change orders, and subsurface boring logs (if any). These parts complement each other in describing a complete Work. Any requirement in one part binds as if stated in all parts.
17. **Order of Precedence:** The complete Contract includes these parts and any inconsistency in the parts of the contract shall be resolved by following this order of precedence (e.g., 1 presiding over 2, 2 over 3, 3 over 4, and so forth):
1. Amendments to the Contract
 2. This Contract,
 3. Construction Plans,
 4. Proposal addenda,
 5. Proposal form,
 6. Permits from government agencies,
 7. Supplementary Conditions,
 8. Required Contract Provisions (FAA),
 9. General Provisions & Construction Items (FAA),
 10. Technical Specifications (FAA),
 11. General Conditions for Facility Construction (COV), and
 12. Standard Specifications

Change Orders, force accounts, supplemental agreements and approved revisions to the Drawings and Specifications will take precedence over Project Specification.

18. **Notices:** Whenever in this written Contract written notices are to be given or made, they may be sent by certified mail to the following people at the addresses as shown herein unless a different address is designated in writing or delivered to the respective party hereto:

Owner: Anna Vogel
Procurement Services Manager
City of Vancouver
415 W 6th St
P O Box 1995
Vancouver WA 98668-1995

Contractor:
Granite Construction Company
16821 SE McGillivray Blvd B-210
Vancouver, WA 98683

Original signed at Vancouver, Washington, on the dates listed below.

CITY OF VANCOUVER
A municipal corporation

CONTRACTOR:

Eric Holmes, City Manager Date

Signature:

By: Printed Name / Title

Attest:

Natasha Ramras, City Clerk
By: Carrie Lewellen, Deputy City Clerk

Approved as to form:

E. Bronson Potter, City Attorney

LABOR AND MATERIALS PAYMENT BOND

(NOTE: CONTRACTOR MUST USE THIS FORM, NOT A SURETY COMPANY FORM. MUST BE ACCOMPANIED BY A POWER OF ATTORNEY FOR THE SURETY'S OFFICER AUTHORIZED TO SIGN)

KNOW ALL MEN BY THESE PRESENTS:

We the Undersigned _____ as
PRINCIPAL (Contractor) and _____
_____ a corporation organized and existing under and by virtue of the laws of the state of _____,
and duly authorized to do surety business in the state of
Washington and named on the current list of approved surety companies acceptable on federal
bonds and conforming with the underwriting limitations as published in the Authorized Insurance
List in the State of Washington published by the Office of the Insurance Commissioner and
which carries an "A" rating and is of the appropriate class for the bond amount as determined by
Best's Rating System, as SURETY, hereby hold and firmly bind ourselves, our heirs, executors,
administrators, successors and assigns, jointly and severally, unto CITY OF VANCOUVER, as
OBLIGEE, in the sum of _____
Dollars (\$_____) in lawful money of the United States of America, for the payment of that
sum for the use and benefit of claimants as defined below.

The condition of this obligation is such that whereas the PRINCIPAL entered into a
contract with CITY OF VANCOUVER dated _____, 20____, which
contract is hereunto annexed and made a part hereof, for accomplishment of the all contract
terms for the project described as follows:

Bid 19-16 Pavement Rehabilitation & PAPI & Sign Replacement Project

NOW THEREFORE, if the PRINCIPAL shall promptly make payments to all persons,
firms, subcontractors, corporations and/or others furnishing materials for or performing labor in
the prosecution of the Work provided for in the aforesaid contract, and any authorized extension
or modification thereof, including all amounts due for materials, equipment, mechanical repairs,
transportation, tools and services consumed or used in connection with the performance of such
Work, and for all labor performed in connection with such Work whether by subcontractor or
otherwise, and all other requirements imposed by law, then this obligation shall become null and
void; otherwise this obligation shall remain in full force and effect, subject, however, to the
following condition:

The above-named PRINCIPAL and SURETY hereby jointly and severally agree that
every claimant, who has not been paid in full, may sue on this bond for the use of such claimant,
prosecute the suit to final judgment in for such sum or sums as may be justly due claimant, and
have execution thereon. The OBLIGEE shall not be liable for the payment of any judgment,
costs, expenses or attorneys' fees of any such suit.

**ITB 19-16 Pavement Rehabilitation & PAPI & Sign Replacement Project
Payment Bond**

PROVIDED, FURTHER, that SURETY for the value received, hereby stipulates and agrees that all changes, extensions of time, alterations to the terms of the contract or to Work to be performed thereunder or the Specifications accompanying the same shall be within the scope of the SURETY's undertaking on this bond, and SURETY does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the Work or to the Specifications. Any such change, extension of time, alteration or addition to the terms of the contract or to the Work or to the Specifications shall automatically increase the obligation of the SURETY hereunder in a like amount, provided that the total of such increases shall not exceed twenty-five percent (25%) of the original amount of the obligation without the consent of the SURETY.

This obligation shall continue to bind the PRINCIPAL and SURETY, notwithstanding successive payments made hereunder, until the full amount of the obligation is exhausted, or if the full amount of the obligation is not exhausted and no claim is pending resolution, until such time as no further claims can be made pursuant to law with regard to the above-described project.

SURETY shall indemnify, defend, and protect the CITY OF VANCOUVER against any claim of direct or indirect loss resulting from the failure of the CONTRACTOR (or any of the employees, subcontractors, or lower tier subcontractors of the CONTRACTOR) to pay all laborers, mechanics, subcontractors, lower tier subcontractors, materialpersons, or any other person who provides supplies or provisions for carrying out the work.

If more than one SURETY is on this bond, each SURETY hereby agrees that it is jointly and severally liable for all obligations of this bond.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20____.

SURETY

CONTRACTOR

By:_____

By*:_____

Title:_____

Title:_____

Street Address

Street Address

City, State ZIP

City, State ZIP

Phone Number

Phone Number

* Must be signed by president or vice-president of Contractor.

**ITB 19-16 Pavement Rehabilitation & PAPI & Sign Replacement Project
Payment Bond**

PERFORMANCE BOND

(NOTE: CONTRACTOR MUST USE THIS FORM, NOT A SURETY COMPANY FORM. MUST BE ACCOMPAINED BY A POWER OF ATTORNEY FOR THE SURETY'S OFFICER AUTHORIZED TO SIGN)

KNOW BY ALL MEN BY THESE PRESENTS:

We the undersigned _____ as
PRINCIPAL (hereinafter called CONTRACTOR), and _____
_____ a corporation organized and existing under and by virtue of the laws of the state of _____
_____ duly authorized to do surety business in the state of Washington
and named on the current list of approved surety companies acceptable on federal bonds and
conforming with the underwriting limitations as published in the Authorized Insurance List in the
State of Washington published by the Office of the Insurance Commissioner and which carries an
"A" rating and is of the appropriate class for the bond amount as determined by Best's Rating
System, as SURETY, hereby hold and firmly bind ourselves, our heirs, executors, administrators,
successors and assigns, jointly and severally, to pay to CITY OF VANCOUVER as OBLIGEE
(hereinafter called CITY OF VANCOUVER), the amount of _____
_____ Dollars (\$ _____) in lawful money of the United
States of America.

WHEREAS, the CONTRACTOR entered into a contract with CITY OF VANCOUVER
dated _____, 20____, which Contract is hereunto annexed and made a part
hereof, for accomplishment of the all contract terms for the project described as follows:

Bid 19-16 Pavement Rehabilitation & PAPI & Sign Replacement Project

NOW, THEREFORE, the condition of this obligation is such that if the CONTRACTOR
shall promptly, truly and faithfully perform all the undertakings, covenants, terms, conditions,
and agreements of the aforesaid contract and having performed its obligations thereunder, then
this obligation shall be null and void; otherwise it shall remain in full force and effect.

Whenever CONTRACTOR shall be declared by CITY OF VANCOUVER to be in
default under the Contract Documents for the project described herein, the SURETY shall
promptly remedy the default by completing the project in accordance with the Contract
Documents and the project Specifications with a contractor approved by the CITY OF
VANCOUVER. SURETY, for value received, further stipulates and agrees that all changes,
extensions of time, alterations, or additions to the terms of the Contract or Specifications for the
above described contract are within the scope of the SURETY's undertaking on this bond, and
SURETY hereby waives notice of any such change, extension of time, alteration or addition to
the terms of the contract or to the Work or to the Specifications. Any such change, extension of
time, alteration or addition to the terms of the contract or to the Work or to the Specifications
shall automatically increase the obligation of the Surety hereunder in a like amount, provided that
such increase shall not exceed twenty-five percent (25%) of the original amount of the obligation
without the consent of the Surety.

**ITB 19-16 Pavement Rehabilitation & PAPI & Sign Replacement Project
Performance Bond**

This obligation shall continue to bind the PRINCIPAL and SURETY, notwithstanding successive payments made hereunder, until the full amount of the obligation is exhausted.

SURETY shall indemnify, defend, and protect the CITY OF VANCOUVER against any claim of direct or indirect loss resulting from the failure of the CONTRACTOR (or any of the employees, subcontractors, or lower tier subcontractors of the CONTRACTOR) to faithfully perform the terms of the contract.

No right of action shall accrue on this bond to or for the use of any person or corporation other than CITY OF VANCOUVER or its heirs, executors, administrators, successors or assigns.

If more than one SURETY is on this bond, each SURETY hereby agrees that it is jointly and severally liable for obligations on this bond.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

SURETY

CONTRACTOR

By:_____

By*:_____

Title:_____

Title:_____

Street Address

Street Address

City State ZIP

City State ZIP

Phone Number

Phone Number

* Must be signed by president or vice-president of Contractor.



Staff Report 106-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 7/15/2019

SUBJECT Approval of deed and leases for facilitation of Vigor Works transaction

Key Points

- Vigor Works is acquiring an interest in the Christensen Yachts property to locate its boat manufacturing business. This will bring 400 good paying jobs to Vancouver.
- The real estate transaction described below will facilitate the location of Vigor Works in Vancouver.

Strategic Plan Alignment

Goal 9: Build the strongest, most resilient economy in the region.

Present Situation

- Vigor needs access to and use of the boat basin that the City owns on the Columbia River adjacent to Marine Park.
- A portion of the property is encumbered by a restriction that it be used for park purposes only imposed by the State when it deeded Marine Park to the City. To remove this restriction, the City is deeding the encumbered property (1.04 acres) back to the State and then leasing the property back without the restriction. This property is a portion of the road leading into Marine Park and a portion of the commercial boat basin used to launch vessels.
- Various intermediary parties are entering into subleases of the property.
- The City is modifying its lease of the boat basin to Christensen and entering into a sublease with Vigor Works to locate a fire boat in the boat basin.

Advantage(s)

1. This transaction will allow for the location of a new manufacturing business in the city providing 400 family wage paying jobs.
2. While the details of this exchange and modifications of property interest are detailed,

complex and necessary to facilitate this major economic investment by Vigor, there is not expected to be a practical change in the experience of the public accessing Marine Park. The commercial use of the road and boat basin will not pose a significant hindrance on the public's use or enjoyment of Marine Park.

Disadvantage(s)

The City will now lease through a renewable long-term lease 1.04 acres of Marine Park as opposed to owning it in fee title. However, the "for park purposes only" restriction will be removed to allow some commercial use.

Budget Impact

None.

Prior Council Review

The City Council has been made aware of the location of Vigor Works in the city.

Action Requested

Approve granting of quit claim deed to the State; approve an aquatic land lease from the State to the City; approve an Amended and Restated Basin Lease Agreement; approve Vancouver Fire Department Basin Sublease; and authorize the City Manager or designee to execute the foregoing documents.

Chad Eiken, Community and Economic Development Director, 487-7882; Bronson Potter, City Attorney, 487-8521

ATTACHMENTS:

- ▣ Quit claim deed
- ▣ Aquatic land lease
- ▣ Basin lease agreement
- ▣ VFD basin sublease

Department of Natural Resources
Aquatic Resources Division
Attn: Michal Rechner
1111 Washington Street SE
Olympia, WA 98504

THE GRANTOR, the CITY OF VANCOUVER, a municipal corporation

conveys and quit claims to the STATE OF WASHINGTON, the Grantee,

the following described real estate, situated in the County of Clark, State of Washington together with all after acquired title of the Grantor(s) herein described in Exhibit A attached hereto and incorporated herein by reference (the "Property"); provided this conveyance excludes all improvements and fixtures located on the Property as of the date hereof, including but not limited to the existing asphalt roadway, utilities, fencing and concrete boat ramp located on the Property.

The Property is a portion of the real property that Grantee conveyed to Grantor by that certain Park and Playground Use Deed recorded under Auditor's File No. G557032, Records of Clark County, Washington, recorded on July 6, 1970, as amended by that certain Corrective Deed recorded under Auditor's File No. 8807080034, Records of Clark County, Washington, recorded on July 8, 1988 (collectively, the "Park and Playground Use Deed").

Tax Account Number: _____

Abbreviated Legal: _____

DATED: _____

BY: _____

BY: _____

Approved as to form:

City Attorney

STATE OF WASHINGTON)

SS.

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that _____
the person(s) who appeared before me, and said person(s) acknowledged that _____ signed this instrument and
acknowledged it to be _____ free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: _____

Notary Public in and for the State of _____,

Residing at _____

My appointment expires: _____

LPB-12 11/96

THE ABOVE SPACE RESERVED FOR NOTARY SEAL

EXHIBIT A

LEGAL DESCRIPTION

TRACT 1

THAT PORTION OF THE BASIN LEASE AREA DESCRIBED IN AF# 5028237, CLARK COUNTY DEED RECORDS WHICH FALLS WITHIN TRACT 42, 3RD SUPPLEMENTAL MAPS, VANCOUVER TIDELANDS, LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF VANCOUVER, IN CLARK COUNTY, IN THE STATE OF WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTH ONE-QUARTER CORNER OF SAID SECTION 36, THENCE S01°35'09"E A DISTANCE OF 2497.31 FEET TO A POINT; THENCE N88°24'51"E A DISTANCE OF 836.86 FEET TO A POINT ON THE NORTH LINE OF TRACT 43 OF SAID VANCOUVER TIDELANDS; THENCE S79°56'31"W ALONG THE NORTH LINE OF TRACT 43 OF SAID VANCOUVER TIDELANDS A DISTANCE OF 115.00 FEET TO THE NORTHEAST CORNER OF TRACT 42 OF SAID VANCOUVER TIDELANDS; THENCE S06°02'10"W ALONG THE EAST LINE OF TRACT 42 OF SAID VANCOUVER TIDELANDS A DISTANCE OF 171.69 FEET TO THE NORTH LINE OF SAID BASIN LEASE AREA AND THE TRUE POINT OF BEGINNING; THENCE S06°02'10"W CONTINUING ALONG THE EAST LINE OF SAID TRACT 42 A DISTANCE OF 518.36 FEET TO THE SOUTHWEST CORNER OF SAID BASIN LEASE AREA; THENCE N00°16'52"E ALONG THE WEST LINE OF SAID BASIN LEASE AREA A DISTANCE OF 388.69 FEET TO AN ANGLE POINT; THENCE N26°13'41"W CONTINUING ALONG THE WEST LINE OF SAID BASIN LEASE AREA A DISTANCE OF 88.81 FEET TO AN ANGLE POINT; THENCE N05°57'44"E CONTINUING ALONG THE WEST LINE OF SAID BASIN LEASE AREA A DISTANCE OF 36.98 FEET TO THE NORTHWEST CORNER THEREOF; THENCE N83°31'58"E ALONG THE NORTH LINE OF SAID BASIN LEASE AREA A DISTANCE OF 75.71 FEET TO A POINT OF CURVATURE; THENCE 12.91 FEET ALONG THE NORTH LINE OF SAID BASIN LEASE AREA ALONG 220.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 03°21'48" (LONG CHORD BEARS N81°51'04"E, 12.91') TO THE TRUE POINT OF BEGINNING; CONTAINING AN AREA OF 16,269 SQUARE FEET, MORE OR LESS.

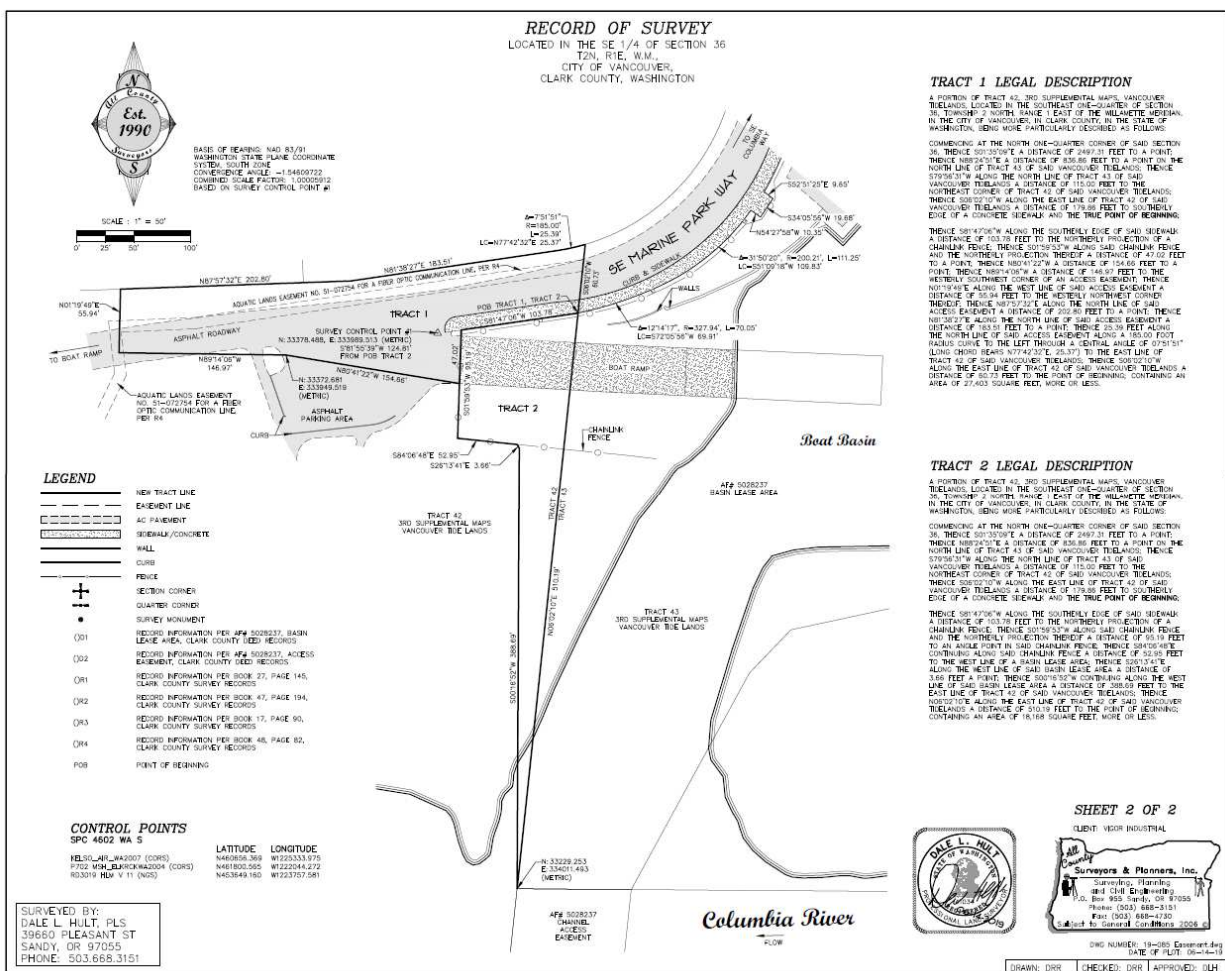
TRACT 2

A PORTION OF TRACT 42, 3RD SUPPLEMENTAL MAPS, VANCOUVER TIDELANDS, LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF VANCOUVER, IN CLARK COUNTY, IN THE STATE OF WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTH ONE-QUARTER CORNER OF SAID SECTION 36, THENCE S01°35'09"E A DISTANCE OF 2497.31 FEET TO A POINT; THENCE N88°24'51"E A DISTANCE OF 836.86 FEET TO A POINT ON THE NORTH LINE OF TRACT 43 OF SAID VANCOUVER TIDELANDS; THENCE S79°56'31"W ALONG THE NORTH LINE OF TRACT 43 OF SAID VANCOUVER TIDELANDS A DISTANCE OF 115.00 FEET TO THE NORTHEAST CORNER OF TRACT 42 OF SAID VANCOUVER TIDELANDS; THENCE S06°02'10"W ALONG THE EAST LINE OF TRACT 42 OF SAID VANCOUVER TIDELANDS A DISTANCE OF 171.69 FEET TO THE NORTH LINE OF THE BASIN LEASE AREA DESCRIBED IN AF# 5028237, CLARK COUNTY DEED RECORDS; THENCE 12.91 FEET ALONG THE NORTH LINE OF SAID BASIN LEASE AREA ALONG A 220.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 03°21'48" (LONG CHORD BEARS S81°51'04"W, 12.91') TO A POINT; THENCE S83°31'58"W CONTINUING ALONG THE NORTH LINE OF SAID BASIN LEASE AREA A DISTANCE OF 75.71 FEET TO THE NORTHWEST CORNER THEREOF; THENCE S05°57'44"W ALONG THE WEST LINE OF SAID BASIN LEASE AREA A DISTANCE OF 36.98 FEET TO AN

ANGLE POINT IN THE WEST LINE OF SAID BASIN LEASE AREA AND THE TRUE POINT OF BEGINNING; THENCE N89°14'06"W ALONG THE SOUTH LINE OF THE ACCESS EASEMENT DESCRIBED IN AF# 5028237, CLARK COUNTY DEED RECORDS A DISTANCE OF 166.00 FEET TO A POINT; THENCE S80°41'22"E A DISTANCE OF 154.66 FEET TO A CHAINLINK FENCE; THENCE S01°59'53"W ALONG SAID CHAINLINK FENCE A DISTANCE OF 48.17 FEET TO AN ANGLE POINT IN SAID CHAINLINK FENCE; THENCE S84°06'48"E ALONG SAID CHAINLINK FENCE A DISTANCE OF 52.95 FEET TO THE WEST LINE OF SAID BASIN LEASE AREA; THENCE N26°13'41"W ALONG THE WEST LINE OF SAID BASIN LEASE AREA A DISTANCE OF 85.15 FEET TO THE TRUE POINT OF BEGINNING; CONTAINING AN AREA OF 4,119 SQUARE FEET, MORE OR LESS.

TRACT 3

THAT PORTION OF THE ACCESS EASEMENT DESCRIBED IN AF# 5028237, CLARK COUNTY DEED RECORDS WHICH FALLS WITHIN TRACT 42, 3RD SUPPLEMENTAL MAPS, VANCOUVER TIDELANDS, LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF VANCOUVER, IN CLARK COUNTY, IN THE STATE OF WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTH ONE-QUARTER CORNER OF SAID SECTION 36, THENCE S01°35'09"E A DISTANCE OF 2497.31 FEET TO A POINT; THENCE N88°24'51"E A DISTANCE OF 836.86 FEET TO A POINT ON THE NORTH LINE OF TRACT 43 OF SAID VANCOUVER TIDELANDS; THENCE S79°56'31"W ALONG THE NORTH LINE OF TRACT 43 OF SAID VANCOUVER TIDELANDS A DISTANCE OF 115.00 FEET TO THE NORTHEAST CORNER OF TRACT 42 OF SAID VANCOUVER TIDELANDS; THENCE S06°02'10"W ALONG THE EAST LINE OF TRACT 42 OF SAID VANCOUVER TIDELANDS A DISTANCE OF 171.69 FEET TO THE NORTH LINE OF SAID BASIN LEASE AREA AND THE TRUE POINT OF BEGINNING; THENCE 12.91 FEET ALONG THE SOUTH LINE OF SAID ACCESS EASEMENT ALONG A 220.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 03°21'48" (LONG CHORD BEARS S81°51'04"W, 12.91') TO A POINT; THENCE S83°31'58"W CONTINUING ALONG THE SOUTH LINE OF SAID ACCESS EASEMENT A DISTANCE OF 75.71 FEET TO AN ANGLE POINT; THENCE S05°57'44"W CONTINUING ALONG THE SOUTH LINE OF SAID ACCESS EASEMENT A DISTANCE OF 36.98 FEET TO AN ANGLE POINT; THENCE N89°14'06"W CONTINUING ALONG THE SOUTH LINE OF SAID ACCESS EASEMENT A DISTANCE OF 312.97 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE N01°19'49"W ALONG THE WEST LINE OF SAID ACCESS EASEMENT A DISTANCE OF 55.94 FEET TO THE SOUTHERLY NORTHWEST CORNER THEREOF; THENCE N87°57'32"E ALONG THE NORTH LINE OF SAID ACCESS EASEMENT A DISTANCE OF 202.80 FEET TO AN ANGLE POINT; THENCE N81°38'27"E ALONG THE NORTH LINE OF SAID ACCESS EASEMENT A DISTANCE OF 183.51 FEET TO A POINT; THENCE 25.39 FEET ALONG THE NORTH LINE OF SAID ACCESS EASEMENT ALONG A 185.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 07°51'51" (LONG CHORD BEARS N77°42'32"W, 25.37') TO THE EAST LINE OF TRACT 42 OF SAID VANCOUVER TIDELANDS; THENCE S06°02'10"W ALONG THE EAST LINE OF TRACT 42 OF SAID VANCOUVER TIDELANDS A DISTANCE OF 52.56 FEET TO THE TRUE POINT OF BEGINNING; CONTAINING AN AREA OF 25,184 SQUARE FEET, MORE OR LESS.



When recorded, return to:
City of Vancouver
PO Box 1995
Vancouver, WA 98668



AQUATIC LANDS LEASE

Lease No. 20-099510

Grantor: Washington State Department of Natural Resources
Grantee(s): City of Vancouver
Legal Description: SE1/4, Section 36, Township 2 North, Range 1 East, W.M.
Complete Legal Description on Page 35
Assessor's Property Tax Parcel or Account Number: 503085000
Assessor's Property Tax Parcel or Account Number for Upland parcel used in conjunction with this lease: 503085000

THIS LEASE is between the STATE OF WASHINGTON, acting through the Department of Natural Resources ("State"), and CITY OF VANCOUVER, a government agency ("Tenant").

BACKGROUND

Tenant desires to lease the aquatic lands commonly known as Columbia River, which are tidelands located in Clark County, Washington, from State, and State desires to lease the property to Tenant pursuant to the terms and conditions of this Lease. State has authority to enter into this Lease under Chapter 43.12, Chapter 43.30 and Title 79 of the Revised Code of Washington (RCW).

THEREFORE, the Parties agree as follows:

SECTION 1 PROPERTY

1.1 Property Defined.

- (a) State leases to Tenant and Tenant leases from State the real property described in Exhibit A together with all the rights of State, if any, to improvements on and easements benefiting the Property, but subject to the exceptions and restrictions set forth in this Lease (collectively the “Property”).
- (b) This Lease is subject to all valid interests of third parties noted in the records of Clark County, or on file in the Office of the Commissioner of Public Lands, Olympia, Washington; rights of the public under the Public Trust Doctrine or federal navigation servitude; and treaty rights of Indian Tribes.
- (c) This Lease does not include a right to harvest, collect, or damage natural resources, including aquatic life or living plants; water rights; mineral rights; or a right to excavate or withdraw sand, gravel, or other valuable materials.
- (d) State reserves the right to grant easements and other land uses on the Property to others when the easement or other land uses will not interfere unreasonably with the Permitted Use.

1.2 Survey and Property Descriptions.

- (a) Tenant warrants that the legal description provided in Exhibit A is a true and accurate description of the Property boundaries and the improvements to be constructed or already existing on the Property. Tenant’s obligation to provide a true and accurate description of the Property boundaries is a material term of this Lease.
- (b) State’s acceptance of the record of survey referenced in Exhibit A does not constitute agreement that this record of survey accurately reflects the actual amount of land used by Tenant. Tenant’s use or occupancy of any state-owned aquatic lands outside the Property boundaries is a material breach of this Lease and State may seek remedies under Section 14 of this Lease in addition to any other remedies afforded by law or equity or otherwise.
- (c) Tenant shall hold State harmless and will not seek damages from State in the event a subsequent record of survey reveals an error in the legal description provided in Exhibit A.

1.3 Inspection. State makes no representation regarding the condition of the Property, improvements located on the Property, the suitability of the Property for Tenant’s Permitted Use, compliance with governmental laws and regulations, availability of utility rights, access to the Property, or the existence of hazardous substances on the Property. Tenant inspected the Property and accepts it “AS IS.”

SECTION 2 USE

2.1 Permitted Use. Tenant shall use the Property for:

Public Access (one roadway), one boat ramp and storage within the Lease area (the “Permitted Use”), and for no other purpose.

This is a mixed use, with 35,071 square feet of public use and access, 6,350 square feet of nonwater-dependent use and 4,150 square feet of water-dependent use for a total lease area of 45,571 square feet. Exhibit B describes the Permitted Use in detail. The Permitted Use is subject to additional obligations in Exhibit B.

2.2 Restrictions on Permitted Use and Operations. The following limitations and requirements apply to the Property and adjacent state-owned aquatic land. Tenant’s compliance with the following does not limit Tenant’s liability under any other provision of this Lease.

- (a) Tenant shall not cause or permit:
 - (1) Damage to natural resources,
 - (2) Waste, or
 - (3) Deposit of material, unless approved by State in writing. This prohibition includes deposit of fill, rock, earth, ballast, wood waste, refuse, garbage, waste matter, pollutants of any type, or other matter.
- (b) Tenant shall not cause or permit grounding, scour, or damage to aquatic land and vegetation. This prohibition includes the following limitations:
 - (1) If pressure washing or cleaning any equipment, machinery, or floating or fixed structures within the boundaries of the Property or on any adjacent state-owned aquatic land, Tenant shall avoid scouring the substrate and damaging any aquatic land and vegetation. Tenant shall also comply with the following limitations:
 - (i) If equipment contains or is covered with petroleum based products:
 - (1) Tenant shall not pressure wash such equipment in or over the water and
 - (2) all wash water must be contained and taken to an approved treatment facility.
 - (ii) Tenant shall collect or sweep up non-organic debris accumulations on structures resulting from pressure washing and properly dispose of such debris in an upland location.
 - (iii) Tenant shall pressure wash using only clean water. Tenant shall not use or add to the pressure washing unit any detergents or other cleaning agents.
 - (iv) Tenant shall pressure wash painted structures using appropriate filter fabric to control and contain paint particles generated by the pressure washing.
 - (2) Tenant shall avoid damage caused by propeller wash from vessels.
 - (3) Tenant shall not allow moorage or anchorage of vessels in water shallower than 7 feet at the extreme low tide, and shall not allow vessels to come in contact with underlying tidelands (“ground out”) at any time.
 - (4) If anchoring, Tenant shall use and shall require use of anchor lines with midline floats.
 - (5) Tenant shall not allow floating structures to come in contact with underlying tidelands (“ground out”). Tenant must either (1) locate all

floating structures in water too deep to permit grounding out or (2) install stoppers sufficient to prevent grounding, keeping the bottom of the structure above the level of the substrate.

- (c) Tenant shall not construct new bulkheads or place hard bank armoring.
- (d) Tenant shall not install fixed breakwaters.
- (e) Tenant shall incorporate best management practices to prevent release of chemical contaminants, wastewater, garbage, and other pollutants, as set forth in Pollution Prevention for Washington State Marinas, available at <https://wsg.washington.edu/wordpress/wp-content/uploads/marina-handbook.pdf>. Tenant shall comply with any revisions to these best management practices that occur after the effective date of this lease. If Department of Natural Resources, Department of Ecology, or any other regulatory agency establishes different standards, Tenant shall meet the most protective standard.
- (f) Residential uses, as defined by WAC 332-30-106(62), are not permitted on the Property.

2.3 Conformance with Laws. Tenant shall, at all times, keep current and comply with all conditions and terms of permits, licenses, certificates, regulations, ordinances, statutes, and other government rules and regulations regarding Tenant's use or occupancy of the Property.

2.4 Liens and Encumbrances. Unless expressly authorized by State in writing, Tenant shall keep the Property free and clear of liens or encumbrances arising from the Permitted Use or Tenant's occupancy of the Property. Notwithstanding the foregoing, State acknowledges that Tenant may request State's consent to assign this Lease to a subtenant and such subtenant may be required by its lender to assign, mortgage or otherwise pledge its leasehold interest in the Property as security for a loan from subtenant's lender.

SECTION 3 TERM

3.1 Term Defined. The term of this Lease is Thirty-Seven (37) years (the "Term"), beginning on the 1 day of July, 2019 (the "Commencement Date"), and ending on the 2 day of November, 2056 (the "Termination Date"), unless terminated sooner under the terms of this Lease.

3.2 Renewal of the Lease. This Lease does not provide a right of renewal. Tenant may apply for a new lease, which State has discretion to grant. Tenant must apply for a new lease at least one (1) year prior to Termination Date. State will notify Tenant within ninety (90) days of its intent to approve or deny a new Lease.

3.3 End of Term.

- (a) Upon the expiration or termination of this Lease, Tenant shall remove Improvements in accordance with Section 7, Improvements, and surrender the Property to State in the same or better condition as on the Commencement Date, reasonable wear and tear excepted.
- (b) Definition of Reasonable Wear and Tear.

- (1) Reasonable wear and tear is deterioration resulting from the Permitted Use that has occurred without neglect, negligence, carelessness, accident, or abuse of the Property by Tenant or any other person on the premises with the permission of Tenant.
- (2) Reasonable wear and tear does not include unauthorized deposit of material prohibited under Paragraph 2.2 regardless of whether the deposit is incidental to or the byproduct of the Permitted Use.
- (c) If Property is in worse condition, excepting for reasonable wear and tear, on the surrender date than on the Commencement Date, the following provisions apply.
 - (1) State shall provide Tenant a reasonable time to take all steps necessary to remedy the condition of the Property. State may require Tenant to enter into a right-of-entry or other use authorization prior to the Tenant entering the Property if the Lease has terminated.
 - (2) If Tenant fails to remedy the condition of the Property in a timely manner, State may take steps reasonably necessary to remedy Tenant's failure. Upon demand by State, Tenant shall pay all costs of State's remedy, including but not limited to the costs of removing and disposing of material deposited improperly on the Property, lost revenue resulting from the condition of the Property, and administrative costs associated with the State's remedy.

3.4 Holdover.

- (a) If Tenant remains in possession of the Property after the Termination Date, the occupancy will not be an extension or renewal of the Term. The occupancy will be a month-to-month tenancy, on terms identical to the terms of this Lease, which either Party may terminate on thirty (30) days' written notice.
 - (1) The monthly rent during the holdover will be the same rent that would be due if the Lease were still in effect and all adjustments in rent were made in accordance with its terms.
 - (2) Payment of more than the monthly rent will not be construed to create a periodic tenancy longer than month-to-month. If Tenant pays more than the monthly rent and State provides notice to vacate the property, State shall refund the amount of excess payment remaining after the Tenant ceases occupation of the Property.
- (b) If State notifies Tenant to vacate the Property and Tenant fails to do so within the time set forth in the notice, Tenant will be a trespasser and shall owe the State all amounts due under RCW 79.02.300 or other applicable laws.

SECTION 4 RENT

4.1 Annual Rent.

- (a) Until adjusted as set forth below, Tenant shall pay to State an annual rent of Three Thousand Three Hundred Twelve Dollars and 14/100 (\$3,312.14), consisting of Two Hundred Thirty-Five Dollars and 57/100 (\$235.57) related to water-dependent use and Three Thousand Seventy-Six Dollars and 57/100 (\$3,076.57) related to the nonwater-dependent use.

- (b) The annual rent, as it currently exists or as adjusted or modified (the “Annual Rent”), is due and payable in full on or before the Commencement Date and on or before the same date of each year thereafter. Any payment not paid by State’s close of business on the date due is past due.

4.2 Payment Place. Tenant shall make payment to Financial Management Division, 1111 Washington St SE, PO Box 47041, Olympia, WA 98504-7041.

4.3 Adjustment Based on Use. Annual Rent is based on Tenant’s Permitted Use of the Property, as described in Section 2 above. If Tenant’s Permitted Use changes, the Annual Rent shall be adjusted as appropriate for the changed use.

4.4 Rent Adjustment Procedures.

- (a) Notice of Rent Adjustment. State shall provide notice of adjustments to the Annual Rent allowed under Paragraphs 4.5(b) and 4.6(b) to Tenant in writing no later than ninety (90) days after the anniversary date of the Lease.
- (b) Procedures on Failure to make Timely Adjustment. If the State fails to provide the notice required in Paragraph 4.4(a), State shall not collect the adjustment amount for the year in which State failed to provide notice. Upon providing notice of adjustment, State may adjust and prospectively bill Annual Rent as if missed or waived adjustments had been implemented at the proper interval. This includes the implementation of any inflation adjustment.

4.5 Rent Adjustments for Water-Dependent Uses.

- (a) Inflation Adjustment. State shall adjust water-dependent rent annually pursuant to RCW 79.105.200-.360, except in those years in which State revalues the rent under Paragraph 4.5(b) below. This adjustment will be effective on the anniversary of the Commencement Date.
- (b) Revaluation of Rent. At the end of the first four-year period of the Term, and at the end of each subsequent four-year period, State shall revalue the water-dependent Annual Rent in accordance with RCW 79.105.200-.360.
- (c) Rent Cap. State shall increase rent incrementally in compliance with RCW 79.105.260 as follows: If application of the statutory rent formula for water-dependent uses would result in an increase in the rent attributable to such uses of more than fifty percent (50%) in any one year, State shall limit the actual increase implemented in such year to fifty percent (50%) of the then-existing rent. In subsequent, successive years, State shall increase the rental amount incrementally until the State implements the full amount of increase as determined by the statutory rent formula.

4.6 Rent Adjustments for Nonwater-Dependent Uses.

- (a) Inflation Adjustment. Except in those years in which State revalues the rent under Paragraph 4.6(b) below, State shall adjust nonwater-dependent rent annually on the anniversary of the Commencement Date. Adjustment is based on the percentage rate of change in the previous calendar year's Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of

Labor, for the Seattle-Tacoma-Bremerton CMSA, All Urban Consumers, all items 1982-84 = 100. If publication of the Consumer Price Index is discontinued, State shall use a reliable governmental or other nonpartisan publication evaluating the information used in determining the Consumer Price Index.

- (b) Revaluation of Rent.
- (1) At the end of the first four-year period of the Term, and at the end of each subsequent four-year period, State shall revalue the nonwater-dependent Annual Rent to reflect the then-current fair market rent.
 - (2) If State and Tenant cannot reach agreement on the fair market rental value, the Parties shall submit the valuation to a review board of appraisers. The board must consist of three members, one selected by and at the cost of Tenant; a second member selected by and at the cost of State; and a third member selected by the other two members with the cost shared equally by State and Tenant. The decision of the majority of the board binds the Parties. Until the Parties agree to, or the review board establishes, the new rent, Tenant shall pay rent in the same amount established for the preceding year. If the board determines additional rent is required, Tenant shall pay the additional rent within ten (10) days of the board's decision. If the board determines a refund is required, State shall pay the refund within ten (10) days of the board's decision.

SECTION 5 OTHER EXPENSES

5.1 Utilities. Tenant shall pay all fees charged for utilities required or needed by the Permitted Use.

5.2 Taxes and Assessments. Tenant shall pay all taxes (including leasehold excise taxes), assessments, and other governmental charges applicable or attributable to the Property, Tenant's leasehold interest, the improvements, or Tenant's use and enjoyment of the Property.

5.3 Right to Contest. If in good faith, Tenant may contest any tax or assessment at its sole cost and expense. At the request of State, Tenant shall furnish reasonable protection in the form of a bond or other security, satisfactory to State, against loss or liability resulting from such contest.

5.4 Proof of Payment. If required by State, Tenant shall furnish to State receipts or other appropriate evidence establishing the payment of amounts this Lease requires Tenant to pay.

5.5 Failure to Pay. If Tenant fails to pay amounts due under this Lease, State may pay the amount due, and recover its cost in accordance with Section 6.

SECTION 6 LATE PAYMENTS AND OTHER CHARGES

6.1 Failure to Pay Rent. Failure to pay rent is a default by the Tenant. State may seek remedies under Section 14 as well as late charges and interest as provided in this Section 6.

6.2 Late Charge. If State does not receive full rent payment within ten (10) days of the date due, Tenant shall pay to State a late charge equal to four percent (4%) of the unpaid amount or Fifty Dollars (\$50), whichever is greater, to defray the overhead expenses of State incident to the delay.

6.3 Interest Penalty for Past Due Rent and Other Sums Owed.

- (a) Tenant shall pay interest on the past due rent at the rate of one percent (1%) per month until paid, in addition to paying the late charges determined under Paragraph 6.2. Rent not paid by the close of business on the due date will begin accruing interest the day after the due date.
- (b) If State pays or advances any amounts for or on behalf of Tenant, Tenant shall reimburse State for the amount paid or advanced and shall pay interest on that amount at the rate of one percent (1%) per month from the date State notifies Tenant of the payment or advance. This includes, but is not limited to, State's payment of taxes of any kind, assessments, insurance premiums, costs of removal and disposal of materials or Improvements under any provision of this Lease, or other amounts not paid when due.

6.4 Referral to Collection Agency and Collection Agency Fees. If State does not receive full payment within thirty (30) days of the due date, State may refer the unpaid amount to a collection agency as provided by RCW 19.16.500 or other applicable law. Upon referral, Tenant shall pay collection agency fees in addition to the unpaid amount.

6.5 No Accord and Satisfaction. If Tenant pays, or State otherwise receives, an amount less than the full amount then due, State may apply such payment as it elects. State may accept payment in any amount without prejudice to State's right to recover the balance of the rent or pursue any other right or remedy. No endorsement or statement on any check, any payment, or any letter accompanying any check or payment constitutes accord and satisfaction.

6.6 No Counterclaim, Setoff, or Abatement of Rent. Except as expressly set forth elsewhere in this Lease, Tenant shall pay rent and all other sums payable by Tenant without the requirement that State provide prior notice or demand. Tenant's payment is not subject to counterclaim, setoff, deduction, defense or abatement.

SECTION 7 IMPROVEMENTS

7.1 Improvements Defined.

- (a) "Improvements," consistent with RCW 79.105 through 79.145, are additions within, upon, or attached to the land. This includes, but is not limited to, fill, structures, bulkheads, docks, pilings, and other fixtures.

- (b) “Personal Property” means items that can be removed from the Property without (1) injury to the Property or Improvements or (2) diminishing the value or utility of the Property or Improvements.
- (c) “State-Owned Improvements” are Improvements made or owned by State. State-Owned Improvements includes any construction, alteration, or addition to State-Owned Improvements made by Tenant.
- (d) “Tenant-Owned Improvements” are Improvements authorized by State and (1) made by Tenant or (2) acquired by Tenant from the prior tenant.
- (e) “Unauthorized Improvements” are Improvements made on the Property without State’s prior consent or Improvements made by Tenant that do not conform to plans submitted to and approved by the State.

7.2 Existing Improvements. On the Commencement Date, the following Improvements are located on the Property: one boat ramp, one roadway, and a fence. The Improvements are Tenant-Owned Improvements.

7.3 Construction, Major Repair, Modification, and Demolition.

- (a) This Paragraph 7.3 governs construction, alteration, replacement, major repair, modification, demolition, and deconstruction of Improvements (“Work”).
- (b) All Work must conform to requirements under Paragraph 7.4. Paragraph 11.3, which applies to maintenance and minor repair, also applies to all Work under this Paragraph 7.3.
- (c) Except in an emergency, Tenant shall not conduct Work, without State’s prior written consent, as follows:
 - (1) State may deny consent if State determines that denial is in the best interests of the State or if proposed Work does not comply with Paragraphs 7.4 and 11.3. State may impose additional conditions reasonably intended to protect and preserve the Property. If Work is for removal of Improvements at End of Term, State may waive removal of some or all Improvements.
 - (2) Except in an emergency, Tenant shall submit to State plans and specifications describing the proposed Work at least sixty (60) days before submitting permit applications to regulatory authorities unless Tenant and State otherwise agree to coordinate permit applications. At a minimum, or if no permits are necessary, Tenant shall submit plans and specifications at least ninety (90) days before commencement of Work.
- (d) Tenant shall notify State of emergency Work within five (5) business days of the start of such Work. Upon State’s request, Tenant shall provide State with plans and specifications or as-builts of emergency Work.
- (e) Tenant shall not commence or authorize Work until Tenant or Tenant’s contractor has:
 - (1) Obtained a performance and payment bond in an amount equal to one hundred twenty-five percent (125%) of the estimated cost of construction. Tenant shall maintain the performance and payment bond until Tenant pays in full the costs of the Work, including all laborers and material persons.

- (2) Obtained all required permits.
- (f) Before completing Work, Tenant shall remove all debris and restore the Property to an orderly and safe condition. If Work is intended for removal of Improvements at End of Term, Tenant shall restore the Property in accordance with Paragraph 3.3, End of Term.
- (g) Upon completing Work, Tenant shall promptly provide State with as-built plans and specifications.
- (h) State shall not charge rent for authorized Improvements installed by Tenant during this Term of this Lease, but State may charge rent for such Improvements when and if Tenant or successor obtains a subsequent use authorization for the Property and State has waived the requirement for Improvements to be removed as provided in Paragraph 7.5.

7.4 Standards for Work.

- (a) Applicability of Standards for Work.
 - (1) The standards for Work in Paragraph 7.4(b) apply to Work commenced in the five year period following the Commencement Date. Work commences when State approves plans and specifications.
 - (2) If Tenant commences Work five years or more after the Commencement Date, Tenant shall comply with State's then current standards for Work.
 - (3) Tenant may ascertain State's current standards for Work as follows:
 - (i) Before submitting plans and specifications for State's approval as required by Paragraph 7.3 of the Lease, Tenant shall request State to provide Tenant with then current standards for Work on State-owned Aquatic Lands.
 - (ii) Within thirty (30) days of receiving Tenant's request, State shall provide Tenant with current standards for Work, which will be effective for the purpose of State's approval of Tenant's proposed Work provided Tenant submits plans and specifications for State's approval within two (2) years of Tenant's request for standards.
 - (iii) If State does not timely provide current standards upon Tenant's request, the standards under Paragraph 7.4(b) apply to Tenant's Work provided Tenant submits plans and specifications as required by Paragraph 7.3 within two (2) years of Tenant's request for standards.
 - (iv) If Tenant fails to (1) make a request for current standards or (2) timely submit plans and specifications to State after receiving current standards, Tenant shall make changes in plans or Work necessary to conform to current standards for Work upon State's demand.
- (b) Standards for Work.
 - (1) State will not approve plans to construct new Improvements or expand existing Improvements in or over habitats designated by State as important habitat. Tenant shall confirm location of important habitat on Property, if any, with State before submitting plans and specifications in accordance with Paragraph 7.3.

- (2) Tenant shall only conduct in-water Work during time periods authorized for such work under WAC 220-660-330, Authorized Work Times in Saltwater Areas, as amended, or as otherwise directed by the Washington Department of Fish and Wildlife (WDFW).
- (3) Tenant shall not provide anchorage or moorage in water more shallow than seven (7) feet at the extreme low tide.
- (4) Tenant shall use embedded anchors and midline floats on all anchored structures and buoys.
- (5) If Tenant is constructing a new or rebuilding an existing boat ramp or launch, Tenant shall construct boat ramps and launches to minimize:
 - (i) interruption of longshore current,
 - (ii) alteration of existing sediment transport mechanisms (wave energy, longshore current, or other),
 - (iii) impacts to species.

7.5 Tenant-Owned Improvements at End of Lease.

- (a) Disposition.
 - (1) Tenant shall remove Tenant-Owned Improvements in accordance with Paragraph 7.3 upon the expiration, termination, or cancellation of the Lease unless State waives the requirement for removal.
 - (2) Tenant-Owned Improvements remaining on the Property on the expiration, termination, or cancellation date shall become State-Owned Improvements without payment by State, unless State elects otherwise. State may refuse or waive ownership. If RCW 79.125.300 or 79.130.040 apply at the time this Lease expires, Tenant could be entitled to payment by the new tenant for Tenant-Owned Improvements.
 - (3) If Tenant-Owned Improvements remain on the Property after the expiration, termination, or cancellation date without State's consent, State may remove all Improvements and Tenant shall pay State's costs.
- (b) Conditions Under Which State May Waive Removal of Tenant-Owned Improvements.
 - (1) State may waive removal of some or all Tenant-Owned Improvements whenever State determines that it is in the best interests of the State and regardless of whether Tenant re-leases the Property.
 - (2) If Tenant re-leases the Property, State may waive requirement to remove Tenant-Owned Improvements. State also may consent to Tenant's continued ownership of Tenant-Owned Improvements.
 - (3) If Tenant does not re-lease the Property, State may waive requirement to remove Tenant-Owned Improvements upon consideration of a timely request from Tenant, as follows:
 - (i) Tenant must notify State at least one (1) year before the Termination Date of its request to leave Tenant-Owned Improvements.
 - (ii) State, within ninety (90) days of receiving Tenant's notification, will notify Tenant whether State consents to some or all Tenant-

Owned Improvements remaining. State has no obligation to grant consent.

- (iii) State's failure to respond to Tenant's request to leave Improvements within ninety (90) days is a denial of the request.
- (c) Tenant's Obligations if State Waives Removal.
 - (1) Tenant shall not remove Improvements if State waives the requirement for removal of some or all Tenant-Owned Improvements.
 - (2) Tenant shall maintain such Improvements in accordance with this Lease until the expiration, termination, or cancellation date. Tenant is liable to State for cost of repair if Tenant causes or allows damage to Improvements State has designated to remain.

7.6 Disposition of Unauthorized Improvements.

- (a) Unauthorized Improvements belong to State, unless State elects otherwise.
- (b) State may either:
 - (1) Consent to Tenant ownership of the Improvements, or
 - (2) Charge rent for use of the Improvements from the time of installation or construction and
 - (i) Require Tenant to remove the Improvements in accordance with Paragraph 7.3, in which case Tenant shall pay rent for the Improvements until removal, or
 - (ii) Consent to Improvements remaining and Tenant shall pay rent for the use of the Improvements, or
 - (iii) Remove Improvements and Tenant shall pay for the cost of removal and disposal, in which case Tenant shall pay rent for use of the Improvements until removal and disposal.

7.7 Disposition of Personal Property.

- (a) Tenant retains ownership of Personal Property unless Tenant and State agree otherwise in writing.
- (b) Tenant shall remove Personal Property from the Property by the Termination Date. Tenant is liable for damage to the Property and Improvements resulting from removal of Personal Property.
- (c) State may sell or dispose of all Personal Property left on the Property after the Termination Date.
 - (1) If State conducts a sale of Personal Property, State shall apply proceeds first to the State's administrative costs in conducting the sale, second to payment of amount that then may be due from the Tenant to the State. State shall pay the remainder, if any, to the Tenant.
 - (2) If State disposes of Personal Property, Tenant shall pay for the cost of removal and disposal.

SECTION 8 ENVIRONMENTAL LIABILITY/RISK ALLOCATION

8.1 Definitions.

- (a) “Hazardous Substance” means any substance that now or in the future becomes regulated or defined under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to human health, environmental protection, contamination, pollution, or cleanup.
- (b) “Release or threatened release of Hazardous Substance” means a release or threatened release as defined under any law described in Paragraph 8.1(a).
- (c) “Utmost care” means such a degree of care as would be exercised by a very careful, prudent, and competent person under the same or similar circumstances; the standard of care applicable under the Washington State Model Toxics Control Act (“MTCA”), Chapter 70.105D RCW, as amended.
- (d) “Tenant and affiliates” when used in this Section 8 means Tenant or Tenant’s subtenants, contractors, agents, employees, guests, invitees, licensees, affiliates, or any person on the Property with the Tenant’s permission.
- (e) “Liabilities” as used in this Section 8 means any claims, demands, proceedings, lawsuits, damages, costs, expenses, fees (including attorneys’ fees and disbursements), penalties, or judgments.

8.2 General Conditions.

- (a) Tenant’s obligations under this Section 8 extend to the area in, on, under, or above:
 - (1) The Property; and
 - (2) Adjacent state-owned aquatic lands if affected by a release of Hazardous Substances that occurs as a result of the Permitted Use.
- (b) Standard of Care.
 - (1) Tenant shall exercise the utmost care with respect to Hazardous Substances.
 - (2) Tenant shall exercise utmost care for the foreseeable acts or omissions of third parties with respect to Hazardous Substances, and the foreseeable consequences of those acts or omissions, to the extent required to establish a viable, third-party defense under the law.

8.3 Current Conditions and Duty to Investigate.

- (a) State makes no representation about the condition of the Property. Hazardous Substances may exist in, on, under, or above the Property.
- (b) This Lease does not impose a duty on State to conduct investigations or supply information to Tenant about Hazardous Substances.
- (c) Tenant is responsible for conducting all appropriate inquiry and gathering sufficient information about the existence, scope, and location of Hazardous Substances on or near the Property necessary for Tenant to meet Tenant’s obligations under this Lease and utilize the Property for the Permitted Use.

8.4 Use of Hazardous Substances.

- (a) Tenant and affiliates shall not use, store, generate, process, transport, handle, release, or dispose of Hazardous Substances, except in accordance with all applicable laws.

- (b) Tenant shall not undertake, or allow others to undertake by Tenant's permission, acquiescence, or failure to act, activities that result in a release or threatened release of Hazardous Substances.
- (c) If use of Hazardous Substances related to Tenant's use or occupancy of the Property results in violation of law:
 - (1) Tenant shall submit to State any plans for remedying the violations, and
 - (2) Tenant shall implement any remedial measures to restore the Property or natural resources that State may require in addition to remedial measures required by regulatory authorities.
- (d) Tenant shall comply with the provisions of Chapter 90.56 RCW Oil and Hazardous Substance Spill Prevention and Response Act. Tenant shall develop, update as necessary and operate in accordance with a plan of operations consistent with the requirements of Chapter 90.56 RCW. Failure to comply with the requirements of Chapter 90.56 is a default under Section 14.
- (e) At a minimum, Tenant and affiliates shall observe the following Hazardous Substances operational standards. If the Washington Department of Ecology, U.S. Environmental Protection Agency or other regulatory agency establishes different standards applicable to Tenant's activities under the Permitted Use, Tenant shall meet the standard that provides greater protection to the environment.
 - (1) Tenant shall not allow work on overwater structures or vessels without protective measures to prevent discharge of toxins to the water, including:
 - (i) Tenant shall not cause or allow underwater hull scraping and other underwater removal of paints.
 - (ii) Tenant shall not cause or allow underwater refinishing work from boats or temporary floats unless permitted by an industrial National Pollutant Discharge Elimination System (NPDES) permit.
 - (iii) Tenant shall not cause or allow above the waterline boat repairs or refinishing in-water except if limited to decks and superstructures and less than 25 percent of a boat is repaired or refinished in-water per year.
 - (iv) Tenant shall use and require others to use tarps and other dust, drip and spill containment measures when repairing or refinishing boats in water.
 - (2) Tenant shall not store or allow others to store fuel tanks, petroleum products, hydraulic fluid, machinery coolants, lubricants and chemicals not in use in locations above the water surface.
 - (3) Tenant shall inspect all equipment using petroleum products, hydraulic fluids, machinery coolants, chemicals, or other toxic or deleterious materials on a monthly basis and immediately make all repairs necessary to stop leakage.
 - (4) Tenant shall maintain a supply of oil spill containment materials adequate to contain a spill from the largest vessel in use on the Property.

8.5 Management of Contamination, if any.

- (a) Tenant and affiliates shall not undertake activities that:

- (1) Damage or interfere with the operation of remedial or restoration activities, if any;
 - (2) Result in human or environmental exposure to contaminated sediments, if any;
 - (3) Result in the mechanical or chemical disturbance of on-site habitat mitigation, if any.
- (b) If requested, Tenant shall allow reasonable access to:
 - (1) Employees and authorized agents of the Environmental Protection Agency, the Washington State Department of Ecology, health department, or other similar environmental agencies; and
 - (2) Potentially liable or responsible parties who are the subject of an order or consent decree that requires access to the Property. Tenant may negotiate an access agreement with such parties, but Tenant may not unreasonably withhold such agreement.

8.6 Notification and Reporting.

- (a) Tenant shall immediately notify State if Tenant becomes aware of any of the following:
 - (1) A release or threatened release of Hazardous Substances;
 - (2) Any new discovery of or new information about a problem or liability related to, or derived from, the presence of Hazardous Substances;
 - (3) Any lien or action arising from Hazardous Substances;
 - (4) Any actual or alleged violation of any federal, state, or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances;
 - (5) Any notification from the US Environmental Protection Agency (EPA) or the Washington State Department of Ecology (DOE) that remediation or removal of Hazardous Substances is or may be required at the Property.
- (b) Tenant's duty to report under Paragraph 8.6(a) extends to lands described in Paragraph 8.2(a) and to any other property used by Tenant in conjunction with the Property if a release of Hazardous Substances on the other property could affect the Property.
- (c) Tenant shall provide State with copies of all documents Tenant submits to any federal, state or local authorities concerning environmental impacts or proposals relative to the Property. Documents subject to this requirement include, but are not limited to, applications, reports, studies, or audits for National Pollution Discharge and Elimination System Permits; Army Corps of Engineers permits; State Hydraulic Project Approvals (HPA); State Water Quality certification; Substantial Development permit; and any reporting necessary for the existence, location, and storage of Hazardous Substances on the Property.

8.7 Indemnification.

- (a) Tenant shall fully indemnify, defend, and hold State harmless from and against Liabilities that arise out of, or relate to:

- (1) The use, storage, generation, processing, transportation, handling, or disposal of any Hazardous Substance by Tenant and affiliates occurring whenever Tenant occupies or has occupied the Property;
 - (2) The release or threatened release of any Hazardous Substance resulting from any act or omission of Tenant and affiliates occurring whenever Tenant occupies or has occupied the Property.
- (b) Tenant shall fully indemnify, defend, and hold State harmless for Liabilities that arise out of or relate to Tenant's breach of obligations under Paragraph 8.5.

8.8 Reservation of Rights.

- (a) For Liabilities not covered by the indemnification provisions of Paragraph 8.7, the Parties expressly reserve and do not waive any rights, claims, immunities, causes of action, or defenses relating to Hazardous Substances that either Party may have against the other under law.
- (b) The Parties expressly reserve all rights, claims, immunities, and defenses either Party may have against third parties. Nothing in this Section 8 benefits or creates rights for third parties.
- (c) The allocations of risks, Liabilities, and responsibilities set forth in this Section 8 do not release either Party from or affect the liability of either Party for Hazardous Substances claims or actions by regulatory agencies.

8.9 Cleanup.

- (a) If Tenant's act, omission, or breach of obligation under Paragraph 8.4 results in a release of Hazardous Substances that exceeds the threshold limits of any applicable regulatory standard, Tenant shall, at Tenant's sole expense, promptly take all actions necessary or advisable to clean up the Hazardous Substances in accordance with applicable law.
- (b) Tenant may undertake a cleanup of the Property pursuant to the Washington State Department of Ecology's Voluntary Cleanup Program, provided that Tenant cooperates with the Department of Natural Resources in development of cleanup plans. Tenant shall not proceed with Voluntary Cleanup without the Department of Natural Resources approval of final plans. Nothing in the operation of this provision is an agreement by the Department of Natural Resources that the Voluntary Cleanup complies with any laws or with the provisions of this Lease. Tenant's completion of a Voluntary Cleanup is not a release from or waiver of any obligation for Hazardous Substances under this Lease.

8.10 Sampling by State, Reimbursement, and Split Samples.

- (a) State may enter the Property and conduct sampling, tests, audits, surveys, or investigations ("Tests") of the Property at any time to determine the existence, scope, or effects of Hazardous Substances.
- (b) If such Tests, along with any other information, demonstrate a breach of Tenant's obligations regarding Hazardous Substances under this Lease, Tenant shall promptly reimburse State for all costs associated with the Tests, provided State gave Tenant thirty (30) calendar days advance notice in nonemergencies and reasonably practical notice in emergencies.

- (c) In nonemergencies, Tenant is entitled to obtain split samples of Test samples, provided Tenant gives State written notice requesting split samples at least ten (10) calendar days before State conducts Tests. Upon demand, Tenant shall promptly reimburse State for additional cost, if any, of split samples.
- (d) If either Party conducts Tests on the Property, the conducting Party shall provide the other with validated final data and quality assurance/quality control/chain of custody information about the Tests within sixty (60) calendar days of a written request by the other party, unless Tests are part of a submittal under Paragraph 8.6(c) in which case Tenant shall submit data and information to State without written request by State. Neither party is obligated to provide any analytical summaries or the work product of experts.

8.11 Closeout Assessment.

- (a) State may require Tenant to conduct a Closeout Environmental Assessment ("Closeout Assessment") prior to Termination of the Lease.
- (b) The purpose of the Closeout Assessment is to determine the existence, scope, or effects of Hazardous Substances on the Property and associated natural resources. The Closeout Assessment may include sediment sampling.
- (c) No later than one hundred eighty (180) calendar days prior to the Termination Date, or within ninety (90) days of valid notice to early termination, State shall provide Tenant with written notice that State requires a Closeout Assessment.
- (d) Within sixty (60) days of State's notice that Closeout Assessment is required and before commencing assessment activities, Tenant shall submit a proposed plan for conducting the Closeout Assessment in writing for State's approval.
- (e) If State fails to approve or disapprove of the plan in writing within sixty (60) days of its receipt, State waives requirement for approval.
- (f) Tenant shall be responsible for all costs required to complete planning, sampling, analyzing, and reporting associated with the Closeout Assessment.
- (g) If the initial results of the Closeout Assessment disclose that Hazardous Substances may have migrated to other property, State may require additional Closeout Assessment work to determine the existence, scope, and effect of Hazardous Substances on adjacent property, any other property subject to use by Tenant in conjunction with its use of the Property, or on associated natural resources.
- (h) Tenant shall submit Closeout Assessment to State upon completion.
- (i) As required by law, Tenant shall report to the appropriate regulatory authorities if the Closeout Assessment discloses a release or threatened release of Hazardous Substances.

SECTION 9 ASSIGNMENT AND SUBLETTING

9.1 State Consent Required. Tenant shall not convey, transfer, or encumber any part of Tenant's interest in this Lease or the Property without State's prior written consent.

- (a) In determining whether to consent, State may consider, among other items, the proposed transferee's financial condition, business reputation, and experience, the

nature of the proposed transferee's business, the then-current value of the Property, and such other factors as may reasonably bear upon the suitability of the transferee as a tenant of the Property. State may refuse its consent to any conveyance, transfer, or encumbrance if it will result in a subdivision of the leasehold. Tenant shall submit information regarding any proposed transferee to State at least thirty (30) days prior to the date of the proposed transfer.

- (b) State reserves the right to condition its consent upon:
 - (1) Changes in the terms and conditions of this Lease, including, but not limited to, the Annual Rent; and/or
 - (2) The agreement of Tenant or transferee to conduct Tests for Hazardous Substances on the Property or on other property owned or occupied by Tenant or the transferee.
- (c) Each permitted transferee shall assume all obligations under this Lease, including the payment of rent. No assignment, sublet, or transfer shall release, discharge, or otherwise affect the liability of Tenant.
- (d) State's consent under this Paragraph 9.1 does not constitute a waiver of any claims against Tenant for the violation of any term of this Lease.

9.2 Rent Payments Following Assignment. The acceptance by State of the payment of rent following an assignment or other transfer does not constitute consent to any assignment or transfer.

9.3 Terms of Subleases.

- (a) Tenant shall submit the terms of all subleases to State for approval.
- (b) Tenant shall incorporate the following requirements in all subleases:
 - (1) The sublease must be consistent with and subject to all the terms and conditions of this Lease;
 - (2) The sublease must provide that this Lease controls if the terms of the sublease conflict with the terms of this Lease;
 - (3) The term of the sublease (including any period of time covered by a renewal option) must end before the Termination Date of the initial Term or any renewal term;
 - (4) The sublease must terminate if this Lease terminates for any reason;
 - (5) The subtenant must receive and acknowledge receipt of a copy of this Lease;
 - (6) The sublease must prohibit the prepayment to Tenant by the subtenant of more than the annual rent;
 - (7) The sublease must identify the rental amount subtenant is to pay to Tenant;
 - (8) The sublease must provide that there is no privity of contract between the subtenant and State;
 - (9) The sublease must require removal of the subtenant's Improvements and Personal Property upon termination of the sublease;
 - (10) The subtenant's permitted use must be within the scope of the Permitted Use;

- (11) The sublease must require the subtenant to meet the Indemnification requirements under Section 10;
- (12) The sublease must require the subtenant to meet the Insurance requirements under Section 10;
- (13) If the sublease includes moorage of a vessel, the sublease must require the subtenant to procure marine insurance as set forth in Paragraph 10.2(c)(4) of this Lease.

9.4 Short-Term Subleases of Moorage Slips. Short-term subleasing of moorage slips for a term of one year or less does not require State's written consent or approval pursuant to Paragraphs 9.1 or 9.3. Tenant shall conform moorage sublease agreements to the sublease requirements in Paragraph 9.3.

9.5 Event of Assignment. If Tenant is a corporation, dissolution of the corporation or a transfer (by one or more transactions) of a majority of the voting stock of Tenant is an assignment of this Lease. If Tenant is a partnership, dissolution of the partnership or a transfer (by one or more transactions) of the controlling interest in Tenant is an assignment of this Lease. If Tenant is a limited liability company, conveyance of an economic interest of greater than fifty (50) percent is an assignment of this Lease. Assignments defined in this Paragraph 9.5 require State's consent under Paragraph 9.1.

SECTION 10 INDEMNITY, FINANCIAL SECURITY, INSURANCE

10.1 Indemnity.

- (a) Tenant shall indemnify, defend, and hold State, its employees, officers, and agents harmless from Claims arising out of the use, occupation, or control of the Property by Tenant, its subtenants, contractors, agents, invitees, guests, employees, affiliates, licensees, or permittees to the fullest extent permitted by law and subject to the limitations provided below.
- (b) "Claim" as used in this Paragraph 10.1 means any financial loss, claim, suit, action, damages, expenses, costs, fees (including attorneys' fees), fines, penalties, or judgments attributable to bodily injury, sickness, disease, death, and damages to tangible property, including, but not limited to, land, aquatic life, and other natural resources. "Damages to tangible property" includes, but is not limited to, physical injury to the Property, diminution in value, and/or damages resulting from loss of use of the Property.
- (c) State shall not require Tenant to indemnify, defend, and hold State harmless for claims caused solely by or resulting solely from the negligence or willful act of the State or State's elected officials, employees, or agents.
- (d) Tenant specifically and expressly waives any immunity that may be granted under the Washington State Industrial Insurance Act, Title 51 RCW in connection with its obligation to indemnify, defend, and/or hold State and its agencies, officials, agents, or employees harmless. Further, the indemnification obligation under this Lease shall not be limited in any way by any limitation on amount or

type of damages, compensation, or benefits payable to or for any third party under the worker's compensation acts.

- (e) Only to the extent RCW 4.24.115 applies and requires such a limitation, if a claim, suit, or action for injuries or damage is caused by or results from the concurrent negligence of (a) the State or State's agents or employees and (b) the Tenant or Tenant's subtenants, agents, or employees, these indemnity provisions shall be valid and enforceable only to the extent of the negligence of the Tenant and those acting on its behalf.
- (f) Section 8, Environmental Liability/Risk Allocation, exclusively shall govern Tenant's liability to State for Hazardous Substances and its obligation to indemnify, defend, and hold State harmless for Hazardous Substances.

10.2 Insurance Terms.

- (a) Insurance Required.
 - (1) Tenant certifies that on the Commencement Date of this Lease it is self-insured or a member of a self-insured risk pool for all the liability exposures, its self-insurance plan satisfies all State requirements, and its self-insurance plan provides coverage equal to that required in this Paragraph 10.2 and by Paragraph 10.3, Insurance Types and Limits. Tenant shall provide to State evidence of its status as a self-insured entity or member of a self-insured risk pool. Upon request by State, Tenant shall provide a written description of its financial condition and/or the self-insured funding mechanism. Tenant shall provide State with at least thirty (30) days' written notice prior to any material changes to Tenant's self-insured funding mechanism. If during the term of this Lease Tenant's self-insurance plan fails to provide coverage equal to that required in Paragraph 10.2 and Paragraph 10.3 of this Lease, Tenant shall procure additional commercial insurance coverage to meet the requirements of this Lease. The requirements in Paragraph 10.2(a)(3) and (4) only apply where the Tenant procures additional commercial insurance to meet the requirements of this Lease.
 - (2) Unless State agrees to an exception, Tenant shall provide insurance issued by an insurance company or companies admitted to do business in the State of Washington and have a rating of A- or better by the most recently published edition of Best's Reports. Tenant may submit a request to the risk manager for the Department of Natural Resources to approve an exception to this requirement. If an insurer is not admitted, the insurance policies and procedures for issuing the insurance policies shall comply with Chapter 48.15 RCW and 284-15 WAC.
 - (3) All general liability, excess, umbrella, builder's risk, and pollution legal liability insurance policies must name the State of Washington, the Department of Natural Resources, its elected and appointed officials, agents, and employees as an additional insured by way of endorsement.

- (4) All property insurance must name the State of Washington, the Department of Natural Resources, its elected and appointed officials, agents, and employees as loss payees.
 - (5) All insurance provided in compliance with this Lease must be primary as to any other insurance or self-insurance programs afforded to or maintained by State.
- (b) Waiver.
 - (1) Tenant waives all rights against State for recovery of damages to the extent insurance maintained pursuant to this Lease covers these damages.
 - (2) Except as prohibited by law, Tenant waives all rights of subrogation against State for recovery of damages to the extent that they are covered by insurance maintained pursuant to this lease.
- (c) Proof of Insurance.
 - (1) Tenant shall provide State with a certificate(s) and endorsement(s) of insurance executed by a duly authorized representative of each insurer, showing compliance with insurance requirements specified in this Lease; and, if requested, copies of policies to State.
 - (2) The certificate(s) of insurance must reference the Lease number.
 - (3) Receipt of such certificates, endorsements or policies by State does not constitute approval by State of the terms of such policies.
 - (4) For all moorage agreements issued by the Tenant that are entered into or renewed after June 12, 2014, Tenant shall require all vessels except transients to provide proof of marine insurance that provides coverage at liability limits of at least three hundred thousand dollars (\$300,000) per occurrence and includes, at a minimum, general liability, legal liability, and pollution liability coverage. To the extent not already included in the general, legal, and pollution liability coverage of a vessel owner, Tenant shall also require the vessel owner to provide proof of coverage for fuel spills, hull damage, wreck removal, salvage, and injuries to passengers and crew of the vessel. Failure to comply with the insurance requirements as outlined in RCW 88.26.030 shall cause Tenant to assume secondary liability under RCW 79.100.060 for any derelict or abandoned vessel as defined in RCW 79.100.010.
- (d) State must receive written notice before cancellation or non-renewal of any insurance required by this Lease, as follows:
 - (1) Insurers subject to RCW 48.18 (admitted and regulated by the Insurance Commissioner): If cancellation is due to non-payment of premium, provide State ten (10) days' advance notice of cancellation; otherwise, provide State forty-five (45) days' advance notice of cancellation or non-renewal.
 - (2) Insurers subject to RCW 48.15 (surplus lines): If cancellation is due to non-payment of premium, provide State ten (10) days' advance notice of cancellation; otherwise, provide State twenty (20) days' advance notice of cancellation or non-renewal.
- (e) Adjustments in Insurance Coverage.

- (1) State may impose changes in the limits of liability for all types of insurance as State deems necessary.
 - (2) Tenant shall secure new or modified insurance coverage within thirty (30) days after State requires changes in the limits of liability.
- (f) If Tenant fails to procure and maintain the insurance described above within fifteen (15) days after Tenant receives a notice to comply from State, State may either:
 - (1) Deem the failure an Event of Default under Section 14, or
 - (2) Procure and maintain comparable substitute insurance and pay the premiums. Upon demand, Tenant shall pay to State the full amount paid by State, together with interest at the rate provided in Paragraph 6.3 from the date of State's notice of the expenditure until Tenant's repayment.
- (g) General Terms.
 - (1) State does not represent that coverage and limits required under this Lease are adequate to protect Tenant.
 - (2) Coverage and limits do not limit Tenant's liability for indemnification and reimbursements granted to State under this Lease.
 - (3) The Parties shall use any insurance proceeds payable by reason of damage or destruction to property first to restore the real property covered by this Lease, then to pay the cost of the reconstruction, then to pay the State any sums in arrears, and then to Tenant.

10.3 Insurance Types and Limits.

- (a) General Liability Insurance.
 - (1) Tenant shall maintain commercial general liability insurance (CGL) or marine general liability (MGL) covering claims for bodily injury, personal injury, or property damage arising on the Property and/or arising out of Tenant's use, occupation, or control of the Property and, if necessary, commercial umbrella insurance with a limit of not less than Two Million Dollars (\$2,000,000) per each occurrence. If such CGL or MGL insurance contains aggregate limits, the general aggregate limit must be at least twice the "each occurrence" limit. CGL or MGL insurance must have products-completed operations aggregate limit of at least two times the "each occurrence" limit.
 - (2) CGL insurance must be written on Insurance Services Office (ISO) Occurrence Form CG 00 01 (or a substitute form providing equivalent coverage). All insurance must cover liability arising out of premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract) and contain separation of insured (cross-liability) condition.
 - (3) MGL insurance must have no exclusions for non-owned watercraft.
- (b) Workers' Compensation.
 - (1) State of Washington Workers' Compensation.

- (i) Tenant shall comply with all State of Washington workers' compensation statutes and regulations. Tenant shall provide workers' compensation coverage for all employees of Tenant. Coverage must include bodily injury (including death) by accident or disease, which arises out of or in connection with Tenant's use, occupation, and control of the Property.
 - (ii) If Tenant fails to comply with all State of Washington workers' compensation statutes and regulations and State incurs fines or is required by law to provide benefits to or obtain coverage for such employees, Tenant shall indemnify State. Indemnity shall include all fines; payment of benefits to Tenant, employees, or their heirs or legal representatives; and the cost of effecting coverage on behalf of such employees.
- (2) Longshore and Harbor Workers' and Jones Acts. Longshore and Harbor Workers' Act (33 U.S.C. Section 901 *et seq.*) and/or the Jones Act (46 U.S.C. Section 688) may require Tenant to provide insurance coverage in some circumstances. Tenant shall ascertain if such insurance is required and, if required, shall maintain insurance in compliance with law. Tenant is responsible for all civil and criminal liability arising from failure to maintain such coverage.
- (c) Employers' Liability Insurance. Tenant shall procure employers' liability insurance, and, if necessary, commercial umbrella liability insurance with limits not less than One Million Dollars (\$1,000,000) each accident for bodily injury by accident and One Million Dollars (\$1,000,000) each employee for bodily injury by disease.
- (d) Property Insurance.
 - (1) Tenant shall buy and maintain property insurance covering all real property and fixtures, equipment, tenant improvements and betterments (regardless of whether owned by Tenant or State). Such insurance must be written on an all risks basis and, at minimum, cover the perils insured under ISO Special Causes of Loss Form CP 10 30, and cover the full replacement cost of the property insured. Such insurance may have commercially reasonable deductibles. Any coinsurance requirement in the policy must be waived. The policy must include State as a loss payee.
 - (2) Tenant shall buy and maintain equipment breakdown insurance covering all real property and fixtures, equipment, tenant improvements and betterments (regardless of whether owned by Tenant or State) from loss or damage caused by the explosion of equipment, fired or unfired vessels, electric or steam generators, electrical arching, or pipes.
 - (3) In the event of any loss, damage, or casualty which is covered by one or more of the types of insurance described above, the Parties to this Lease shall proceed cooperatively to settle the loss and collect the proceeds of such insurance, which State shall hold in trust, including interest earned by State on such proceeds, for use according to the terms of this Lease. The Parties shall use insurance proceeds in accordance with Paragraph 10.2(g)(3).

- (4) When sufficient funds are available, using insurance proceeds described above, the Parties shall continue with reasonable diligence to prepare plans and specifications for, and thereafter carry out, all work necessary to:
 - (i) Repair and restore damaged building(s) and/or Improvements to their former condition, or
 - (ii) Replace and restore damaged building(s) and/or Improvements with a new building(s) and/or Improvements on the Property of a quality and usefulness at least equivalent to or more suitable than, damaged building(s) and/or Improvements.
- (e) Business Auto Policy Insurance.
 - (1) Tenant or Tenant's contractor(s) shall maintain business auto liability insurance and, if necessary, commercial umbrella liability insurance with a limit not less than One Million Dollars (\$1,000,000) per accident. Such insurance must cover liability arising out of "Any Auto".
 - (2) Business auto coverage must be written on ISO Form CA 00 01, or substitute liability form providing equivalent coverage. If necessary, the policy must be endorsed to provide contractual liability coverages and cover a "covered pollution cost or expense" as provided in the 1990 or later editions of CA 00 01.
- (f) Protection and Indemnity Insurance (P&I). For each vessel owned, used, and/or operated on the Property by Tenant or Tenant's contractor(s), Tenant or Tenant's contractor(s) shall procure and maintain P&I insurance with limits of liability not less than One Million Dollars (\$1,000,000). The P&I insurance must cover, at a minimum, all claims relating to injuries or damages to persons or property sustained in, on, or about the property; fuel spills; wreck removal; salvage; injuries to passengers and crew of the vessel; and damages to nets and fishing lines. If necessary, Tenant shall procure and maintain commercial umbrella liability insurance covering claims for these risks.
- (g) Hull Insurance. Tenant shall procure and maintain hull insurance for each vessel owned and/or operated by the Tenant on the Property. The coverage amount of each hull insurance policy must be equal to the value of the covered vessel.
- (h) Pollution Legal Liability Insurance.
 - (1) Tenant shall procure and maintain for the duration of this Lease pollution legal liability insurance, including investigation and defense costs, for bodily injury and property damage, including loss of use of damaged property or of property that has been physically damaged or destroyed. Such coverage must provide for both on-site and off-site cleanup costs and cover gradual and sudden pollution, and include in its scope of coverage natural resource damage claims. Tenant shall maintain coverage in an amount of at least:
 - (i) One Million Dollars (\$1,000,000) each occurrence for Tenant's operations at the site(s) identified above, and
 - (ii) at least Two Million Dollars (\$2,000,000) general aggregate or policy limit, if any.

- (2) Such insurance may be provided on an occurrence or claims-made basis. If such coverage is obtained as an endorsement to the CGL and is provided on a claims-made basis, the following additional conditions must be met:
 - (i) The Insurance Certificate must state that the insurer is covering Hazardous Substance removal.
 - (ii) The policy must contain no retroactive date, or the retroactive date must precede abatement services.
 - (iii) Coverage must be continuously maintained with the same insurance carrier through the official completion of any work on the Property.
 - (iv) The extended reporting period (tail) must be purchased to cover a minimum of thirty-six (36) months beyond completion of work.

10.4 Financial Security.

- (a) At its own expense, Tenant shall procure and maintain during the Term of this Lease a corporate security bond or provide other financial security that State, at its option, may approve ("Security"). Tenant shall provide Security in an amount equal to One Thousand Dollars (\$1,000.00), which is consistent with RCW 79.115.100, and secures Tenant's performance of its obligations under this Lease, with the exception of the obligations under Section 8, Environmental Liability/Risk Allocation. Tenant's failure to maintain the Security in the required amount during the Term constitutes a breach of this Lease.
- (b) All Security must be in a form acceptable to the State.
 - (1) Bonds must be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better, in the most recently published edition of Best's Reports, unless State approves an exception. Tenant may submit a request to the risk manager for the Department of Natural Resources for an exception to this requirement.
 - (2) Letters of credit, if approved by State, must be irrevocable, allow State to draw funds at will, provide for automatic renewal, and comply with RCW 62A.5-101, *et. seq.*
 - (3) Savings account assignments, if approved by State, must allow State to draw funds at will.
- (c) Adjustment in Amount of Security.
 - (1) State may require an adjustment in the Security amount:
 - (i) At the same time as revaluation of the Annual Rent,
 - (ii) As a condition of approval of assignment or sublease of this Lease,
 - (iii) Upon a material change in the condition or disposition of any Improvements, or
 - (iv) Upon a change in the Permitted Use.
 - (2) Tenant shall deliver a new or modified form of Security to State within thirty (30) days after State has required adjustment of the amount of the Security.
- (d) Upon any default by Tenant in its obligations under this Lease, State may collect on the Security to offset the liability of Tenant to State. Collection on the Security does not (1) relieve Tenant of liability, (2) limit any of State's other remedies, (3)

reinstate or cure the default or (4) prevent termination of the Lease because of the default.

SECTION 11 MAINTENANCE AND REPAIR

11.1 State's Repairs. State shall not be required to make any alterations, maintenance, replacements, or repairs in, on, or about the Property, or any part thereof, during the Term.

11.2 Tenant's Repairs, Alteration, Maintenance and Replacement.

- (a) Tenant shall, at its sole cost and expense, keep and maintain the Property and all improvements (regardless of ownership) in good order and repair, in a clean, attractive, and safe condition.
- (b) Tenant shall, at its sole cost and expense, make any and all additions, repairs, alterations, maintenance, replacements, or changes to the Property or to any improvements on the Property which may be required by any public authority having jurisdiction over the Property and requiring it for public health, safety and welfare purposes.
- (c) Except as provided in Paragraph 11.2(d), all additions, repairs, alterations, replacements or changes to the Property and to any improvements on the Property shall be made in accordance with, and ownership shall be governed by, Section 7, above.
- (d) Routine maintenance and repair are acts intended to prevent a decline, lapse, or cessation of the Permitted Use and associated Improvements. Routine maintenance or repair that does not require regulatory permits does not require authorization from State pursuant to Section 7.

SECTION 12 DAMAGE OR DESTRUCTION

12.1 Notice and Repair.

- (a) In the event of damage to or destruction of the Property or Improvements, Tenant shall promptly give written notice to State. State does not have actual knowledge of the damage or destruction without Tenant's written notice.
- (b) Unless otherwise agreed in writing, Tenant shall promptly reconstruct, repair, or replace the Property and Improvements as nearly as possible to its condition immediately prior to the damage or destruction in accordance with Paragraph 7.3, Construction, Major Repair, Modification, and Demolition and Tenant's additional obligations in Exhibit B, if any.

12.2 State's Waiver of Claim. State does not waive any claims for damage or destruction of the Property unless State provides written notice to Tenant of each specific claim waived.

12.3 Insurance Proceeds. Tenant's duty to reconstruct, repair, or replace any damage or destruction of the Property or any Improvements on the Property is not conditioned upon the

availability of any insurance proceeds to Tenant from which the cost of repairs may be paid. The Parties shall use insurance proceeds in accordance with Paragraph 10.2(g)(3).

12.4 Rent in the Event of Damage or Destruction. Unless the Parties agree to terminate this Lease, there is no abatement or reduction in rent during such reconstruction, repair, and replacement.

12.5 Default at the Time of Damage or Destruction. If Tenant is in default under the terms of this Lease at the time damage or destruction occurs, State may elect to terminate the Lease and State then shall have the right to retain any insurance proceeds payable as a result of the damage or destruction.

SECTION 13 CONDEMNATION

13.1 Definitions.

- (a) "Taking" means that an entity authorized by law exercises the power of eminent domain, either by judgment, settlement in lieu of judgment, or voluntary conveyance in lieu of formal court proceedings, over all or any portion of the Property and Improvements. This includes any exercise of eminent domain on any portion of the Property and Improvements that, in the judgment of the State, prevents or renders impractical the Permitted Use.
- (b) "Date of Taking" means the date upon which title to the Property or a portion of the Property passes to and vests in the condemner or the effective date of any order for possession if issued prior to the date title vests in the condemner.

13.2 Effect of Taking. If there is a taking, the Lease terminates proportionate to the extent of the taking. If this Lease terminates in whole or in part, Tenant shall make all payments due and attributable to the taken Property up to the date of taking. If Tenant has pre-paid rent and Tenant is not in default of the Lease, State shall refund Tenant the pro rata share of the pre-paid rent attributable to the period after the date of taking.

13.3 Allocation of Award.

- (a) The Parties shall allocate the condemnation award based upon the ratio of the fair market value of (1) Tenant's leasehold estate and Tenant-Owned Improvements and (2) State's interest in the Property; the reversionary interest in Tenant-Owned Improvements, if any; and State-Owned Improvements, if any.
- (b) If Tenant and State are unable to agree on the allocation, the Parties shall submit the dispute to binding arbitration in accordance with the rules of the American Arbitration Association.

SECTION 14 DEFAULT AND REMEDIES

14.1 Default Defined. Tenant is in default of this Lease on the occurrence of any of the following:

- (a) Failure to pay rent or other expenses when due;
- (b) Failure to comply with any law, regulation, policy, or order of any lawful governmental authority;
- (c) Failure to comply with any other provision of this Lease;
- (d) Commencement of bankruptcy proceedings by or against Tenant or the appointment of a trustee or receiver of Tenant's property.

14.2 Tenant's Right to Cure.

- (a) A default becomes an "Event of Default" if Tenant fails to cure the default within the applicable cure period following State's written notice of default. Upon an Event of Default, State may seek remedies under Paragraph 14.3.
- (b) Unless expressly provided elsewhere in this Lease, the cure period is ten (10) days for failure to pay rent or other monetary defaults; for other defaults, the cure period is thirty (30) days.
- (c) For nonmonetary defaults not capable of cure within thirty (30) days, State will not unreasonably withhold approval of a reasonable alternative cure schedule. Tenant must submit a cure schedule within thirty (30) days of a notice of default. The default is not an Event of Default if State approves the schedule and Tenant works diligently and in good faith to execute the cure. The default is an Event of Default if Tenant fails to timely submit a schedule or fails to cure in accordance with an approved schedule.
- (d) State may elect to deem a default by Tenant as an Event of Default if the default occurs within six (6) months after a default by Tenant for which State has provided notice and opportunity to cure and regardless of whether the first and subsequent defaults are of the same nature.

14.3 Remedies.

- (a) Upon an Event of Default, State may terminate this Lease and remove Tenant by summary proceedings or otherwise.
- (b) If the Event of Default (1) arises from Tenant's failure to comply with restrictions on Permitted Use and operations under Paragraph 2.2 or (2) results in damage to natural resources or the Property, State may enter the Property without terminating this Lease to (1) restore the natural resources or Property and charge Tenant restoration costs and/or (2) charge Tenant for damages. On demand by State, Tenant shall pay all costs and/or damages.
- (c) Without terminating this Lease, State may relet the Property on any terms and conditions as State may decide are appropriate.
 - (1) State shall apply rent received by reletting: (1) to the payment of any indebtedness other than rent due from Tenant to State; (2) to the payment of any cost of such reletting; (3) to the payment of the cost of any alterations and repairs to the Property; and (4) to the payment of rent and leasehold excise tax due and unpaid under this Lease. State shall hold and apply any balance to Tenant's future rent as it becomes due.
 - (2) Tenant is responsible for any deficiency created by the reletting during any month and shall pay the deficiency monthly.

- (3) At any time after reletting, State may elect to terminate this Lease for the previous Event of Default.
- (d) State's reentry or repossession of the Property under Paragraph 14.3 is not an election to terminate this Lease or cause a forfeiture of rents or other charges Tenant is obligated to pay during the balance of the Term, unless (1) State gives Tenant written notice of termination or (2) a legal proceeding decrees termination.
- (e) The remedies specified under this Paragraph 14.3 are not exclusive of any other remedies or means of redress to which the State is lawfully entitled for Tenant's breach or threatened breach of any provision of this Lease.

SECTION 15 ENTRY BY STATE

State may enter the Property at any reasonable hour to inspect for compliance with the terms of this Lease, to monitor impacts to habitat, or survey habitat and species. State may coordinate the site inspection with Washington State Department of Ecology or other regulatory authorities, if appropriate. Provision for periodic inspection does not preclude State's option to inspect at other times. State's failure to inspect the Property does not constitute a waiver of any rights or remedies under this Lease.

SECTION 16 DISCLAIMER OF QUIET ENJOYMENT

16.1 No Guaranty or Warranty.

- (a) State believes that this Lease is consistent with the Public Trust Doctrine and that none of the third-party interests identified in Paragraph 1.1(b) will materially or adversely affect Tenant's right of possession and use of the Property, but State makes no guaranty or warranty to that effect.
- (b) State disclaims and Tenant releases State from any claim for breach of any implied covenant of quiet enjoyment. This disclaimer and release includes, but is not limited to, interference arising from exercise of rights under the Public Trust Doctrine; Treaty rights held by Indian Tribes; and the general power and authority of State and the United States with respect to aquatic lands and navigable waters.
- (c) Tenant is responsible for determining the extent of Tenant's right to possession and for defending Tenant's leasehold interest.

16.2 Eviction by Third-Party. If a third-party evicts Tenant, this Lease terminates as of the date of the eviction. In the event of a partial eviction, Tenant's rent obligations abate as of the date of the partial eviction, in direct proportion to the extent of the eviction; this Lease shall remain in full force and effect in all other respects.

SECTION 17 NOTICE AND SUBMITTALS

Following are the locations for delivery of notice and submittals required or permitted under this Lease. Any Party may change the place of delivery upon ten (10) days' written notice to the other.

State: DEPARTMENT OF NATURAL RESOURCES
Aquatic Resources Division | Rivers District
PO Box 280 | 601 Bond Rd
Castle Rock, WA 98611

Tenant: CITY OF VANCOUVER
PO Box 1995
Vancouver, WA 98668

The Parties may deliver any notice in person, by facsimile machine, or by certified mail. Depending on the method of delivery, notice is effective upon personal delivery, upon receipt of a confirmation report if delivered by facsimile machine, or three (3) days after mailing. All notices must identify the Lease number. On notices transmitted by facsimile machine, the Parties shall state the number of pages contained in the notice, including the transmittal page, if any.

SECTION 18 MISCELLANEOUS

18.1 Authority. Tenant and the person or persons executing this Lease on behalf of Tenant represent that Tenant is qualified to do business in the State of Washington, that Tenant has full right and authority to enter into this Lease, and that each and every person signing on behalf of Tenant is authorized to do so. Upon State's request, Tenant shall provide evidence satisfactory to State confirming these representations.

18.2 Successors and Assigns. This Lease binds and inures to the benefit of the Parties, their successors, and assigns.

18.3 Headings. The headings used in this Lease are for convenience only and in no way define, limit, or extend the scope of this Lease or the intent of any provision.

18.4 Entire Agreement. This Lease, including the exhibits, attachments, and addenda, if any, contains the entire agreement of the Parties. This Lease merges all prior and contemporaneous agreements, promises, representations, and statements relating to this transaction or to the Property.

18.5 Waiver.

- (a) The waiver of any breach or default of any term, covenant, or condition of this Lease is not a waiver of such term, covenant, or condition; of any subsequent breach or default of the same; or of any other term, covenant, or condition of this Lease. State's acceptance of a rental payment is not a waiver of any preceding or

existing breach other than the failure to pay the particular rental payment that was accepted.

- (b) The renewal of the Lease, extension of the Lease, or the issuance of a new lease to Tenant, does not waive State's ability to pursue any rights or remedies under the Lease.

18.6 Cumulative Remedies. The rights and remedies of State under this Lease are cumulative and in addition to all other rights and remedies afforded by law or equity or otherwise.

18.7 Time is of the Essence. TIME IS OF THE ESSENCE as to each and every provision of this Lease.

18.8 Language. The word "Tenant" as used in this Lease applies to one or more persons and regardless of gender, as the case may be. If there is more than one Tenant, their obligations are joint and several. The word "persons," whenever used, shall include individuals, firms, associations, and corporations. The word "Parties" means State and Tenant in the collective. The word "Party" means either or both State and Tenant, depending on the context.

18.9 Invalidity. The invalidity, voidness, or illegality of any provision of this Lease does not affect, impair, or invalidate any other provision of this Lease.

18.10 Applicable Law and Venue. This Lease is to be interpreted and construed in accordance with the laws of the State of Washington. Venue for any action arising out of or in connection with this Lease is in the Superior Court for Thurston County, Washington.

18.11 Statutory Reference. Any reference to a statute means that statute as presently enacted or hereafter amended or superseded.

18.12 Recordation. At Tenant's expense and no later than thirty (30) days after receiving the fully-executed Lease, Tenant shall record this Lease in the county in which the Property is located. Tenant shall include the parcel number of the upland property used in conjunction with the Property, if any. Tenant shall provide State with recording information, including the date of recordation and file number.

18.13 Modification. No modification of this Lease is effective unless in writing and signed by both Parties. Oral representations or statements do not bind either Party.

18.14 Survival. Any obligations of Tenant not fully performed upon termination of this Lease do not cease, but continue as obligations of the Tenant until fully performed.

18.15 Exhibits and Attachments. All referenced exhibits and attachments are incorporated in the Lease unless expressly identified as unincorporated.

THIS AGREEMENT requires the signature of all Parties and is effective on the date of the last signature below.

CITY OF VANCOUVER

Dated: _____, 20__

By:
Title:
Address:
Phone:

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: _____, 20__

By:
Title:
Address:

Approved as to Form this ____ day of
_____, 20__.

Assistant Attorney General
State of Washington

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF)
) ss.
County of)

I certify that I know or have satisfactory evidence that _____
is the person who appeared before me, and said person acknowledged that (he/she) signed this
instrument, on oath stated that (he/she) was authorized to execute the instrument and
acknowledged it as the _____ (type of authority) of _____
(name of corporation) to be the free and voluntary act of such party for the uses and purposes
mentioned in the instrument.

Dated: _____, 20__

(Seal or stamp)

(Signature)

(Print Name)

Notary Public in and for the State of
Washington, residing at

My appointment expires _____

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)) ss.
County of)

I certify that I know or have satisfactory evidence that _____
is the person who appeared before me, and said person acknowledged that (he/she) signed this
instrument, on oath stated that (he/she) was authorized to execute the instrument and
acknowledged it as the _____ of the Department of
Natural Resources, to be the free and voluntary act of such party for the uses and purposes
mentioned in the instrument.

Dated: _____, 20__

(Seal or stamp)

(Signature)

(Print Name)

Notary Public in and for the State of
Washington, residing at

My appointment expires _____

EXHIBIT A
PROPERTY DESCRIPTION

Agreement Number 20-099510

1.

EXHIBIT B
PLAN OF OPERATIONS

1. DESCRIPTION OF PERMITTED USE

A. Existing Facilities.

The leased area shall be used for commercial access to the boat ramp for marine vessel launching, retrieving, outfitting, repair, and maintenance. The fenced area will be utilized for XXX equipment storage. The roadway and surrounding leasehold area will be utilized for public access.

The installation and maintenance of utilities is subject to a separate easement agreement between the parties.

B. Proposed Work.

Tenant proposes no new facilities or Work.

2. ADDITIONAL OBLIGATIONS

- A. Tenant shall post clearly the following signs provided by State, “enjoy your Washington state-owned aquatic lands sign”.
- B. Tenant shall orient and shield lighting fixtures attached to overwater structures in a manner which minimizes the amount of light shining directly on the water, minimizes the amount of glare on the water, and minimizes the amount of light broadcasting into the night sky. Tenant shall implement the following measures to achieve this requirement:
- (1) Tenant shall direct light to walkways,
 - (2) Tenant shall use light shields which prevent light from being emitted upward and prevent glare on the water,
 - (3) Tenant shall use fixtures that do not emit light upward,
 - (4) Tenant shall use lights that are “warm-white” or filtered to minimize blue emission and shall not use LED and fluorescent light bulbs.

Master Approved as to form this
10th day of December 2018
Jennifer Clements, Assistant Attorney General

AMENDED AND RESTATED BASIN LEASE AGREEMENT

This Amended and Restated Basin Lease (the “Basin Lease”) is made by and between the City of Vancouver (“City”) and Christensen Group, Inc., a Washington corporation (“CGI”) and assigns (collectively with CGI, referred to as “Tenant”), as of _____, __, 2019 (the “Effective Date”).

RECITALS

A. The City is owner of certain land that it first leased to CGI, successor to Christensen Motor Yacht Corporation, Inc., for a term of 60 years, to construct a boat basin and boat launch in support of its yacht construction business located at 4400 SE Columbia Way, pursuant to a March 26, 1990 Agreement (the “1990 Agreement”).

B. The 1990 Agreement was amended by the January 11, 1994 Amendatory Agreement to modify the legal description of the basin and to construct a public trail for the City and for which the City subsequently assumed responsibility to maintain and operate as a public facility.

C. The 1990 Agreement was amended again by the December 2, 1996 Amended Lease Agreement to establish a November 1, 1996 commencement date for the 60-year term and to modify the permitted depth of the two easements, referred to in this Basin Lease as the “Channel Access Easement” and “Basin Access Easement” and, collectively, as the “Access Easements.”

D. The 1990 Agreement was further amended by the March 26, 2018 Lease Amendment to obtain CGI’s approval for the City of Vancouver Fire Department to sublease the basin to operate a boathouse and rapid response vessel.

E. CGI intends to sell its property at 4400 SE Columbia Way and to assign the Basin Lease to another party (the “Buyer”) who intends to sublease the basin to be used for the

construction, repair, outfitting, launching, and retrieving a variety of marine vessels (the “Transaction”).

F. During Buyer’s inspection of the basin, Buyer discovered that a small portion of the basin was subject to a deed restriction for park and playground use only (the “Deed Restriction”), which was placed on the property by the State of Washington when the property was conveyed to the City in 1970, pursuant to a Park and Playground Use Deed, Auditor’s File No. G5577032, as amended by a 1988 Corrective Deed, Auditor’s File No. 8807080034. Buyer also discovered several encroachments at the basin affecting the boat ramp and laydown area and the sidewalk and viewing platform.

G. In order to remove the Deed Restriction, the City quitclaimed the portion of the basin property subject to the Deed Restriction to the State of Washington and the State of Washington then leased that property back to the City, pursuant to that Aquatic Land Lease, Lease No. 20-099510 (the “the Aquatic Land Lease”), which is attached as Exhibit A. The Aquatic Land Lease terminates on November 1, 2056. This Land is referred to in this Basin Lease as the “DNR Leased Land” and is described and depicted in the attached Exhibit B.

H. The remainder of the land which is the subject of this Basin Lease is referred to in this Basin Lease as the “Basin Area” and is described and depicted in the attached Exhibit C. The legal description of the Basin Area is also being amended to correct certain encroachments.

I. It is the parties’ intent that this Basin Lease shall replace the 1990 Agreement and all amendments thereto.

NOW, THEREFORE, based on the mutual promises and covenants set out in this Basin Lease and for other good and valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

1. Term; Excise Taxes.

The City leases to Tenant and Tenant leases from the City the DNR Leased Land (defined as the “Property” in the Aquatic Land Lease) and the Basin Area, subject to the limitations set forth in section 1.1 of the Aquatic Land Lease. The Commencement Date of the Basin Lease is November 1, 1996 and will expire sixty years from that date which is November 1, 2056. As to the DNR Leased Land, this Basin Lease shall terminate if the Aquatic Land Lease terminates for any reason. As of the Effective Date of the Basin Lease, Tenant will pay all leasehold excise taxes under RCW 82.29A, and any other taxes or permit fees on the Basin. The excise tax due on December 1, 2018 was \$3,704.93. Upon the expiration or termination of this Lease, Tenant shall remove its improvements from the DNR Leased Land, as required by Sections 3 and 7 of the Aquatic Land Lease or as otherwise reasonably required by City.

2. Appraisal. Upon the twenty-fifth, thirtieth, thirty-fifth, fortieth, forty-fifth, fiftieth, and fifty-fifth anniversaries of the Commencement Date, the Basin Area will be appraised to establish the value of the land, separate from the improvements. The City and Tenant each will name an appraiser and the two shall select a third appraiser, all three of whom shall appraise the land and the average of the three appraisals shall determine the rent for the

next five years; provided, any appraisal more than twenty-five percent above or below the other two shall be disregarded. The cost of the third appraiser shall be shared equally by the City and Tenant. The DNR Leased Land shall not be considered in the appraisal.

3. Rent.

a. The rent due on December 1, 2018 was \$28,854.60. As of the Effective Date, Tenant, each year, will pay the City ten percent of the appraised value of the unimproved land within the Basin Area and will continue to pay taxes as set forth in Section No. 1. The annual payments will be made in advance of the anniversary dates of the Commencement Date.

b. Additional Rent shall be paid by Tenant for the DNR Leased Land in the same amount as provided for in Section 4 Rent of the Aquatic Land Lease. Initially, the Rent shall be as follows: (i) \$235.57 for water dependent uses and (ii) \$3,076.57 for non-water dependent uses. Tenant also shall pay any leasehold excise tax, fees, and administrative charges, which are assessed against the City under the Aquatic Land Lease, in proportion to its payments of Additional Rent for the DNR Leased Land. The Additional Rent and any applicable leasehold excise tax, fees, or administrative charges shall be due and payable sixty (60) days before the date upon which the rent is due and payable to the State. Pre-payment of Additional Rent in amounts greater than the Additional Rent is prohibited. As provided in the Section 4 of the Aquatic Land Lease, the state may adjust the Additional Rent and must provide notice to City of such adjustments. The City shall forward to Tenant any rental adjustment notices received from the State and Tenant shall pay such amount to the City. Provided Tenant timely pays Additional Rent and any leasehold excise tax, fees, or administrative charges required by the Aquatic Land Lease, any late payment fees, interest, or penalties assessed by the State of Washington, pursuant to Section 6 of Aquatic Land Lease, shall be the responsibility of City. In the event that Tenant is delinquent in its payments to the City, it shall be responsible for any late payment fees, interest, or penalties assessed by the State.

c. Tenant shall provide the City with Financial Security in the manner and amounts as provided in subsection 10.4 of the Aquatic Land Lease.

4. Basin Dredging. Provided that it has secured all required permits and provided notice to the City, Tenant may maintain the Access Easements to a depth of minus ten feet Columbia River Datum (CRD) and to a width of 100 feet to provide water access. To the Extent any of the foregoing dredging is on DNR Leased Land, Tenant also shall comply with the applicable terms of the Aquatic Land Lease.

5. Purpose; Uses. The DNR Leased Land shall be used by Tenant solely for the "Permitted Use" and subject to the "Restrictions" described in Section 2 of the Aquatic Land Lease. The Basin Area shall be used by Tenant solely for vessel launching, retrieving, mooring, egress, and ingress and for the outfitting, repair, and maintenance of marine vessels in support of operations at 4400 SE Columbia Way. Within the DNR Leased Land, any construction, repair, modification or demolition shall comply with subsections 7.3 and 7.4 of the Aquatic Land Lease. Otherwise, Tenant shall construct no structures of any kind, except docks and slips, breakwaters,

one floating boathouse, dry-dock, one stationary dry-dock facility, one houseboat (to serve for security), a parking lot, and a staging area.

6. Landscape. Tenant shall landscape and fence such property in accordance with City standards and subject to reasonable written approval by Directors of Parks, so as to be consistent with other present or potential uses in the area. Tenant agrees to maintain such property and all structures so as to provide a neat and attractive appearance consistent with the appearance and character of the area and recognizing that the adjacent area is a city park.

7. Access Easements. The land leased by the City to Tenant is dependent for water access upon two easements, which are described in more detail in Exhibit D and are referred to collectively as the "Access Easements." The first easement, the Basin Access Easement, is across both City-owned land and DNR Leased Land that is subject to the Aquatic Land Lease. The City hereby grants Tenant an easement over the Basin Access Easement for the purpose of accessing the basin. That portion of the Basin Access Easement across the DNR Leased Land shall terminate without notice upon the termination of the Aquatic Land Lease or this Basin Lease. The Basin Access Easement leads to a second easement, the Channel Access Easement, that provides access to the Columbia River over submerged land. The City hereby grants Tenant the Channel Access Easement for the purpose of ingress and egress for boats, as described in the deed from Smith to the City under Auditor's Recording No. 526962. The Channel Access Easement shall terminate without notice upon the termination of this Basin Lease. The City leases the Access Easements to Tenant for access both to and from the land and water. The Access Easements are non-exclusive. Tenant shall be responsible for obtaining all permits for dredging and maintaining the Access Easements for the term of this Basin Lease.

8. Assignment; Sublease. Tenant may assign this Basin Lease or sublease the Basin Area to any third party, so long as the use of the Basin Area is limited to the purpose and uses described in Paragraph No. 5 and with the consent of the City which shall not be unreasonably withheld. Tenant also must comply with Section 9 of the Aquatic Land Lease for any assignment, sublease, or transfer of any interest involving the DNR Leased Lands. In the event of an assignment of the Basin Lease, such assignment shall be subject to all of the rights and obligations of this Basin Lease and any subleases. The City acknowledges that Buyer's lender may require Buyer to assign, mortgage or otherwise pledge Buyer's leasehold interest in the Basin Area as security for a loan from Buyer's lender. The City agrees it will consent to such assignment, mortgage, or pledge so long as, if requested by City, Buyer and Buyer's lender execute a commercially reasonable form of consent to assignment, mortgage, or pledge as the City, Buyer, and Buyer's lender may mutually agree. The City's consent to the foregoing also shall be subject to the applicable terms of the Aquatic Land Lease.

9. Change in Purpose or Use. If Tenant ceases to operate the DNR Leased Land and Basin Area as described in Paragraph No. 5, Tenant may use the basin for some other marine or water dependent purpose, but only upon a City Council finding that the new use would not be contrary to the public interest and would not interfere with any public uses in the area and, as to the DNR Leased Land, with the permission of the State. Unless the City Council approves the new use, the Basin Lease would automatically terminate.

10. DNR Leased Land Obligations.

a. The DNR Leased Land is subject to the Aquatic Land Lease between the City of Vancouver and the State of Washington. Notwithstanding the foregoing, there is no privity of contract between Tenant and the State of Washington. Tenant acknowledges that it has received a copy the Aquatic Land Lease. Tenant acknowledges State of Washington's right of entry to the DNR Leased Lands, as set out in Section 15 of the Aquatic Land Lease. With respect to the DNR Leased Lands, any conflict between the terms and conditions of this Basin Lease and the Aquatic Land Lease, the Aquatic Land Lease shall control.

b. With respect to the DNR Leased Lands, this Basin Lease and any assignment or sublease are subject to the following terms and conditions of the Aquatic Land Lease:

(i) The terms and conditions governing improvements and personal property in Section 7 of the Aquatic Land Lease;

(ii) the terms and conditions governing environmental liability and risk allocation in Section 8 of the Aquatic Land Lease;

(iii) the terms and conditions governing maintenance and repair in Section 11 of the Aquatic Land Lease;

(iv) the terms and conditions governing damage or destruction in Section 12 of the Aquatic Land Lease; and

(v) the terms and conditions governing condemnation in Section 13 of the Aquatic Land Lease.

11. Default. If Tenant ceases using the Basin Area as provided in Paragraph No. 5, or in Paragraph No. 9 as approved by the City Council, ceases paying taxes, or fails properly to maintain insurance or otherwise to properly maintain the Basin Area, the City may declare this Basin Lease void and may re-enter; provided, the City gives Tenant at least thirty days written notice to cure any alleged default prior to declaring this Basin Lease void. If Tenant begins to correct any alleged default within such thirty days, Tenant shall be given a reasonable time to correct any alleged default.

b. In the event City is in default of the Aquatic Land Lease, City shall provide prompt notice to Tenant of such default. If City is deemed to be in an "Event of Default" of the Aquatic Land Lease, Tenant shall have the right to provide the City with the resources to enable it to cure such default, if possible. In such case, City shall reimburse Tenant for all of its costs incurred to cure such default. City shall remit payment to Tenant within 30 days of a written demand by Tenant for such costs.

12. Hold Harmless; Insurance.

a. Tenant will hold the City harmless from any claims for personal injuries relating to the Tenant's use of the Basin Area. Tenant will name the City as an additional

insured on liability insurance policies that Tenant shall maintain in a minimum amount of One Million Dollars per injury to any person, or such higher amount as may reasonably be demanded by City.

b. With respect to the DNR Leased Land, Tenant shall comply with the applicable Insurance requirements of Sections 10.2 and 10.3 of the Aquatic Land Lease. Tenant also shall indemnify, defend, and hold harmless the State of Washington with respect to the DNR Leased Land, as provided in Section 10.1 of the Aquatic Land Lease.

13. Consent by Tenant. In addition to the structures permitted in Paragraph No. 5, Tenant consents to the City placing and mooring a fireboat house and the Vancouver Fire Department Rapid Response Vessel in the basin, pursuant to a separate sublease agreement, subject to such agreement being approved by Tenant. Such consent and approval is and shall be continually dependent upon the Vancouver Fire Department not interfering with Tenant's permitted uses of the Basin Area, as described in Paragraph No. 5, or Paragraph No. 9 as approved by the City Council.

The parties acknowledge that the separate sublease agreement referenced above will include a provision giving the Tenant or a sublessee of Tenant the right to terminate such separate sublease agreement, but Tenant or a sublessee of Tenant must give no less than twenty-four months' prior written notice to the Vancouver Fire Department, a City of Vancouver agency. Tenant agrees that this provision may be enforced by the City.

14. Consent by City. City consents to Tenant assigning this Basin Lease to Buyer at the closing of the Transaction. City also consents to Buyer subleasing to Vigor Works LLC the DNR Leased Land and Basin Area, including all rights to the Access Easements granted to Tenant under this Basin Lease.

15. Termination. Tenant shall have the option to terminate this Basin Lease upon ninety days' prior written notice to the City upon the occurrence of any of the following events:

a. Any sublessee or assign operating the basin is in default or has abandoned the use of the basin.

b. At the discretion of Tenant, but only if any sublessee or assign operating the basin consents to assume the obligation of Tenant under this Basin Lease.

c. Upon a sale by Tenant of the 4400 SE Columbia Way property and the buyer of the property does not assume this Basin Lease, but only if any sublessee or assign operating the basin consents to assume the obligations of Tenant under this Basin Lease.

Any sublease or assignment pursuant to this Section 15 must comply with the sublease and assignment requirements set forth in Section 8 of this Basin Lease.

16. Notice. Any notice regarding this Basin Lease, or required to be provided by this Basin Lease, shall be in writing and be (i) sent by certified U.S. Mail, (ii) personally delivered, or

(iii) sent by e-mail in portable document format (pdf). If sent by e-mail, such notice shall be followed the next day with notice by certified U.S. Mail. Notice shall be deemed given when delivered. Notice shall be addressed, as follows:

If to City:

City of Vancouver
Real Property Services
P.O. Box 1995
Vancouver, WA. 98665-1995

If to Tenant:

Christensen Group, Inc.
4400 SE Columbia Way
Vancouver, WA 98661
Attn: General Counsel

17. Amendment and Restatement. This Basin Lease amends, restates, and replaces the 1990 Agreement and all amendments, such that the 1990 Agreement and amendments shall have no further force or effect.

CHRISTENSEN GROUP, INC.

By: _____

Name: _____

Its: _____

CITY OF VANCOUVER

By: _____

Name: _____

Its: _____

Approved as to form:

STATE OF WASHINGTON)

)-ss

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that Kathryn D. Maynard, President of Christensen Group, Inc., is the person who appeared before me, and such person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it to be a free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Subscribed and sworn to before me the ____ day of _____, 2019

Notary Public in and for the State of Washington

My commission expires: _____

STATE OF WASHINGTON)

)-ss

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that _____, the _____ for the City of Vancouver, Washington, is the person who appeared before me, and such person acknowledged signing this instrument, on oath stated that such person is authorized to execute this instrument, and acknowledged it to be a free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Subscribed and sworn to before me on the ____ day of _____, 2019

Notary Public in and for the State of Washington

My commission expires: _____

EXHIBIT A
Aquatic Land Lease

When recorded, return to:
City of Vancouver
PO Box 1995
Vancouver, WA 98668



AQUATIC LANDS LEASE

Lease No. 20-099510

Grantor: Washington State Department of Natural Resources
Grantee(s): City of Vancouver
Legal Description: SE1/4, Section 36, Township 2 North, Range 1 East, W.M.
Complete Legal Description on Page 35
Assessor's Property Tax Parcel or Account Number: 503085000
Assessor's Property Tax Parcel or Account Number for Upland parcel used in conjunction with this lease: 503085000

THIS LEASE is between the STATE OF WASHINGTON, acting through the Department of Natural Resources ("State"), and CITY OF VANCOUVER, a government agency ("Tenant").

BACKGROUND

Tenant desires to lease the aquatic lands commonly known as Columbia River, which are tidelands located in Clark County, Washington, from State, and State desires to lease the property to Tenant pursuant to the terms and conditions of this Lease. State has authority to enter into this Lease under Chapter 43.12, Chapter 43.30 and Title 79 of the Revised Code of Washington (RCW).

THEREFORE, the Parties agree as follows:

SECTION 1 PROPERTY

1.1 Property Defined.

- (a) State leases to Tenant and Tenant leases from State the real property described in Exhibit A together with all the rights of State, if any, to improvements on and easements benefiting the Property, but subject to the exceptions and restrictions set forth in this Lease (collectively the “Property”).
- (b) This Lease is subject to all valid interests of third parties noted in the records of Clark County, or on file in the Office of the Commissioner of Public Lands, Olympia, Washington; rights of the public under the Public Trust Doctrine or federal navigation servitude; and treaty rights of Indian Tribes.
- (c) This Lease does not include a right to harvest, collect, or damage natural resources, including aquatic life or living plants; water rights; mineral rights; or a right to excavate or withdraw sand, gravel, or other valuable materials.
- (d) State reserves the right to grant easements and other land uses on the Property to others when the easement or other land uses will not interfere unreasonably with the Permitted Use.

1.2 Survey and Property Descriptions.

- (a) Tenant warrants that the legal description provided in Exhibit A is a true and accurate description of the Property boundaries and the improvements to be constructed or already existing on the Property. Tenant’s obligation to provide a true and accurate description of the Property boundaries is a material term of this Lease.
- (b) State’s acceptance of the record of survey referenced in Exhibit A does not constitute agreement that this record of survey accurately reflects the actual amount of land used by Tenant. Tenant’s use or occupancy of any state-owned aquatic lands outside the Property boundaries is a material breach of this Lease and State may seek remedies under Section 14 of this Lease in addition to any other remedies afforded by law or equity or otherwise.
- (c) Tenant shall hold State harmless and will not seek damages from State in the event a subsequent record of survey reveals an error in the legal description provided in Exhibit A.

1.3 Inspection. State makes no representation regarding the condition of the Property, improvements located on the Property, the suitability of the Property for Tenant’s Permitted Use, compliance with governmental laws and regulations, availability of utility rights, access to the Property, or the existence of hazardous substances on the Property. Tenant inspected the Property and accepts it “AS IS.”

SECTION 2 USE

2.1 Permitted Use. Tenant shall use the Property for:

Public Access (one roadway), one boat ramp and storage within the Lease area (the "Permitted Use"), and for no other purpose.

This is a mixed use, with 35,071 square feet of public use and access, 6,350 square feet of nonwater-dependent use and 4,150 square feet of water-dependent use for a total lease area of 45,571 square feet. Exhibit B describes the Permitted Use in detail. The Permitted Use is subject to additional obligations in Exhibit B.

2.2 Restrictions on Permitted Use and Operations. The following limitations and requirements apply to the Property and adjacent state-owned aquatic land. Tenant's compliance with the following does not limit Tenant's liability under any other provision of this Lease.

- (a) Tenant shall not cause or permit:
 - (1) Damage to natural resources,
 - (2) Waste, or
 - (3) Deposit of material, unless approved by State in writing. This prohibition includes deposit of fill, rock, earth, ballast, wood waste, refuse, garbage, waste matter, pollutants of any type, or other matter.
- (b) Tenant shall not cause or permit grounding, scour, or damage to aquatic land and vegetation. This prohibition includes the following limitations:
 - (1) If pressure washing or cleaning any equipment, machinery, or floating or fixed structures within the boundaries of the Property or on any adjacent state-owned aquatic land, Tenant shall avoid scouring the substrate and damaging any aquatic land and vegetation. Tenant shall also comply with the following limitations:
 - (i) If equipment contains or is covered with petroleum based products:
 - (1) Tenant shall not pressure wash such equipment in or over the water and
 - (2) all wash water must be contained and taken to an approved treatment facility.
 - (ii) Tenant shall collect or sweep up non-organic debris accumulations on structures resulting from pressure washing and properly dispose of such debris in an upland location.
 - (iii) Tenant shall pressure wash using only clean water. Tenant shall not use or add to the pressure washing unit any detergents or other cleaning agents.
 - (iv) Tenant shall pressure wash painted structures using appropriate filter fabric to control and contain paint particles generated by the pressure washing.
 - (2) Tenant shall avoid damage caused by propeller wash from vessels.
 - (3) Tenant shall not allow moorage or anchorage of vessels in water shallower than 7 feet at the extreme low tide, and shall not allow vessels to come in contact with underlying tidelands ("ground out") at any time.
 - (4) If anchoring, Tenant shall use and shall require use of anchor lines with midline floats.
 - (5) Tenant shall not allow floating structures to come in contact with underlying tidelands ("ground out"). Tenant must either (1) locate all

floating structures in water too deep to permit grounding out or (2) install stoppers sufficient to prevent grounding, keeping the bottom of the structure above the level of the substrate.

- (c) Tenant shall not construct new bulkheads or place hard bank armoring.
- (d) Tenant shall not install fixed breakwaters.
- (e) Tenant shall incorporate best management practices to prevent release of chemical contaminants, wastewater, garbage, and other pollutants, as set forth in Pollution Prevention for Washington State Marinas, available at <https://wsg.washington.edu/wordpress/wp-content/uploads/marina-handbook.pdf>. Tenant shall comply with any revisions to these best management practices that occur after the effective date of this lease. If Department of Natural Resources, Department of Ecology, or any other regulatory agency establishes different standards, Tenant shall meet the most protective standard.
- (f) Residential uses, as defined by WAC 332-30-106(62), are not permitted on the Property.

2.3 Conformance with Laws. Tenant shall, at all times, keep current and comply with all conditions and terms of permits, licenses, certificates, regulations, ordinances, statutes, and other government rules and regulations regarding Tenant's use or occupancy of the Property.

2.4 Liens and Encumbrances. Unless expressly authorized by State in writing, Tenant shall keep the Property free and clear of liens or encumbrances arising from the Permitted Use or Tenant's occupancy of the Property. Notwithstanding the foregoing, State acknowledges that Tenant may request State's consent to assign this Lease to a subtenant and such subtenant may be required by its lender to assign, mortgage or otherwise pledge its leasehold interest in the Property as security for a loan from subtenant's lender.

SECTION 3 TERM

3.1 Term Defined. The term of this Lease is Thirty-Seven (37) years (the "Term"), beginning on the 1 day of July, 2019 (the "Commencement Date"), and ending on the 2 day of November, 2056 (the "Termination Date"), unless terminated sooner under the terms of this Lease.

3.2 Renewal of the Lease. This Lease does not provide a right of renewal. Tenant may apply for a new lease, which State has discretion to grant. Tenant must apply for a new lease at least one (1) year prior to Termination Date. State will notify Tenant within ninety (90) days of its intent to approve or deny a new Lease.

3.3 End of Term.

- (a) Upon the expiration or termination of this Lease, Tenant shall remove Improvements in accordance with Section 7, Improvements, and surrender the Property to State in the same or better condition as on the Commencement Date, reasonable wear and tear excepted.
- (b) Definition of Reasonable Wear and Tear.

- (1) Reasonable wear and tear is deterioration resulting from the Permitted Use that has occurred without neglect, negligence, carelessness, accident, or abuse of the Property by Tenant or any other person on the premises with the permission of Tenant.
- (2) Reasonable wear and tear does not include unauthorized deposit of material prohibited under Paragraph 2.2 regardless of whether the deposit is incidental to or the byproduct of the Permitted Use.
- (c) If Property is in worse condition, excepting for reasonable wear and tear, on the surrender date than on the Commencement Date, the following provisions apply.
 - (1) State shall provide Tenant a reasonable time to take all steps necessary to remedy the condition of the Property. State may require Tenant to enter into a right-of-entry or other use authorization prior to the Tenant entering the Property if the Lease has terminated.
 - (2) If Tenant fails to remedy the condition of the Property in a timely manner, State may take steps reasonably necessary to remedy Tenant's failure. Upon demand by State, Tenant shall pay all costs of State's remedy, including but not limited to the costs of removing and disposing of material deposited improperly on the Property, lost revenue resulting from the condition of the Property, and administrative costs associated with the State's remedy.

3.4 Holdover.

- (a) If Tenant remains in possession of the Property after the Termination Date, the occupancy will not be an extension or renewal of the Term. The occupancy will be a month-to-month tenancy, on terms identical to the terms of this Lease, which either Party may terminate on thirty (30) days' written notice.
 - (1) The monthly rent during the holdover will be the same rent that would be due if the Lease were still in effect and all adjustments in rent were made in accordance with its terms.
 - (2) Payment of more than the monthly rent will not be construed to create a periodic tenancy longer than month-to-month. If Tenant pays more than the monthly rent and State provides notice to vacate the property, State shall refund the amount of excess payment remaining after the Tenant ceases occupation of the Property.
- (b) If State notifies Tenant to vacate the Property and Tenant fails to do so within the time set forth in the notice, Tenant will be a trespasser and shall owe the State all amounts due under RCW 79.02.300 or other applicable laws.

SECTION 4 RENT

4.1 Annual Rent.

- (a) Until adjusted as set forth below, Tenant shall pay to State an annual rent of Three Thousand Three Hundred Twelve Dollars and 14/100 (\$3,312.14), consisting of Two Hundred Thirty-Five Dollars and 57/100 (\$235.57) related to water-dependent use and Three Thousand Seventy-Six Dollars and 57/100 (\$3,076.57) related to the nonwater-dependent use.

- (b) The annual rent, as it currently exists or as adjusted or modified (the “Annual Rent”), is due and payable in full on or before the Commencement Date and on or before the same date of each year thereafter. Any payment not paid by State’s close of business on the date due is past due.

4.2 Payment Place. Tenant shall make payment to Financial Management Division, 1111 Washington St SE, PO Box 47041, Olympia, WA 98504-7041.

4.3 Adjustment Based on Use. Annual Rent is based on Tenant’s Permitted Use of the Property, as described in Section 2 above. If Tenant’s Permitted Use changes, the Annual Rent shall be adjusted as appropriate for the changed use.

4.4 Rent Adjustment Procedures.

- (a) Notice of Rent Adjustment. State shall provide notice of adjustments to the Annual Rent allowed under Paragraphs 4.5(b) and 4.6(b) to Tenant in writing no later than ninety (90) days after the anniversary date of the Lease.
- (b) Procedures on Failure to make Timely Adjustment. If the State fails to provide the notice required in Paragraph 4.4(a), State shall not collect the adjustment amount for the year in which State failed to provide notice. Upon providing notice of adjustment, State may adjust and prospectively bill Annual Rent as if missed or waived adjustments had been implemented at the proper interval. This includes the implementation of any inflation adjustment.

4.5 Rent Adjustments for Water-Dependent Uses.

- (a) Inflation Adjustment. State shall adjust water-dependent rent annually pursuant to RCW 79.105.200-.360, except in those years in which State revalues the rent under Paragraph 4.5(b) below. This adjustment will be effective on the anniversary of the Commencement Date.
- (b) Revaluation of Rent. At the end of the first four-year period of the Term, and at the end of each subsequent four-year period, State shall revalue the water-dependent Annual Rent in accordance with RCW 79.105.200-.360.
- (c) Rent Cap. State shall increase rent incrementally in compliance with RCW 79.105.260 as follows: If application of the statutory rent formula for water-dependent uses would result in an increase in the rent attributable to such uses of more than fifty percent (50%) in any one year, State shall limit the actual increase implemented in such year to fifty percent (50%) of the then-existing rent. In subsequent, successive years, State shall increase the rental amount incrementally until the State implements the full amount of increase as determined by the statutory rent formula.

4.6 Rent Adjustments for Nonwater-Dependent Uses.

- (a) Inflation Adjustment. Except in those years in which State revalues the rent under Paragraph 4.6(b) below, State shall adjust nonwater-dependent rent annually on the anniversary of the Commencement Date. Adjustment is based on the percentage rate of change in the previous calendar year's Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of

Labor, for the Seattle-Tacoma-Bremerton CMSA, All Urban Consumers, all items 1982-84 = 100. If publication of the Consumer Price Index is discontinued, State shall use a reliable governmental or other nonpartisan publication evaluating the information used in determining the Consumer Price Index.

- (b) Revaluation of Rent.
- (1) At the end of the first four-year period of the Term, and at the end of each subsequent four-year period, State shall revalue the nonwater-dependent Annual Rent to reflect the then-current fair market rent.
 - (2) If State and Tenant cannot reach agreement on the fair market rental value, the Parties shall submit the valuation to a review board of appraisers. The board must consist of three members, one selected by and at the cost of Tenant; a second member selected by and at the cost of State; and a third member selected by the other two members with the cost shared equally by State and Tenant. The decision of the majority of the board binds the Parties. Until the Parties agree to, or the review board establishes, the new rent, Tenant shall pay rent in the same amount established for the preceding year. If the board determines additional rent is required, Tenant shall pay the additional rent within ten (10) days of the board's decision. If the board determines a refund is required, State shall pay the refund within ten (10) days of the board's decision.

SECTION 5 OTHER EXPENSES

5.1 Utilities. Tenant shall pay all fees charged for utilities required or needed by the Permitted Use.

5.2 Taxes and Assessments. Tenant shall pay all taxes (including leasehold excise taxes), assessments, and other governmental charges applicable or attributable to the Property, Tenant's leasehold interest, the improvements, or Tenant's use and enjoyment of the Property.

5.3 Right to Contest. If in good faith, Tenant may contest any tax or assessment at its sole cost and expense. At the request of State, Tenant shall furnish reasonable protection in the form of a bond or other security, satisfactory to State, against loss or liability resulting from such contest.

5.4 Proof of Payment. If required by State, Tenant shall furnish to State receipts or other appropriate evidence establishing the payment of amounts this Lease requires Tenant to pay.

5.5 Failure to Pay. If Tenant fails to pay amounts due under this Lease, State may pay the amount due, and recover its cost in accordance with Section 6.

SECTION 6 LATE PAYMENTS AND OTHER CHARGES

6.1 Failure to Pay Rent. Failure to pay rent is a default by the Tenant. State may seek remedies under Section 14 as well as late charges and interest as provided in this Section 6.

6.2 Late Charge. If State does not receive full rent payment within ten (10) days of the date due, Tenant shall pay to State a late charge equal to four percent (4%) of the unpaid amount or Fifty Dollars (\$50), whichever is greater, to defray the overhead expenses of State incident to the delay.

6.3 Interest Penalty for Past Due Rent and Other Sums Owed.

- (a) Tenant shall pay interest on the past due rent at the rate of one percent (1%) per month until paid, in addition to paying the late charges determined under Paragraph 6.2. Rent not paid by the close of business on the due date will begin accruing interest the day after the due date.
- (b) If State pays or advances any amounts for or on behalf of Tenant, Tenant shall reimburse State for the amount paid or advanced and shall pay interest on that amount at the rate of one percent (1%) per month from the date State notifies Tenant of the payment or advance. This includes, but is not limited to, State's payment of taxes of any kind, assessments, insurance premiums, costs of removal and disposal of materials or Improvements under any provision of this Lease, or other amounts not paid when due.

6.4 Referral to Collection Agency and Collection Agency Fees. If State does not receive full payment within thirty (30) days of the due date, State may refer the unpaid amount to a collection agency as provided by RCW 19.16.500 or other applicable law. Upon referral, Tenant shall pay collection agency fees in addition to the unpaid amount.

6.5 No Accord and Satisfaction. If Tenant pays, or State otherwise receives, an amount less than the full amount then due, State may apply such payment as it elects. State may accept payment in any amount without prejudice to State's right to recover the balance of the rent or pursue any other right or remedy. No endorsement or statement on any check, any payment, or any letter accompanying any check or payment constitutes accord and satisfaction.

6.6 No Counterclaim, Setoff, or Abatement of Rent. Except as expressly set forth elsewhere in this Lease, Tenant shall pay rent and all other sums payable by Tenant without the requirement that State provide prior notice or demand. Tenant's payment is not subject to counterclaim, setoff, deduction, defense or abatement.

SECTION 7 IMPROVEMENTS

7.1 Improvements Defined.

- (a) "Improvements," consistent with RCW 79.105 through 79.145, are additions within, upon, or attached to the land. This includes, but is not limited to, fill, structures, bulkheads, docks, pilings, and other fixtures.

- (b) “Personal Property” means items that can be removed from the Property without (1) injury to the Property or Improvements or (2) diminishing the value or utility of the Property or Improvements.
- (c) “State-Owned Improvements” are Improvements made or owned by State. State-Owned Improvements includes any construction, alteration, or addition to State-Owned Improvements made by Tenant.
- (d) “Tenant-Owned Improvements” are Improvements authorized by State and (1) made by Tenant or (2) acquired by Tenant from the prior tenant.
- (e) “Unauthorized Improvements” are Improvements made on the Property without State’s prior consent or Improvements made by Tenant that do not conform to plans submitted to and approved by the State.

7.2 Existing Improvements. On the Commencement Date, the following Improvements are located on the Property: one boat ramp, one roadway, and a fence. The Improvements are Tenant-Owned Improvements.

7.3 Construction, Major Repair, Modification, and Demolition.

- (a) This Paragraph 7.3 governs construction, alteration, replacement, major repair, modification, demolition, and deconstruction of Improvements (“Work”).
- (b) All Work must conform to requirements under Paragraph 7.4. Paragraph 11.3, which applies to maintenance and minor repair, also applies to all Work under this Paragraph 7.3.
- (c) Except in an emergency, Tenant shall not conduct Work, without State’s prior written consent, as follows:
 - (1) State may deny consent if State determines that denial is in the best interests of the State or if proposed Work does not comply with Paragraphs 7.4 and 11.3. State may impose additional conditions reasonably intended to protect and preserve the Property. If Work is for removal of Improvements at End of Term, State may waive removal of some or all Improvements.
 - (2) Except in an emergency, Tenant shall submit to State plans and specifications describing the proposed Work at least sixty (60) days before submitting permit applications to regulatory authorities unless Tenant and State otherwise agree to coordinate permit applications. At a minimum, or if no permits are necessary, Tenant shall submit plans and specifications at least ninety (90) days before commencement of Work.
- (d) Tenant shall notify State of emergency Work within five (5) business days of the start of such Work. Upon State’s request, Tenant shall provide State with plans and specifications or as-builts of emergency Work.
- (e) Tenant shall not commence or authorize Work until Tenant or Tenant’s contractor has:
 - (1) Obtained a performance and payment bond in an amount equal to one hundred twenty-five percent (125%) of the estimated cost of construction. Tenant shall maintain the performance and payment bond until Tenant pays in full the costs of the Work, including all laborers and material persons.

- (2) Obtained all required permits.
- (f) Before completing Work, Tenant shall remove all debris and restore the Property to an orderly and safe condition. If Work is intended for removal of Improvements at End of Term, Tenant shall restore the Property in accordance with Paragraph 3.3, End of Term.
- (g) Upon completing Work, Tenant shall promptly provide State with as-built plans and specifications.
- (h) State shall not charge rent for authorized Improvements installed by Tenant during this Term of this Lease, but State may charge rent for such Improvements when and if Tenant or successor obtains a subsequent use authorization for the Property and State has waived the requirement for Improvements to be removed as provided in Paragraph 7.5.

7.4 Standards for Work.

- (a) Applicability of Standards for Work.
 - (1) The standards for Work in Paragraph 7.4(b) apply to Work commenced in the five year period following the Commencement Date. Work commences when State approves plans and specifications.
 - (2) If Tenant commences Work five years or more after the Commencement Date, Tenant shall comply with State's then current standards for Work.
 - (3) Tenant may ascertain State's current standards for Work as follows:
 - (i) Before submitting plans and specifications for State's approval as required by Paragraph 7.3 of the Lease, Tenant shall request State to provide Tenant with then current standards for Work on State-owned Aquatic Lands.
 - (ii) Within thirty (30) days of receiving Tenant's request, State shall provide Tenant with current standards for Work, which will be effective for the purpose of State's approval of Tenant's proposed Work provided Tenant submits plans and specifications for State's approval within two (2) years of Tenant's request for standards.
 - (iii) If State does not timely provide current standards upon Tenant's request, the standards under Paragraph 7.4(b) apply to Tenant's Work provided Tenant submits plans and specifications as required by Paragraph 7.3 within two (2) years of Tenant's request for standards.
 - (iv) If Tenant fails to (1) make a request for current standards or (2) timely submit plans and specifications to State after receiving current standards, Tenant shall make changes in plans or Work necessary to conform to current standards for Work upon State's demand.
- (b) Standards for Work.
 - (1) State will not approve plans to construct new Improvements or expand existing Improvements in or over habitats designated by State as important habitat. Tenant shall confirm location of important habitat on Property, if any, with State before submitting plans and specifications in accordance with Paragraph 7.3.

- (2) Tenant shall only conduct in-water Work during time periods authorized for such work under WAC 220-660-330, Authorized Work Times in Saltwater Areas, as amended, or as otherwise directed by the Washington Department of Fish and Wildlife (WDFW).
- (3) Tenant shall not provide anchorage or moorage in water more shallow than seven (7) feet at the extreme low tide.
- (4) Tenant shall use embedded anchors and midline floats on all anchored structures and buoys.
- (5) If Tenant is constructing a new or rebuilding an existing boat ramp or launch, Tenant shall construct boat ramps and launches to minimize:
 - (i) interruption of longshore current,
 - (ii) alteration of existing sediment transport mechanisms (wave energy, longshore current, or other),
 - (iii) impacts to species.

7.5 Tenant-Owned Improvements at End of Lease.

- (a) Disposition.
 - (1) Tenant shall remove Tenant-Owned Improvements in accordance with Paragraph 7.3 upon the expiration, termination, or cancellation of the Lease unless State waives the requirement for removal.
 - (2) Tenant-Owned Improvements remaining on the Property on the expiration, termination, or cancellation date shall become State-Owned Improvements without payment by State, unless State elects otherwise. State may refuse or waive ownership. If RCW 79.125.300 or 79.130.040 apply at the time this Lease expires, Tenant could be entitled to payment by the new tenant for Tenant-Owned Improvements.
 - (3) If Tenant-Owned Improvements remain on the Property after the expiration, termination, or cancellation date without State's consent, State may remove all Improvements and Tenant shall pay State's costs.
- (b) Conditions Under Which State May Waive Removal of Tenant-Owned Improvements.
 - (1) State may waive removal of some or all Tenant-Owned Improvements whenever State determines that it is in the best interests of the State and regardless of whether Tenant re-leases the Property.
 - (2) If Tenant re-leases the Property, State may waive requirement to remove Tenant-Owned Improvements. State also may consent to Tenant's continued ownership of Tenant-Owned Improvements.
 - (3) If Tenant does not re-lease the Property, State may waive requirement to remove Tenant-Owned Improvements upon consideration of a timely request from Tenant, as follows:
 - (i) Tenant must notify State at least one (1) year before the Termination Date of its request to leave Tenant-Owned Improvements.
 - (ii) State, within ninety (90) days of receiving Tenant's notification, will notify Tenant whether State consents to some or all Tenant-

Owned Improvements remaining. State has no obligation to grant consent.

- (iii) State's failure to respond to Tenant's request to leave Improvements within ninety (90) days is a denial of the request.
- (c) Tenant's Obligations if State Waives Removal.
 - (1) Tenant shall not remove Improvements if State waives the requirement for removal of some or all Tenant-Owned Improvements.
 - (2) Tenant shall maintain such Improvements in accordance with this Lease until the expiration, termination, or cancellation date. Tenant is liable to State for cost of repair if Tenant causes or allows damage to Improvements State has designated to remain.

7.6 Disposition of Unauthorized Improvements.

- (a) Unauthorized Improvements belong to State, unless State elects otherwise.
- (b) State may either:
 - (1) Consent to Tenant ownership of the Improvements, or
 - (2) Charge rent for use of the Improvements from the time of installation or construction and
 - (i) Require Tenant to remove the Improvements in accordance with Paragraph 7.3, in which case Tenant shall pay rent for the Improvements until removal, or
 - (ii) Consent to Improvements remaining and Tenant shall pay rent for the use of the Improvements, or
 - (iii) Remove Improvements and Tenant shall pay for the cost of removal and disposal, in which case Tenant shall pay rent for use of the Improvements until removal and disposal.

7.7 Disposition of Personal Property.

- (a) Tenant retains ownership of Personal Property unless Tenant and State agree otherwise in writing.
- (b) Tenant shall remove Personal Property from the Property by the Termination Date. Tenant is liable for damage to the Property and Improvements resulting from removal of Personal Property.
- (c) State may sell or dispose of all Personal Property left on the Property after the Termination Date.
 - (1) If State conducts a sale of Personal Property, State shall apply proceeds first to the State's administrative costs in conducting the sale, second to payment of amount that then may be due from the Tenant to the State. State shall pay the remainder, if any, to the Tenant.
 - (2) If State disposes of Personal Property, Tenant shall pay for the cost of removal and disposal.

SECTION 8 ENVIRONMENTAL LIABILITY/RISK ALLOCATION

8.1 Definitions.

- (a) “Hazardous Substance” means any substance that now or in the future becomes regulated or defined under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to human health, environmental protection, contamination, pollution, or cleanup.
- (b) “Release or threatened release of Hazardous Substance” means a release or threatened release as defined under any law described in Paragraph 8.1(a).
- (c) “Utmost care” means such a degree of care as would be exercised by a very careful, prudent, and competent person under the same or similar circumstances; the standard of care applicable under the Washington State Model Toxics Control Act (“MTCA”), Chapter 70.105D RCW, as amended.
- (d) “Tenant and affiliates” when used in this Section 8 means Tenant or Tenant’s subtenants, contractors, agents, employees, guests, invitees, licensees, affiliates, or any person on the Property with the Tenant’s permission.
- (e) “Liabilities” as used in this Section 8 means any claims, demands, proceedings, lawsuits, damages, costs, expenses, fees (including attorneys’ fees and disbursements), penalties, or judgments.

8.2 General Conditions.

- (a) Tenant’s obligations under this Section 8 extend to the area in, on, under, or above:
 - (1) The Property; and
 - (2) Adjacent state-owned aquatic lands if affected by a release of Hazardous Substances that occurs as a result of the Permitted Use.
- (b) Standard of Care.
 - (1) Tenant shall exercise the utmost care with respect to Hazardous Substances.
 - (2) Tenant shall exercise utmost care for the foreseeable acts or omissions of third parties with respect to Hazardous Substances, and the foreseeable consequences of those acts or omissions, to the extent required to establish a viable, third-party defense under the law.

8.3 Current Conditions and Duty to Investigate.

- (a) State makes no representation about the condition of the Property. Hazardous Substances may exist in, on, under, or above the Property.
- (b) This Lease does not impose a duty on State to conduct investigations or supply information to Tenant about Hazardous Substances.
- (c) Tenant is responsible for conducting all appropriate inquiry and gathering sufficient information about the existence, scope, and location of Hazardous Substances on or near the Property necessary for Tenant to meet Tenant’s obligations under this Lease and utilize the Property for the Permitted Use.

8.4 Use of Hazardous Substances.

- (a) Tenant and affiliates shall not use, store, generate, process, transport, handle, release, or dispose of Hazardous Substances, except in accordance with all applicable laws.

- (b) Tenant shall not undertake, or allow others to undertake by Tenant's permission, acquiescence, or failure to act, activities that result in a release or threatened release of Hazardous Substances.
- (c) If use of Hazardous Substances related to Tenant's use or occupancy of the Property results in violation of law:
 - (1) Tenant shall submit to State any plans for remedying the violations, and
 - (2) Tenant shall implement any remedial measures to restore the Property or natural resources that State may require in addition to remedial measures required by regulatory authorities.
- (d) Tenant shall comply with the provisions of Chapter 90.56 RCW Oil and Hazardous Substance Spill Prevention and Response Act. Tenant shall develop, update as necessary and operate in accordance with a plan of operations consistent with the requirements of Chapter 90.56 RCW. Failure to comply with the requirements of Chapter 90.56 is a default under Section 14.
- (e) At a minimum, Tenant and affiliates shall observe the following Hazardous Substances operational standards. If the Washington Department of Ecology, U.S. Environmental Protection Agency or other regulatory agency establishes different standards applicable to Tenant's activities under the Permitted Use, Tenant shall meet the standard that provides greater protection to the environment.
 - (1) Tenant shall not allow work on overwater structures or vessels without protective measures to prevent discharge of toxins to the water, including:
 - (i) Tenant shall not cause or allow underwater hull scraping and other underwater removal of paints.
 - (ii) Tenant shall not cause or allow underwater refinishing work from boats or temporary floats unless permitted by an industrial National Pollutant Discharge Elimination System (NPDES) permit.
 - (iii) Tenant shall not cause or allow above the waterline boat repairs or refinishing in-water except if limited to decks and superstructures and less than 25 percent of a boat is repaired or refinished in-water per year.
 - (iv) Tenant shall use and require others to use tarps and other dust, drip and spill containment measures when repairing or refinishing boats in water.
 - (2) Tenant shall not store or allow others to store fuel tanks, petroleum products, hydraulic fluid, machinery coolants, lubricants and chemicals not in use in locations above the water surface.
 - (3) Tenant shall inspect all equipment using petroleum products, hydraulic fluids, machinery coolants, chemicals, or other toxic or deleterious materials on a monthly basis and immediately make all repairs necessary to stop leakage.
 - (4) Tenant shall maintain a supply of oil spill containment materials adequate to contain a spill from the largest vessel in use on the Property.

8.5 Management of Contamination, if any.

- (a) Tenant and affiliates shall not undertake activities that:

- (1) Damage or interfere with the operation of remedial or restoration activities, if any;
 - (2) Result in human or environmental exposure to contaminated sediments, if any;
 - (3) Result in the mechanical or chemical disturbance of on-site habitat mitigation, if any.
- (b) If requested, Tenant shall allow reasonable access to:
 - (1) Employees and authorized agents of the Environmental Protection Agency, the Washington State Department of Ecology, health department, or other similar environmental agencies; and
 - (2) Potentially liable or responsible parties who are the subject of an order or consent decree that requires access to the Property. Tenant may negotiate an access agreement with such parties, but Tenant may not unreasonably withhold such agreement.

8.6 Notification and Reporting.

- (a) Tenant shall immediately notify State if Tenant becomes aware of any of the following:
 - (1) A release or threatened release of Hazardous Substances;
 - (2) Any new discovery of or new information about a problem or liability related to, or derived from, the presence of Hazardous Substances;
 - (3) Any lien or action arising from Hazardous Substances;
 - (4) Any actual or alleged violation of any federal, state, or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances;
 - (5) Any notification from the US Environmental Protection Agency (EPA) or the Washington State Department of Ecology (DOE) that remediation or removal of Hazardous Substances is or may be required at the Property.
- (b) Tenant's duty to report under Paragraph 8.6(a) extends to lands described in Paragraph 8.2(a) and to any other property used by Tenant in conjunction with the Property if a release of Hazardous Substances on the other property could affect the Property.
- (c) Tenant shall provide State with copies of all documents Tenant submits to any federal, state or local authorities concerning environmental impacts or proposals relative to the Property. Documents subject to this requirement include, but are not limited to, applications, reports, studies, or audits for National Pollution Discharge and Elimination System Permits; Army Corps of Engineers permits; State Hydraulic Project Approvals (HPA); State Water Quality certification; Substantial Development permit; and any reporting necessary for the existence, location, and storage of Hazardous Substances on the Property.

8.7 Indemnification.

- (a) Tenant shall fully indemnify, defend, and hold State harmless from and against Liabilities that arise out of, or relate to:

- (1) The use, storage, generation, processing, transportation, handling, or disposal of any Hazardous Substance by Tenant and affiliates occurring whenever Tenant occupies or has occupied the Property;
 - (2) The release or threatened release of any Hazardous Substance resulting from any act or omission of Tenant and affiliates occurring whenever Tenant occupies or has occupied the Property.
- (b) Tenant shall fully indemnify, defend, and hold State harmless for Liabilities that arise out of or relate to Tenant's breach of obligations under Paragraph 8.5.

8.8 Reservation of Rights.

- (a) For Liabilities not covered by the indemnification provisions of Paragraph 8.7, the Parties expressly reserve and do not waive any rights, claims, immunities, causes of action, or defenses relating to Hazardous Substances that either Party may have against the other under law.
- (b) The Parties expressly reserve all rights, claims, immunities, and defenses either Party may have against third parties. Nothing in this Section 8 benefits or creates rights for third parties.
- (c) The allocations of risks, Liabilities, and responsibilities set forth in this Section 8 do not release either Party from or affect the liability of either Party for Hazardous Substances claims or actions by regulatory agencies.

8.9 Cleanup.

- (a) If Tenant's act, omission, or breach of obligation under Paragraph 8.4 results in a release of Hazardous Substances that exceeds the threshold limits of any applicable regulatory standard, Tenant shall, at Tenant's sole expense, promptly take all actions necessary or advisable to clean up the Hazardous Substances in accordance with applicable law.
- (b) Tenant may undertake a cleanup of the Property pursuant to the Washington State Department of Ecology's Voluntary Cleanup Program, provided that Tenant cooperates with the Department of Natural Resources in development of cleanup plans. Tenant shall not proceed with Voluntary Cleanup without the Department of Natural Resources approval of final plans. Nothing in the operation of this provision is an agreement by the Department of Natural Resources that the Voluntary Cleanup complies with any laws or with the provisions of this Lease. Tenant's completion of a Voluntary Cleanup is not a release from or waiver of any obligation for Hazardous Substances under this Lease.

8.10 Sampling by State, Reimbursement, and Split Samples.

- (a) State may enter the Property and conduct sampling, tests, audits, surveys, or investigations ("Tests") of the Property at any time to determine the existence, scope, or effects of Hazardous Substances.
- (b) If such Tests, along with any other information, demonstrate a breach of Tenant's obligations regarding Hazardous Substances under this Lease, Tenant shall promptly reimburse State for all costs associated with the Tests, provided State gave Tenant thirty (30) calendar days advance notice in nonemergencies and reasonably practical notice in emergencies.

- (c) In nonemergencies, Tenant is entitled to obtain split samples of Test samples, provided Tenant gives State written notice requesting split samples at least ten (10) calendar days before State conducts Tests. Upon demand, Tenant shall promptly reimburse State for additional cost, if any, of split samples.
- (d) If either Party conducts Tests on the Property, the conducting Party shall provide the other with validated final data and quality assurance/quality control/chain of custody information about the Tests within sixty (60) calendar days of a written request by the other party, unless Tests are part of a submittal under Paragraph 8.6(c) in which case Tenant shall submit data and information to State without written request by State. Neither party is obligated to provide any analytical summaries or the work product of experts.

8.11 Closeout Assessment.

- (a) State may require Tenant to conduct a Closeout Environmental Assessment ("Closeout Assessment") prior to Termination of the Lease.
- (b) The purpose of the Closeout Assessment is to determine the existence, scope, or effects of Hazardous Substances on the Property and associated natural resources. The Closeout Assessment may include sediment sampling.
- (c) No later than one hundred eighty (180) calendar days prior to the Termination Date, or within ninety (90) days of valid notice to early termination, State shall provide Tenant with written notice that State requires a Closeout Assessment.
- (d) Within sixty (60) days of State's notice that Closeout Assessment is required and before commencing assessment activities, Tenant shall submit a proposed plan for conducting the Closeout Assessment in writing for State's approval.
- (e) If State fails to approve or disapprove of the plan in writing within sixty (60) days of its receipt, State waives requirement for approval.
- (f) Tenant shall be responsible for all costs required to complete planning, sampling, analyzing, and reporting associated with the Closeout Assessment.
- (g) If the initial results of the Closeout Assessment disclose that Hazardous Substances may have migrated to other property, State may require additional Closeout Assessment work to determine the existence, scope, and effect of Hazardous Substances on adjacent property, any other property subject to use by Tenant in conjunction with its use of the Property, or on associated natural resources.
- (h) Tenant shall submit Closeout Assessment to State upon completion.
- (i) As required by law, Tenant shall report to the appropriate regulatory authorities if the Closeout Assessment discloses a release or threatened release of Hazardous Substances.

SECTION 9 ASSIGNMENT AND SUBLETTING

9.1 State Consent Required. Tenant shall not convey, transfer, or encumber any part of Tenant's interest in this Lease or the Property without State's prior written consent.

- (a) In determining whether to consent, State may consider, among other items, the proposed transferee's financial condition, business reputation, and experience, the

nature of the proposed transferee's business, the then-current value of the Property, and such other factors as may reasonably bear upon the suitability of the transferee as a tenant of the Property. State may refuse its consent to any conveyance, transfer, or encumbrance if it will result in a subdivision of the leasehold. Tenant shall submit information regarding any proposed transferee to State at least thirty (30) days prior to the date of the proposed transfer.

- (b) State reserves the right to condition its consent upon:
 - (1) Changes in the terms and conditions of this Lease, including, but not limited to, the Annual Rent; and/or
 - (2) The agreement of Tenant or transferee to conduct Tests for Hazardous Substances on the Property or on other property owned or occupied by Tenant or the transferee.
- (c) Each permitted transferee shall assume all obligations under this Lease, including the payment of rent. No assignment, sublet, or transfer shall release, discharge, or otherwise affect the liability of Tenant.
- (d) State's consent under this Paragraph 9.1 does not constitute a waiver of any claims against Tenant for the violation of any term of this Lease.

9.2 Rent Payments Following Assignment. The acceptance by State of the payment of rent following an assignment or other transfer does not constitute consent to any assignment or transfer.

9.3 Terms of Subleases.

- (a) Tenant shall submit the terms of all subleases to State for approval.
- (b) Tenant shall incorporate the following requirements in all subleases:
 - (1) The sublease must be consistent with and subject to all the terms and conditions of this Lease;
 - (2) The sublease must provide that this Lease controls if the terms of the sublease conflict with the terms of this Lease;
 - (3) The term of the sublease (including any period of time covered by a renewal option) must end before the Termination Date of the initial Term or any renewal term;
 - (4) The sublease must terminate if this Lease terminates for any reason;
 - (5) The subtenant must receive and acknowledge receipt of a copy of this Lease;
 - (6) The sublease must prohibit the prepayment to Tenant by the subtenant of more than the annual rent;
 - (7) The sublease must identify the rental amount subtenant is to pay to Tenant;
 - (8) The sublease must provide that there is no privity of contract between the subtenant and State;
 - (9) The sublease must require removal of the subtenant's Improvements and Personal Property upon termination of the sublease;
 - (10) The subtenant's permitted use must be within the scope of the Permitted Use;

- (11) The sublease must require the subtenant to meet the Indemnification requirements under Section 10;
- (12) The sublease must require the subtenant to meet the Insurance requirements under Section 10;
- (13) If the sublease includes moorage of a vessel, the sublease must require the subtenant to procure marine insurance as set forth in Paragraph 10.2(c)(4) of this Lease.

9.4 Short-Term Subleases of Moorage Slips. Short-term subleasing of moorage slips for a term of one year or less does not require State's written consent or approval pursuant to Paragraphs 9.1 or 9.3. Tenant shall conform moorage sublease agreements to the sublease requirements in Paragraph 9.3.

9.5 Event of Assignment. If Tenant is a corporation, dissolution of the corporation or a transfer (by one or more transactions) of a majority of the voting stock of Tenant is an assignment of this Lease. If Tenant is a partnership, dissolution of the partnership or a transfer (by one or more transactions) of the controlling interest in Tenant is an assignment of this Lease. If Tenant is a limited liability company, conveyance of an economic interest of greater than fifty (50) percent is an assignment of this Lease. Assignments defined in this Paragraph 9.5 require State's consent under Paragraph 9.1.

SECTION 10 INDEMNITY, FINANCIAL SECURITY, INSURANCE

10.1 Indemnity.

- (a) Tenant shall indemnify, defend, and hold State, its employees, officers, and agents harmless from Claims arising out of the use, occupation, or control of the Property by Tenant, its subtenants, contractors, agents, invitees, guests, employees, affiliates, licensees, or permittees to the fullest extent permitted by law and subject to the limitations provided below.
- (b) "Claim" as used in this Paragraph 10.1 means any financial loss, claim, suit, action, damages, expenses, costs, fees (including attorneys' fees), fines, penalties, or judgments attributable to bodily injury, sickness, disease, death, and damages to tangible property, including, but not limited to, land, aquatic life, and other natural resources. "Damages to tangible property" includes, but is not limited to, physical injury to the Property, diminution in value, and/or damages resulting from loss of use of the Property.
- (c) State shall not require Tenant to indemnify, defend, and hold State harmless for claims caused solely by or resulting solely from the negligence or willful act of the State or State's elected officials, employees, or agents.
- (d) Tenant specifically and expressly waives any immunity that may be granted under the Washington State Industrial Insurance Act, Title 51 RCW in connection with its obligation to indemnify, defend, and/or hold State and its agencies, officials, agents, or employees harmless. Further, the indemnification obligation under this Lease shall not be limited in any way by any limitation on amount or

type of damages, compensation, or benefits payable to or for any third party under the worker's compensation acts.

- (e) Only to the extent RCW 4.24.115 applies and requires such a limitation, if a claim, suit, or action for injuries or damage is caused by or results from the concurrent negligence of (a) the State or State's agents or employees and (b) the Tenant or Tenant's subtenants, agents, or employees, these indemnity provisions shall be valid and enforceable only to the extent of the negligence of the Tenant and those acting on its behalf.
- (f) Section 8, Environmental Liability/Risk Allocation, exclusively shall govern Tenant's liability to State for Hazardous Substances and its obligation to indemnify, defend, and hold State harmless for Hazardous Substances.

10.2 Insurance Terms.

- (a) Insurance Required.
 - (1) Tenant certifies that on the Commencement Date of this Lease it is self-insured or a member of a self-insured risk pool for all the liability exposures, its self-insurance plan satisfies all State requirements, and its self-insurance plan provides coverage equal to that required in this Paragraph 10.2 and by Paragraph 10.3, Insurance Types and Limits. Tenant shall provide to State evidence of its status as a self-insured entity or member of a self-insured risk pool. Upon request by State, Tenant shall provide a written description of its financial condition and/or the self-insured funding mechanism. Tenant shall provide State with at least thirty (30) days' written notice prior to any material changes to Tenant's self-insured funding mechanism. If during the term of this Lease Tenant's self-insurance plan fails to provide coverage equal to that required in Paragraph 10.2 and Paragraph 10.3 of this Lease, Tenant shall procure additional commercial insurance coverage to meet the requirements of this Lease. The requirements in Paragraph 10.2(a)(3) and (4) only apply where the Tenant procures additional commercial insurance to meet the requirements of this Lease.
 - (2) Unless State agrees to an exception, Tenant shall provide insurance issued by an insurance company or companies admitted to do business in the State of Washington and have a rating of A- or better by the most recently published edition of Best's Reports. Tenant may submit a request to the risk manager for the Department of Natural Resources to approve an exception to this requirement. If an insurer is not admitted, the insurance policies and procedures for issuing the insurance policies shall comply with Chapter 48.15 RCW and 284-15 WAC.
 - (3) All general liability, excess, umbrella, builder's risk, and pollution legal liability insurance policies must name the State of Washington, the Department of Natural Resources, its elected and appointed officials, agents, and employees as an additional insured by way of endorsement.

- (4) All property insurance must name the State of Washington, the Department of Natural Resources, its elected and appointed officials, agents, and employees as loss payees.
 - (5) All insurance provided in compliance with this Lease must be primary as to any other insurance or self-insurance programs afforded to or maintained by State.
- (b) Waiver.
 - (1) Tenant waives all rights against State for recovery of damages to the extent insurance maintained pursuant to this Lease covers these damages.
 - (2) Except as prohibited by law, Tenant waives all rights of subrogation against State for recovery of damages to the extent that they are covered by insurance maintained pursuant to this lease.
- (c) Proof of Insurance.
 - (1) Tenant shall provide State with a certificate(s) and endorsement(s) of insurance executed by a duly authorized representative of each insurer, showing compliance with insurance requirements specified in this Lease; and, if requested, copies of policies to State.
 - (2) The certificate(s) of insurance must reference the Lease number.
 - (3) Receipt of such certificates, endorsements or policies by State does not constitute approval by State of the terms of such policies.
 - (4) For all moorage agreements issued by the Tenant that are entered into or renewed after June 12, 2014, Tenant shall require all vessels except transients to provide proof of marine insurance that provides coverage at liability limits of at least three hundred thousand dollars (\$300,000) per occurrence and includes, at a minimum, general liability, legal liability, and pollution liability coverage. To the extent not already included in the general, legal, and pollution liability coverage of a vessel owner, Tenant shall also require the vessel owner to provide proof of coverage for fuel spills, hull damage, wreck removal, salvage, and injuries to passengers and crew of the vessel. Failure to comply with the insurance requirements as outlined in RCW 88.26.030 shall cause Tenant to assume secondary liability under RCW 79.100.060 for any derelict or abandoned vessel as defined in RCW 79.100.010.
- (d) State must receive written notice before cancellation or non-renewal of any insurance required by this Lease, as follows:
 - (1) Insurers subject to RCW 48.18 (admitted and regulated by the Insurance Commissioner): If cancellation is due to non-payment of premium, provide State ten (10) days' advance notice of cancellation; otherwise, provide State forty-five (45) days' advance notice of cancellation or non-renewal.
 - (2) Insurers subject to RCW 48.15 (surplus lines): If cancellation is due to non-payment of premium, provide State ten (10) days' advance notice of cancellation; otherwise, provide State twenty (20) days' advance notice of cancellation or non-renewal.
- (e) Adjustments in Insurance Coverage.

- (1) State may impose changes in the limits of liability for all types of insurance as State deems necessary.
 - (2) Tenant shall secure new or modified insurance coverage within thirty (30) days after State requires changes in the limits of liability.
- (f) If Tenant fails to procure and maintain the insurance described above within fifteen (15) days after Tenant receives a notice to comply from State, State may either:
 - (1) Deem the failure an Event of Default under Section 14, or
 - (2) Procure and maintain comparable substitute insurance and pay the premiums. Upon demand, Tenant shall pay to State the full amount paid by State, together with interest at the rate provided in Paragraph 6.3 from the date of State's notice of the expenditure until Tenant's repayment.
- (g) General Terms.
 - (1) State does not represent that coverage and limits required under this Lease are adequate to protect Tenant.
 - (2) Coverage and limits do not limit Tenant's liability for indemnification and reimbursements granted to State under this Lease.
 - (3) The Parties shall use any insurance proceeds payable by reason of damage or destruction to property first to restore the real property covered by this Lease, then to pay the cost of the reconstruction, then to pay the State any sums in arrears, and then to Tenant.

10.3 Insurance Types and Limits.

- (a) General Liability Insurance.
 - (1) Tenant shall maintain commercial general liability insurance (CGL) or marine general liability (MGL) covering claims for bodily injury, personal injury, or property damage arising on the Property and/or arising out of Tenant's use, occupation, or control of the Property and, if necessary, commercial umbrella insurance with a limit of not less than Two Million Dollars (\$2,000,000) per each occurrence. If such CGL or MGL insurance contains aggregate limits, the general aggregate limit must be at least twice the "each occurrence" limit. CGL or MGL insurance must have products-completed operations aggregate limit of at least two times the "each occurrence" limit.
 - (2) CGL insurance must be written on Insurance Services Office (ISO) Occurrence Form CG 00 01 (or a substitute form providing equivalent coverage). All insurance must cover liability arising out of premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract) and contain separation of insured (cross-liability) condition.
 - (3) MGL insurance must have no exclusions for non-owned watercraft.
- (b) Workers' Compensation.
 - (1) State of Washington Workers' Compensation.

- (i) Tenant shall comply with all State of Washington workers' compensation statutes and regulations. Tenant shall provide workers' compensation coverage for all employees of Tenant. Coverage must include bodily injury (including death) by accident or disease, which arises out of or in connection with Tenant's use, occupation, and control of the Property.
 - (ii) If Tenant fails to comply with all State of Washington workers' compensation statutes and regulations and State incurs fines or is required by law to provide benefits to or obtain coverage for such employees, Tenant shall indemnify State. Indemnity shall include all fines; payment of benefits to Tenant, employees, or their heirs or legal representatives; and the cost of effecting coverage on behalf of such employees.
- (2) Longshore and Harbor Workers' and Jones Acts. Longshore and Harbor Workers' Act (33 U.S.C. Section 901 *et seq.*) and/or the Jones Act (46 U.S.C. Section 688) may require Tenant to provide insurance coverage in some circumstances. Tenant shall ascertain if such insurance is required and, if required, shall maintain insurance in compliance with law. Tenant is responsible for all civil and criminal liability arising from failure to maintain such coverage.
- (c) Employers' Liability Insurance. Tenant shall procure employers' liability insurance, and, if necessary, commercial umbrella liability insurance with limits not less than One Million Dollars (\$1,000,000) each accident for bodily injury by accident and One Million Dollars (\$1,000,000) each employee for bodily injury by disease.
- (d) Property Insurance.
 - (1) Tenant shall buy and maintain property insurance covering all real property and fixtures, equipment, tenant improvements and betterments (regardless of whether owned by Tenant or State). Such insurance must be written on an all risks basis and, at minimum, cover the perils insured under ISO Special Causes of Loss Form CP 10 30, and cover the full replacement cost of the property insured. Such insurance may have commercially reasonable deductibles. Any coinsurance requirement in the policy must be waived. The policy must include State as a loss payee.
 - (2) Tenant shall buy and maintain equipment breakdown insurance covering all real property and fixtures, equipment, tenant improvements and betterments (regardless of whether owned by Tenant or State) from loss or damage caused by the explosion of equipment, fired or unfired vessels, electric or steam generators, electrical arching, or pipes.
 - (3) In the event of any loss, damage, or casualty which is covered by one or more of the types of insurance described above, the Parties to this Lease shall proceed cooperatively to settle the loss and collect the proceeds of such insurance, which State shall hold in trust, including interest earned by State on such proceeds, for use according to the terms of this Lease. The Parties shall use insurance proceeds in accordance with Paragraph 10.2(g)(3).

- (4) When sufficient funds are available, using insurance proceeds described above, the Parties shall continue with reasonable diligence to prepare plans and specifications for, and thereafter carry out, all work necessary to:
 - (i) Repair and restore damaged building(s) and/or Improvements to their former condition, or
 - (ii) Replace and restore damaged building(s) and/or Improvements with a new building(s) and/or Improvements on the Property of a quality and usefulness at least equivalent to or more suitable than, damaged building(s) and/or Improvements.
- (e) Business Auto Policy Insurance.
 - (1) Tenant or Tenant's contractor(s) shall maintain business auto liability insurance and, if necessary, commercial umbrella liability insurance with a limit not less than One Million Dollars (\$1,000,000) per accident. Such insurance must cover liability arising out of "Any Auto".
 - (2) Business auto coverage must be written on ISO Form CA 00 01, or substitute liability form providing equivalent coverage. If necessary, the policy must be endorsed to provide contractual liability coverages and cover a "covered pollution cost or expense" as provided in the 1990 or later editions of CA 00 01.
- (f) Protection and Indemnity Insurance (P&I). For each vessel owned, used, and/or operated on the Property by Tenant or Tenant's contractor(s), Tenant or Tenant's contractor(s) shall procure and maintain P&I insurance with limits of liability not less than One Million Dollars (\$1,000,000). The P&I insurance must cover, at a minimum, all claims relating to injuries or damages to persons or property sustained in, on, or about the property; fuel spills; wreck removal; salvage; injuries to passengers and crew of the vessel; and damages to nets and fishing lines. If necessary, Tenant shall procure and maintain commercial umbrella liability insurance covering claims for these risks.
- (g) Hull Insurance. Tenant shall procure and maintain hull insurance for each vessel owned and/or operated by the Tenant on the Property. The coverage amount of each hull insurance policy must be equal to the value of the covered vessel.
- (h) Pollution Legal Liability Insurance.
 - (1) Tenant shall procure and maintain for the duration of this Lease pollution legal liability insurance, including investigation and defense costs, for bodily injury and property damage, including loss of use of damaged property or of property that has been physically damaged or destroyed. Such coverage must provide for both on-site and off-site cleanup costs and cover gradual and sudden pollution, and include in its scope of coverage natural resource damage claims. Tenant shall maintain coverage in an amount of at least:
 - (i) One Million Dollars (\$1,000,000) each occurrence for Tenant's operations at the site(s) identified above, and
 - (ii) at least Two Million Dollars (\$2,000,000) general aggregate or policy limit, if any.

- (2) Such insurance may be provided on an occurrence or claims-made basis. If such coverage is obtained as an endorsement to the CGL and is provided on a claims-made basis, the following additional conditions must be met:
 - (i) The Insurance Certificate must state that the insurer is covering Hazardous Substance removal.
 - (ii) The policy must contain no retroactive date, or the retroactive date must precede abatement services.
 - (iii) Coverage must be continuously maintained with the same insurance carrier through the official completion of any work on the Property.
 - (iv) The extended reporting period (tail) must be purchased to cover a minimum of thirty-six (36) months beyond completion of work.

10.4 Financial Security.

- (a) At its own expense, Tenant shall procure and maintain during the Term of this Lease a corporate security bond or provide other financial security that State, at its option, may approve ("Security"). Tenant shall provide Security in an amount equal to One Thousand Dollars (\$1,000.00), which is consistent with RCW 79.115.100, and secures Tenant's performance of its obligations under this Lease, with the exception of the obligations under Section 8, Environmental Liability/Risk Allocation. Tenant's failure to maintain the Security in the required amount during the Term constitutes a breach of this Lease.
- (b) All Security must be in a form acceptable to the State.
 - (1) Bonds must be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better, in the most recently published edition of Best's Reports, unless State approves an exception. Tenant may submit a request to the risk manager for the Department of Natural Resources for an exception to this requirement.
 - (2) Letters of credit, if approved by State, must be irrevocable, allow State to draw funds at will, provide for automatic renewal, and comply with RCW 62A.5-101, *et. seq.*
 - (3) Savings account assignments, if approved by State, must allow State to draw funds at will.
- (c) Adjustment in Amount of Security.
 - (1) State may require an adjustment in the Security amount:
 - (i) At the same time as revaluation of the Annual Rent,
 - (ii) As a condition of approval of assignment or sublease of this Lease,
 - (iii) Upon a material change in the condition or disposition of any Improvements, or
 - (iv) Upon a change in the Permitted Use.
 - (2) Tenant shall deliver a new or modified form of Security to State within thirty (30) days after State has required adjustment of the amount of the Security.
- (d) Upon any default by Tenant in its obligations under this Lease, State may collect on the Security to offset the liability of Tenant to State. Collection on the Security does not (1) relieve Tenant of liability, (2) limit any of State's other remedies, (3)

reinstate or cure the default or (4) prevent termination of the Lease because of the default.

SECTION 11 MAINTENANCE AND REPAIR

11.1 State's Repairs. State shall not be required to make any alterations, maintenance, replacements, or repairs in, on, or about the Property, or any part thereof, during the Term.

11.2 Tenant's Repairs, Alteration, Maintenance and Replacement.

- (a) Tenant shall, at its sole cost and expense, keep and maintain the Property and all improvements (regardless of ownership) in good order and repair, in a clean, attractive, and safe condition.
- (b) Tenant shall, at its sole cost and expense, make any and all additions, repairs, alterations, maintenance, replacements, or changes to the Property or to any improvements on the Property which may be required by any public authority having jurisdiction over the Property and requiring it for public health, safety and welfare purposes.
- (c) Except as provided in Paragraph 11.2(d), all additions, repairs, alterations, replacements or changes to the Property and to any improvements on the Property shall be made in accordance with, and ownership shall be governed by, Section 7, above.
- (d) Routine maintenance and repair are acts intended to prevent a decline, lapse, or cessation of the Permitted Use and associated Improvements. Routine maintenance or repair that does not require regulatory permits does not require authorization from State pursuant to Section 7.

SECTION 12 DAMAGE OR DESTRUCTION

12.1 Notice and Repair.

- (a) In the event of damage to or destruction of the Property or Improvements, Tenant shall promptly give written notice to State. State does not have actual knowledge of the damage or destruction without Tenant's written notice.
- (b) Unless otherwise agreed in writing, Tenant shall promptly reconstruct, repair, or replace the Property and Improvements as nearly as possible to its condition immediately prior to the damage or destruction in accordance with Paragraph 7.3, Construction, Major Repair, Modification, and Demolition and Tenant's additional obligations in Exhibit B, if any.

12.2 State's Waiver of Claim. State does not waive any claims for damage or destruction of the Property unless State provides written notice to Tenant of each specific claim waived.

12.3 Insurance Proceeds. Tenant's duty to reconstruct, repair, or replace any damage or destruction of the Property or any Improvements on the Property is not conditioned upon the

availability of any insurance proceeds to Tenant from which the cost of repairs may be paid. The Parties shall use insurance proceeds in accordance with Paragraph 10.2(g)(3).

12.4 Rent in the Event of Damage or Destruction. Unless the Parties agree to terminate this Lease, there is no abatement or reduction in rent during such reconstruction, repair, and replacement.

12.5 Default at the Time of Damage or Destruction. If Tenant is in default under the terms of this Lease at the time damage or destruction occurs, State may elect to terminate the Lease and State then shall have the right to retain any insurance proceeds payable as a result of the damage or destruction.

SECTION 13 CONDEMNATION

13.1 Definitions.

- (a) "Taking" means that an entity authorized by law exercises the power of eminent domain, either by judgment, settlement in lieu of judgment, or voluntary conveyance in lieu of formal court proceedings, over all or any portion of the Property and Improvements. This includes any exercise of eminent domain on any portion of the Property and Improvements that, in the judgment of the State, prevents or renders impractical the Permitted Use.
- (b) "Date of Taking" means the date upon which title to the Property or a portion of the Property passes to and vests in the condemner or the effective date of any order for possession if issued prior to the date title vests in the condemner.

13.2 Effect of Taking. If there is a taking, the Lease terminates proportionate to the extent of the taking. If this Lease terminates in whole or in part, Tenant shall make all payments due and attributable to the taken Property up to the date of taking. If Tenant has pre-paid rent and Tenant is not in default of the Lease, State shall refund Tenant the pro rata share of the pre-paid rent attributable to the period after the date of taking.

13.3 Allocation of Award.

- (a) The Parties shall allocate the condemnation award based upon the ratio of the fair market value of (1) Tenant's leasehold estate and Tenant-Owned Improvements and (2) State's interest in the Property; the reversionary interest in Tenant-Owned Improvements, if any; and State-Owned Improvements, if any.
- (b) If Tenant and State are unable to agree on the allocation, the Parties shall submit the dispute to binding arbitration in accordance with the rules of the American Arbitration Association.

SECTION 14 DEFAULT AND REMEDIES

14.1 Default Defined. Tenant is in default of this Lease on the occurrence of any of the following:

- (a) Failure to pay rent or other expenses when due;
- (b) Failure to comply with any law, regulation, policy, or order of any lawful governmental authority;
- (c) Failure to comply with any other provision of this Lease;
- (d) Commencement of bankruptcy proceedings by or against Tenant or the appointment of a trustee or receiver of Tenant's property.

14.2 Tenant's Right to Cure.

- (a) A default becomes an "Event of Default" if Tenant fails to cure the default within the applicable cure period following State's written notice of default. Upon an Event of Default, State may seek remedies under Paragraph 14.3.
- (b) Unless expressly provided elsewhere in this Lease, the cure period is ten (10) days for failure to pay rent or other monetary defaults; for other defaults, the cure period is thirty (30) days.
- (c) For nonmonetary defaults not capable of cure within thirty (30) days, State will not unreasonably withhold approval of a reasonable alternative cure schedule. Tenant must submit a cure schedule within thirty (30) days of a notice of default. The default is not an Event of Default if State approves the schedule and Tenant works diligently and in good faith to execute the cure. The default is an Event of Default if Tenant fails to timely submit a schedule or fails to cure in accordance with an approved schedule.
- (d) State may elect to deem a default by Tenant as an Event of Default if the default occurs within six (6) months after a default by Tenant for which State has provided notice and opportunity to cure and regardless of whether the first and subsequent defaults are of the same nature.

14.3 Remedies.

- (a) Upon an Event of Default, State may terminate this Lease and remove Tenant by summary proceedings or otherwise.
- (b) If the Event of Default (1) arises from Tenant's failure to comply with restrictions on Permitted Use and operations under Paragraph 2.2 or (2) results in damage to natural resources or the Property, State may enter the Property without terminating this Lease to (1) restore the natural resources or Property and charge Tenant restoration costs and/or (2) charge Tenant for damages. On demand by State, Tenant shall pay all costs and/or damages.
- (c) Without terminating this Lease, State may relet the Property on any terms and conditions as State may decide are appropriate.
 - (1) State shall apply rent received by reletting: (1) to the payment of any indebtedness other than rent due from Tenant to State; (2) to the payment of any cost of such reletting; (3) to the payment of the cost of any alterations and repairs to the Property; and (4) to the payment of rent and leasehold excise tax due and unpaid under this Lease. State shall hold and apply any balance to Tenant's future rent as it becomes due.
 - (2) Tenant is responsible for any deficiency created by the reletting during any month and shall pay the deficiency monthly.

- (3) At any time after reletting, State may elect to terminate this Lease for the previous Event of Default.
- (d) State's reentry or repossession of the Property under Paragraph 14.3 is not an election to terminate this Lease or cause a forfeiture of rents or other charges Tenant is obligated to pay during the balance of the Term, unless (1) State gives Tenant written notice of termination or (2) a legal proceeding decrees termination.
- (e) The remedies specified under this Paragraph 14.3 are not exclusive of any other remedies or means of redress to which the State is lawfully entitled for Tenant's breach or threatened breach of any provision of this Lease.

SECTION 15 ENTRY BY STATE

State may enter the Property at any reasonable hour to inspect for compliance with the terms of this Lease, to monitor impacts to habitat, or survey habitat and species. State may coordinate the site inspection with Washington State Department of Ecology or other regulatory authorities, if appropriate. Provision for periodic inspection does not preclude State's option to inspect at other times. State's failure to inspect the Property does not constitute a waiver of any rights or remedies under this Lease.

SECTION 16 DISCLAIMER OF QUIET ENJOYMENT

16.1 No Guaranty or Warranty.

- (a) State believes that this Lease is consistent with the Public Trust Doctrine and that none of the third-party interests identified in Paragraph 1.1(b) will materially or adversely affect Tenant's right of possession and use of the Property, but State makes no guaranty or warranty to that effect.
- (b) State disclaims and Tenant releases State from any claim for breach of any implied covenant of quiet enjoyment. This disclaimer and release includes, but is not limited to, interference arising from exercise of rights under the Public Trust Doctrine; Treaty rights held by Indian Tribes; and the general power and authority of State and the United States with respect to aquatic lands and navigable waters.
- (c) Tenant is responsible for determining the extent of Tenant's right to possession and for defending Tenant's leasehold interest.

16.2 Eviction by Third-Party. If a third-party evicts Tenant, this Lease terminates as of the date of the eviction. In the event of a partial eviction, Tenant's rent obligations abate as of the date of the partial eviction, in direct proportion to the extent of the eviction; this Lease shall remain in full force and effect in all other respects.

SECTION 17 NOTICE AND SUBMITTALS

Following are the locations for delivery of notice and submittals required or permitted under this Lease. Any Party may change the place of delivery upon ten (10) days' written notice to the other.

State: DEPARTMENT OF NATURAL RESOURCES
Aquatic Resources Division | Rivers District
PO Box 280 | 601 Bond Rd
Castle Rock, WA 98611

Tenant: CITY OF VANCOUVER
PO Box 1995
Vancouver, WA 98668

The Parties may deliver any notice in person, by facsimile machine, or by certified mail. Depending on the method of delivery, notice is effective upon personal delivery, upon receipt of a confirmation report if delivered by facsimile machine, or three (3) days after mailing. All notices must identify the Lease number. On notices transmitted by facsimile machine, the Parties shall state the number of pages contained in the notice, including the transmittal page, if any.

SECTION 18 MISCELLANEOUS

18.1 Authority. Tenant and the person or persons executing this Lease on behalf of Tenant represent that Tenant is qualified to do business in the State of Washington, that Tenant has full right and authority to enter into this Lease, and that each and every person signing on behalf of Tenant is authorized to do so. Upon State's request, Tenant shall provide evidence satisfactory to State confirming these representations.

18.2 Successors and Assigns. This Lease binds and inures to the benefit of the Parties, their successors, and assigns.

18.3 Headings. The headings used in this Lease are for convenience only and in no way define, limit, or extend the scope of this Lease or the intent of any provision.

18.4 Entire Agreement. This Lease, including the exhibits, attachments, and addenda, if any, contains the entire agreement of the Parties. This Lease merges all prior and contemporaneous agreements, promises, representations, and statements relating to this transaction or to the Property.

18.5 Waiver.

- (a) The waiver of any breach or default of any term, covenant, or condition of this Lease is not a waiver of such term, covenant, or condition; of any subsequent breach or default of the same; or of any other term, covenant, or condition of this Lease. State's acceptance of a rental payment is not a waiver of any preceding or

existing breach other than the failure to pay the particular rental payment that was accepted.

- (b) The renewal of the Lease, extension of the Lease, or the issuance of a new lease to Tenant, does not waive State's ability to pursue any rights or remedies under the Lease.

18.6 Cumulative Remedies. The rights and remedies of State under this Lease are cumulative and in addition to all other rights and remedies afforded by law or equity or otherwise.

18.7 Time is of the Essence. TIME IS OF THE ESSENCE as to each and every provision of this Lease.

18.8 Language. The word "Tenant" as used in this Lease applies to one or more persons and regardless of gender, as the case may be. If there is more than one Tenant, their obligations are joint and several. The word "persons," whenever used, shall include individuals, firms, associations, and corporations. The word "Parties" means State and Tenant in the collective. The word "Party" means either or both State and Tenant, depending on the context.

18.9 Invalidity. The invalidity, voidness, or illegality of any provision of this Lease does not affect, impair, or invalidate any other provision of this Lease.

18.10 Applicable Law and Venue. This Lease is to be interpreted and construed in accordance with the laws of the State of Washington. Venue for any action arising out of or in connection with this Lease is in the Superior Court for Thurston County, Washington.

18.11 Statutory Reference. Any reference to a statute means that statute as presently enacted or hereafter amended or superseded.

18.12 Recordation. At Tenant's expense and no later than thirty (30) days after receiving the fully-executed Lease, Tenant shall record this Lease in the county in which the Property is located. Tenant shall include the parcel number of the upland property used in conjunction with the Property, if any. Tenant shall provide State with recording information, including the date of recordation and file number.

18.13 Modification. No modification of this Lease is effective unless in writing and signed by both Parties. Oral representations or statements do not bind either Party.

18.14 Survival. Any obligations of Tenant not fully performed upon termination of this Lease do not cease, but continue as obligations of the Tenant until fully performed.

18.15 Exhibits and Attachments. All referenced exhibits and attachments are incorporated in the Lease unless expressly identified as unincorporated.

THIS AGREEMENT requires the signature of all Parties and is effective on the date of the last signature below.

CITY OF VANCOUVER

Dated: _____, 20__

By:
Title:
Address:
Phone:

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: _____, 20__

By:
Title:
Address:

Approved as to Form this ____ day of
_____, 20__.

Assistant Attorney General
State of Washington

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF)
) ss.
County of)

I certify that I know or have satisfactory evidence that _____
is the person who appeared before me, and said person acknowledged that (he/she) signed this
instrument, on oath stated that (he/she) was authorized to execute the instrument and
acknowledged it as the _____ (type of authority) of _____
(name of corporation) to be the free and voluntary act of such party for the uses and purposes
mentioned in the instrument.

Dated: _____, 20__

(Seal or stamp)

(Signature)

(Print Name)

Notary Public in and for the State of
Washington, residing at

My appointment expires _____

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)) ss.
County of)

I certify that I know or have satisfactory evidence that _____
is the person who appeared before me, and said person acknowledged that (he/she) signed this
instrument, on oath stated that (he/she) was authorized to execute the instrument and
acknowledged it as the _____ of the Department of
Natural Resources, to be the free and voluntary act of such party for the uses and purposes
mentioned in the instrument.

Dated: _____, 20__

(Seal or stamp)

(Signature)

(Print Name)

Notary Public in and for the State of
Washington, residing at

My appointment expires _____

EXHIBIT A
PROPERTY DESCRIPTION

Agreement Number 20-099510

1. LEGAL DESCRIPTION OF THE PROPERTY:

That real property legally described and shown as Lease No. 20-099510 in that Record of Survey recorded in Clark County, Washington on [Month] [Day], 2019 in Book XX of Surveys at Page XXX.

2. SQUARE FOOTAGE OF EACH USE CLASSIFICATION:

Water-dependent	<u>.150</u>	⁴ / ₅
Water-dependent use that is Public Use and Access	<u>5,071</u>	³ / ₅
Nonwater-dependent	<u>.350</u>	⁶ / ₅
Total Square Feet	<u>5,571</u>	⁴ / ₅

**EXHIBIT B
PLAN OF OPERATIONS**

1. DESCRIPTION OF PERMITTED USE

A. Existing Facilities.

The leased area shall be used for commercial access to the boat ramp for marine vessel launching, retrieving, outfitting, repair, and maintenance. The fenced area will be utilized for XXX equipment storage. The roadway and surrounding leasehold area will be utilized for public access.

The installation and maintenance of utilities is subject to a separate easement agreement between the parties.

B. Proposed Work.

Tenant proposes no new facilities or Work.

2. ADDITIONAL OBLIGATIONS

A. Tenant shall post clearly the following signs provided by State, “enjoy your Washington state-owned aquatic lands sign”.

B. Tenant shall orient and shield lighting fixtures attached to overwater structures in a manner which minimizes the amount of light shining directly on the water, minimizes the amount of glare on the water, and minimizes the amount of light broadcasting into the night sky. Tenant shall implement the following measures to achieve this requirement:

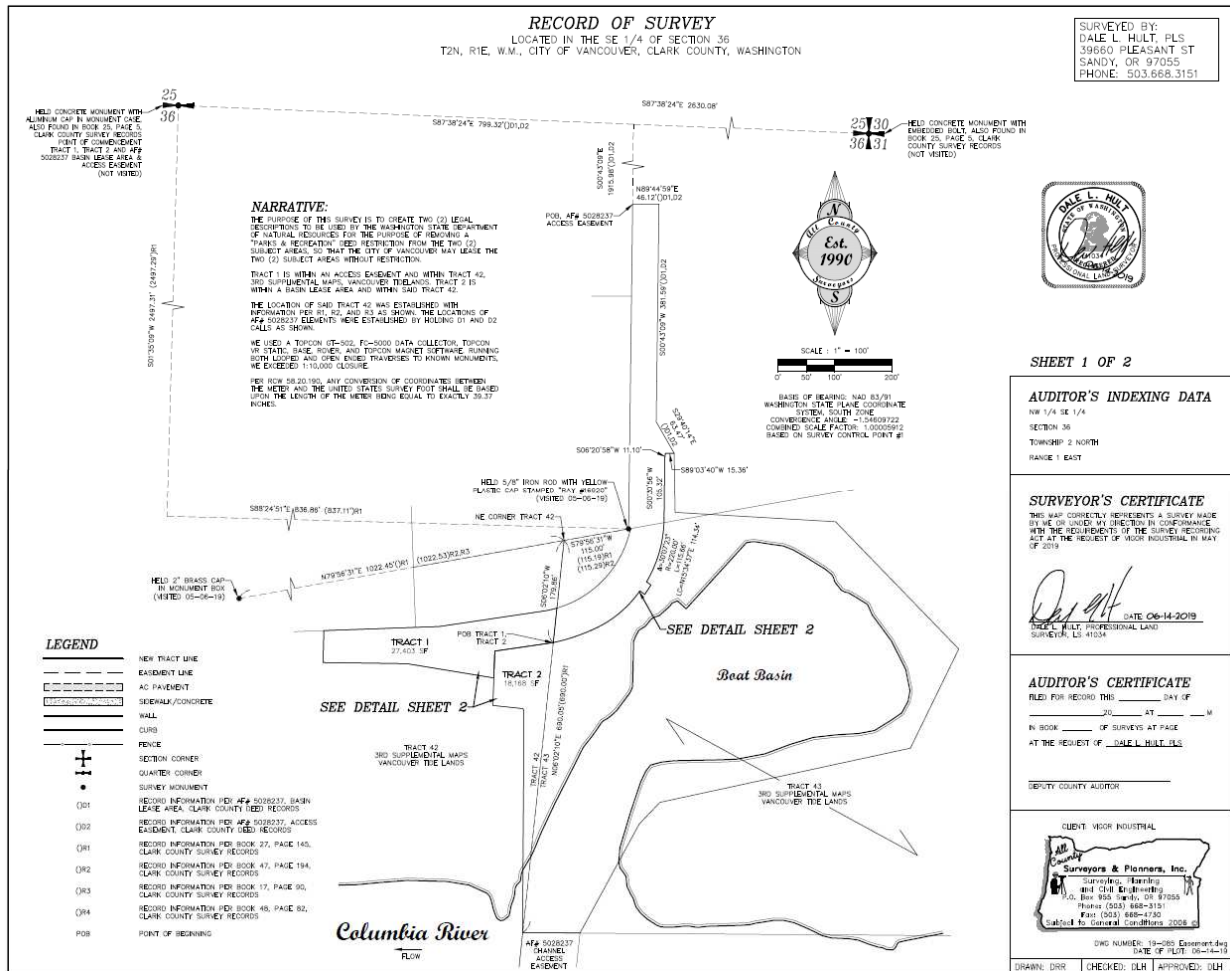
- (1) Tenant shall direct light to walkways,
- (2) Tenant shall use light shields which prevent light from being emitted upward and prevent glare on the water,
- (3) Tenant shall use fixtures that do not emit light upward,
- (4) Tenant shall use lights that are “warm-white” or filtered to minimize blue emission and shall not use LED and fluorescent light bulbs.

Master Approved as to form this
10th day of December 2018
Jennifer Clements, Assistant Attorney General

EXHIBIT B

DNR Leased Land

Is Tracts 1 and 2 described below:



Amended and Restated Basin Lease Agreement - 46

EXHIBIT C

Basin Area

A TRACT OF LAND LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF VANCOUVER, IN CLARK COUNTY, IN THE STATE OF WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH ONE-QUARTER CORNER OF SAID SECTION 36, THENCE S87°38'24"E ALONG THE NORTH LINE OF SAID SECTION 36 A DISTANCE OF 799.32 FEET TO A POINT; THENCE S00°43'09"E A DISTANCE OF 1915.98 FEET TO THE POINT OF BEGINNING OF THE ACCESS EASEMENT DESCRIBED IN AF# 5028237, CLARK COUNTY DEED RECORDS; THENCE N89°44'59"E ALONG THE NORTH LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 46.12 FEET TO THE NORTHERLY NORTHEAST CORNER THEREOF; THENCE S00°43'09"W ALONG THE EAST LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 381.59 FEET TO AN ANGLE POINT; THENCE S29°40'14"E CONTINUING ALONG THE EAST LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 63.47 FEET TO THE NORTHERLY NORTHEAST CORNER OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 AND THE TRUE POINT OF BEGINNING; THENCE S89°03'40"W ALONG THE NORTH LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 15.36 FEET TO THE EASTERLY EDGE OF A CONCRETE SIDEWALK; THENCE S06° 20' 58"W ALONG THE EASTERLY EDGE OF SAID SIDEWALK A DISTANCE OF 11.10 FEET TO A POINT; THENCE S00°30'56"W CONTINUING ALONG THE EASTERLY EDGE OF SAID SIDEWALK A DISTANCE OF 105.32 FEET TO A POINT; THENCE 115.66 FEET ALONG CONTINUING ALONG THE EASTERLY EDGE OF SAID SIDEWALK ALONG A 220.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 30°07'23" (LONG CHORD BEARS S15°34'37"W, 114.34') TO THE EASTERLY EDGE OF AN OBSERVATION DECK; THENCE S52°51'25"E ALONG THE EASTERLY EDGE OF SAID OBSERVATION DECK A DISTANCE OF 9.65 FEET TO AN ANGLE POINT; THENCE S34°05'56"W CONTINUING ALONG THE EASTERLY EDGE OF SAID OBSERVATION DECK A DISTANCE OF 19.68 FEET TO AN ANGLE POINT; THENCE N54°27'58"W CONTINUING ALONG THE EASTERLY EDGE OF SAID OBSERVATION DECK A DISTANCE OF 10.35 FEET TO THE SOUTHEASTERLY EDGE OF SAID SIDEWALK; THENCE 111.25 FEET ALONG THE SOUTHEASTERLY EDGE OF SAID SIDEWALK ALONG A 200.21 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 31°50'20" (LONG CHORD BEARS S51°09'18"W, 109.83') TO A POINT; THENCE 70.05 FEET CONTINUING ALONG THE SOUTHEASTERLY EDGE OF SAID SIDEWALK ALONG A 327.94 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 12°14'17" (LONG CHORD BEARS S72°05'56"W, 69.91') TO A POINT; THENCE S81°47'06"W CONTINUING ALONG THE SOUTHEASTERLY EDGE OF SAID SIDEWALK A DISTANCE OF 103.78 FEET TO THE NORTHERLY PROJECTION OF A CHAINLINK FENCE; THENCE S01°59'53"W ALONG SAID CHAINLINK FENCE AND THE NORTHERLY PROJECTION THEREOF A DISTANCE OF 95.19 FEET TO AN ANGLE POINT IN SAID CHAINLINK FENCE; THENCE S84°06'48"E CONTINUING ALONG SAID CHAINLINK FENCE A DISTANCE OF 52.95 FEET TO THE WEST LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 THENCE S26°13'41"E ALONG THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 3.66 FEET AN ANGLE POINT; THENCE S00°16'52"W CONTINUING ALONG THE WEST LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 388.69 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE S89°36'02"E ALONG THE SOUTH LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID

AF# 5028237 A DISTANCE OF 100.49 FEET TO THE SOUTHERLY SOUTHEAST CORNER THEREOF;
THENCE N28°36'04"E ALONG THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID
AF# 5028237 A DISTANCE OF 216.98 FEET TO AN ANGLE POINT; THENCE N43°42'43"E ALONG
THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF
52.76 FEET TO AN ANGLE POINT; THENCE N77°50'15"E THE EASTERLY LINE OF THE BASIN LEASE
AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 449.75 FEET TO AN ANGLE POINT;
THENCE N26°03'56"E ALONG THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID
AF# 5028237 A DISTANCE OF 193.16 FEET TO AN ANGLE POINT; THENCE N44°10'47"W ALONG
THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF
310.63 FEET TO AN ANGLE POINT; THENCE N86°40'47"W ALONG THE EASTERLY LINE OF THE
BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF
281.90 FEET TO AN ANGLE POINT; THENCE N00°56'20"W ALONG THE EASTERLY LINE OF THE
BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 105.29 FEET TO THE TRUE
POINT OF BEGINNING;
CONTAINING AN AREA OF 319,663 SQUARE FEET, MORE OR LESS

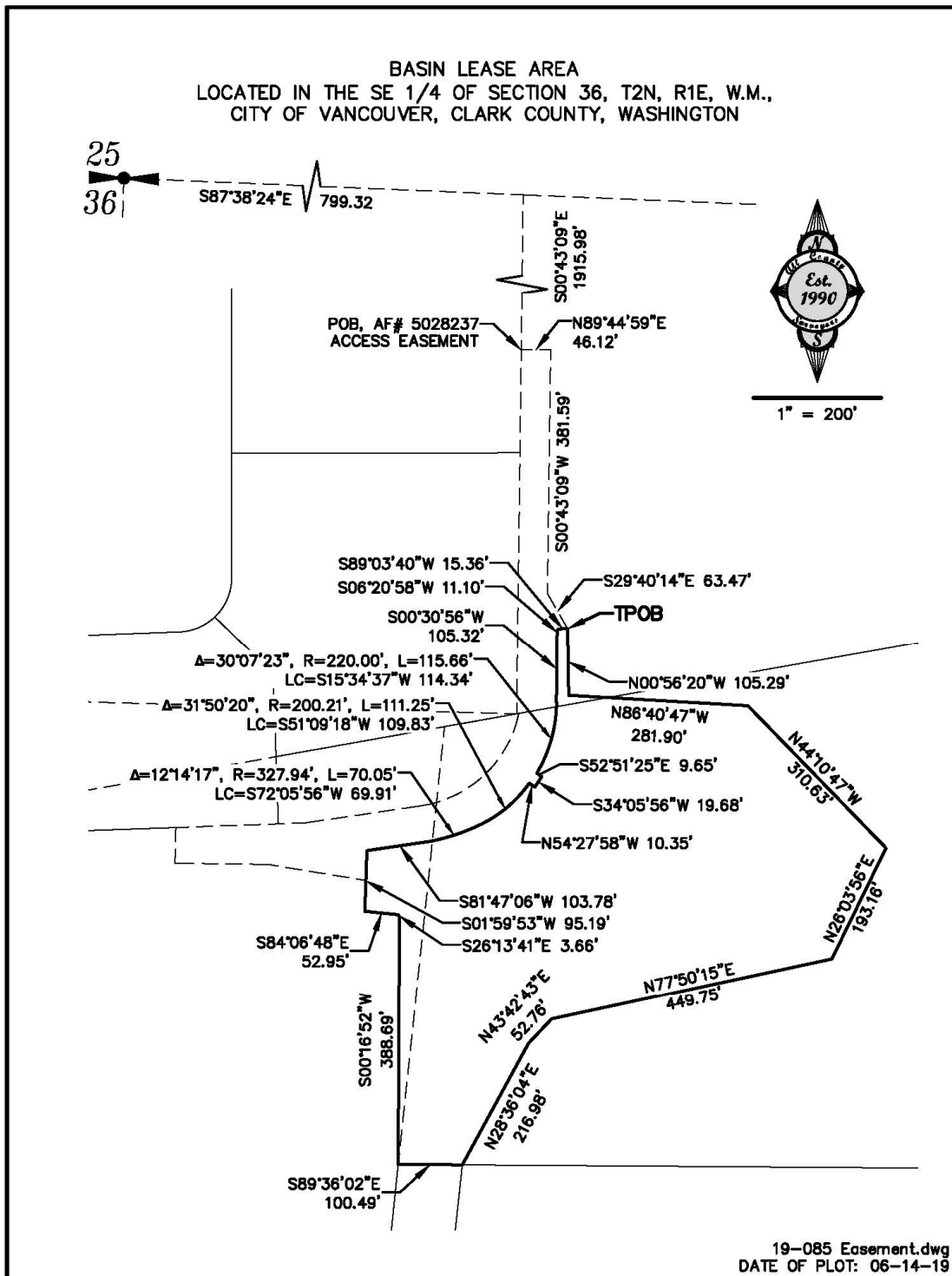


EXHIBIT D

Access Easements

LEGAL DESCRIPTION FOR CHRISTENSEN GROUP, INC.
Channel Access from the Basin to the Columbia River

October 10, 1996

A parcel of property in the East half of Section 36, Township 2 North, Range 1 East of the Willamette Meridian, lying within Tideland Tracts 42 and 43 as shown on the second and third supplemental maps of Vancouver Tidelands in Clark County, Washington described as follows:

COMMENCING at the Northwest corner of said East half of Section 36;

THENCE South 89° 13' 33" East along the North line of said East half, 799.32 feet to a point that bears North 00° 52' 00" East West from a 5/8" iron rod with plastic cap affixed "City of Vancouver" as set by Thomas Ray (during Record of Survey recorded in Book 17 at page 90) to remonument a concrete monument as found and shown on Record of Survey recorded in Book 14 at Page 136;

THENCE South 00° 52' 00" East towards said "City of Vancouver" iron rod 1915.98 feet to the Southwest corner of that portion of Columbia Way conveyed to the City of Vancouver by deed recorded under Auditor's File # G 569075 of Clark County records;

THENCE North 88° 09' 50" East, along the South line of said Columbia Way parcel, 46.12 feet;

THENCE South 00° 52' 00" East, 381.59 feet;

THENCE South 31° 15' 23" East, 63.47 feet;

THENCE South 87° 28' 31" West 30.51 feet;

THENCE South 02° 31' 29" East, 104.23 feet to a 220.00 foot radius curve to the right;

THENCE around said 220.00 foot radius curve to the right, 324.35 feet;

THENCE South 81° 56' 49" West, 75.71 feet;

THENCE South 04° 22' 35" West, 36.98 feet;

THENCE South 27° 48' 50" East 88.80 feet;

THENCE South 01° 18' 17" East 388.69 feet to the TRUE POINT OF BEGINNING;

THENCE North 88° 48' 49" East 100.49 feet;

THENCE South 04° 27' 02" West 492.06 feet;

THENCE North 85° 32' 58" West, 100.00 feet, to a point, that bears South 04° 27' 02" West from the TRUE POINT OF BEGINNING;

THENCE North 04° 27' 02" East, 482.19 feet to the TRUE POINT OF BEGINNING.

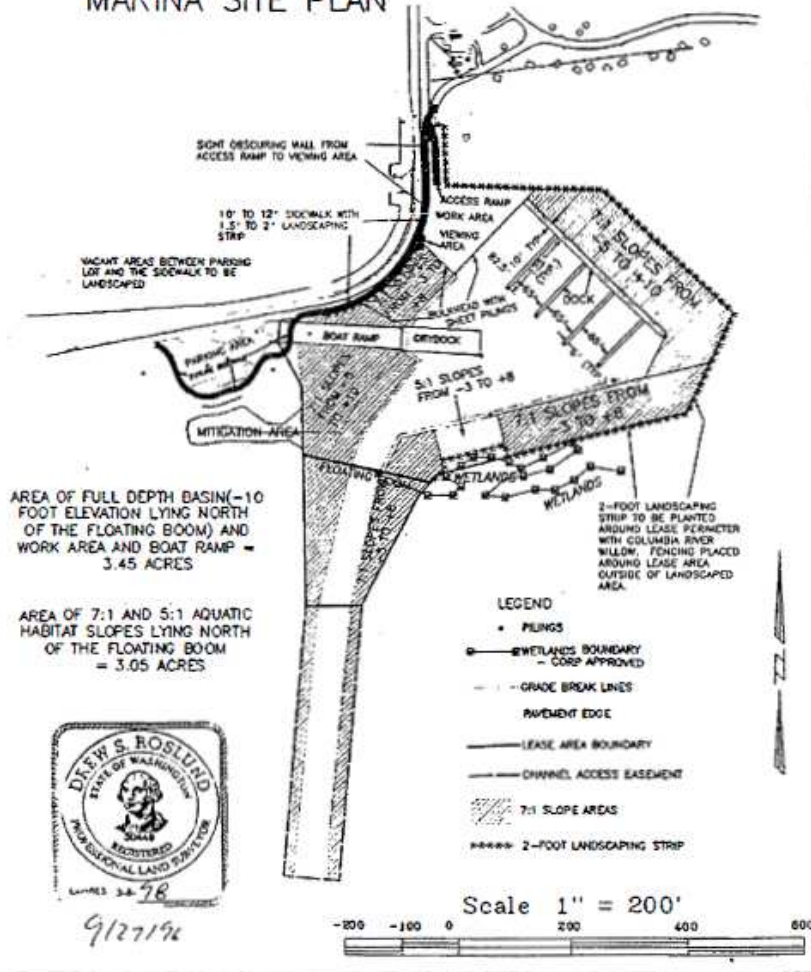


10/10/96

OLSON LAND SURVEYORS
ENGINEERS
ENGINEERING INC. 1111 BROADWAY, VANCOUVER, WA 98660

CHRISTENSEN GROUP INC.
MARINA FACILITY
VANCOUVER, WA

MARINA SITE PLAN





All County Surveyors
& Planners, Inc.

PO Box 955

• Sandy, Oregon 97055

• Phone: 503-668-3151

• Fax: 503- 668-4730

**ACCESS EASEMENT
LOCATED IN THE SE 1/4 OF SECTION 36, T2N, R1E, W.M.,
CITY OF VANCOUVER, CLARK COUNTY, WASHINGTON**

OUR JOB # : 19-085

A TRACT OF LAND LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF VANCOUVER, IN CLARK COUNTY, IN THE STATE OF WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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All County Surveyors & Planners, Inc.

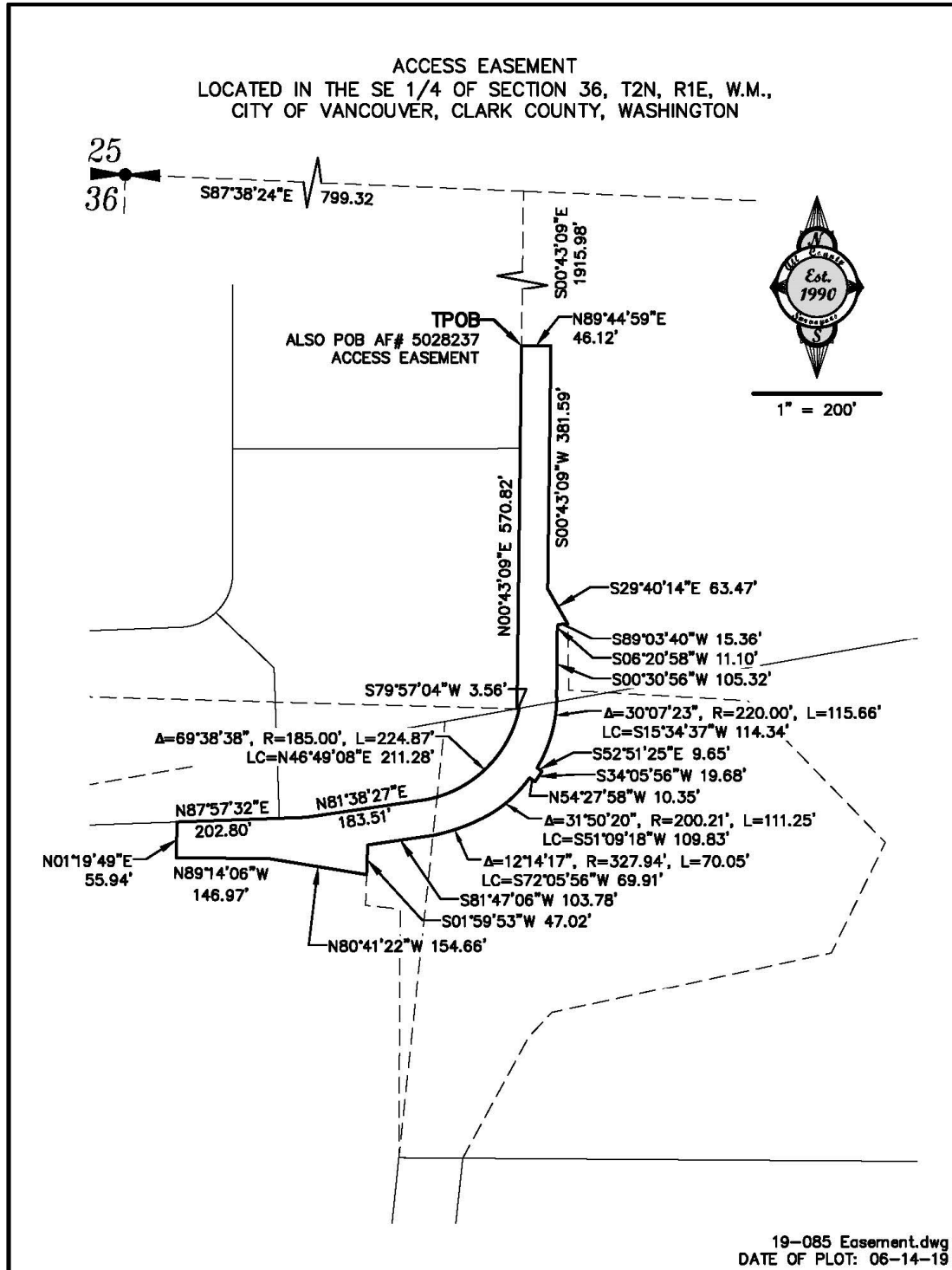
PO Box 955 • Sandy, Oregon 97055 • Phone: 503-668-3151 • Fax: 503- 668-4730

FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF $12^{\circ}14'17''$ (LONG CHORD BEARS $S72^{\circ}05'56''W$, 69.91') TO A POINT; THENCE $S81^{\circ}47'06''W$ CONTINUING ALONG THE SOUTHEASTERLY EDGE OF SAID SIDEWALK A DISTANCE OF 103.78 FEET TO THE NORTHERLY PROJECTION OF A CHAINLINK FENCE; THENCE $S01^{\circ}59'53''W$ ALONG SAID CHAINLINK FENCE AND THE NORTHERLY PROJECTION THEREOF A DISTANCE OF 47.02 FEET TO A POINT; THENCE $N80^{\circ}41'22''W$ A DISTANCE OF 154.66 FEET TO A POINT ON THE SOUTH LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237; THENCE $N89^{\circ}14'06''W$ ALONG THE SOUTH LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 146.97 FEET TO THE WESTERLY SOUTHWEST CORNER THEREOF; THENCE $N01^{\circ}19'49''E$ ALONG THE WEST LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 55.94 FEET TO THE WESTERLY NORTHWEST CORNER THEREOF; THENCE $N87^{\circ}57'32''E$ ALONG THE NORTH LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 202.80 FEET TO AN ANGLE POINT; THENCE $N81^{\circ}38'27''E$ ALONG THE NORTHWESTERLY LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 183.51 FEET TO A POINT; THENCE 224.87 FEET CONTINUING ALONG THE NORTHWESTERLY LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237, ALONG A 185.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF $69^{\circ}38'38''$ (LONG CHORD BEARS $N46^{\circ}49'08''E$, 211.28') TO AN ANGLE POINT; THENCE $S79^{\circ}57'04''W$ CONTINUING ALONG THE NORTHWESTERLY LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 3.56 FEET TO AN ANGLE POINT; THENCE $N00^{\circ}43'09''E$ ALONG THE WESTERLY LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 570.82 FEET TO THE TRUE POINT OF BEGINNING;

CONTAINING AN AREA OF 71,900 SQUARE FEET, MORE OR LESS



Affiliated: Professional Land Surveys of Oregon • American Congress of Surveying and Mapping
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VANCOUVER FIRE DEPARTMENT BASIN SUBLEASE AGREEMENT

This **VANCOUVER FIRE DEPARTMENT BASIN SUBLEASE AGREEMENT** ("Fire Department Basin Sublease") is entered into by and between Vigor Works LLC, an Oregon limited liability company, as "Sublessor," and the City of Vancouver, Washington, a municipal corporation, as "Sublessee."

RECITALS

A. Sublessee subleases the boat basin on Marine Park way (the "Boat Basin") from Christensen Shipyard, LLC, pursuant to that July 31, 2017 Boat Basin Sublease Agreement ("2017 Boat Basin Sublease Agreement") for the purpose of mooring the Vancouver Fire Department's Fire Boat House and VFD Rapid Response Vessel.

B. Christensen Shipyard, LLC subleases the Boat Basin from Christensen Group, Inc., pursuant to that March 1, 2001 Sublease Agreement, as amended (the "2001 Sublease Agreement"), for the purpose of launching yachts constructed at the Christensen Shipyard located at 4400 SE Columbia Way (the "Shipyard"). The 2001 Sublease Agreement terminates on July 1, 2019, at which time Christen Shipyard, LLC will vacate the Boat Basin.

C. Christensen Group, Inc. leases the Boat Basin from the City of Vancouver, pursuant to that March 26, 1990, Agreement, as amended (the "1990 Boat Basin Lease"). Christensen Group, Inc. and the City of Vancouver have agreed to amend and restate the 1990 Boat Basin Lease (the "Amended and Restated Basin Lease Agreement" or "Master Lease"). The Master Lease is attached at Exhibit A.

D. Christensen Group, Inc. has entered into a Purchase and Sale Agreement with WPC Vancouver LLC, a Hawaii limited liability company ("WPC") for the purchase and sale of the Shipyard and to lease the Boat Basin (the "Transaction"). At the closing of the Transaction, Christensen Group, Inc. will execute and record the Master Lease and then will assign to WPC, and WPC will assume, the Master Lease.

E. At the closing of the Transaction, WPC also will sublease the Boat Basin to Sublessor pursuant to a Basin Sublease Agreement (the "Basin Sublease Agreement") for the purpose of launching, retrieving, and mooring marine vessels and for outfitting, repairing, maintaining such vessels, in accordance with the terms of the Master Lease. The Basin Sublease Agreement is attached at Exhibit B.

F. Sublessor and Sublessee have agreed to enter into this Fire Department Basin Sublease to restate certain terms from the 2017 Boat Basin Sublease Agreement; to extend the termination date for Sublessee's occupancy; and to amend the description of the area that is the subject of this Fire Department Basin Sublease, in accordance with the terms of the Master Lease and Basin Sublease Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants set out in this Fire Department Basin Sublease, the receipt of which is acknowledged, the parties agree as follows:

1. Sublease of the Boat Basin. Sublessor subleases and grants non-exclusive, full access to that portion of the Boat Basin described in Exhibit C to this Sublessee (the “Premises”), subject to the terms and conditions of the Master Lease and the Basin Sublease Agreement; provided, however, that, during the term of this Fire Department Basin Sublease, Sublessor also shall have full access to the Boat Basin for use in its operations, including vessel launching, mooring, egress, and ingress and for the outfitting, repair, and maintenance of marine vessels and for surveys, dredging, and other activities necessary to ensure the proper operation of the Boat Basin.

2. Uses of the Boat Basin. Sublessee shall use the Premises for launching and storage of its Rapid Response Vessel and the associated Fire Boat House. Sublessee’s use of the Premises shall not in any manner interfere with the use of the Boat Basin by Sublessor, as provided in the Master Lease. Sublessee shall not modify or change its use of the Premises without the prior written consent of Sublessor and WPC.

3. Term. The Term of this Fire Department Basin Sublease shall commence upon the closing of the Transaction and shall terminate 120 months from the date of closing of the Transaction. Notwithstanding the foregoing, Sublessor may terminate this Fire Department Basin Sublease for no reason, provided Sublessor gives Sublessee 24 months’ prior written notice of Sublessor’s intent to terminate this Fire Department Basin Sublease.

4. Covenants of Sublessee.

a. Sublessee covenants and agrees that its use, occupation, control, and enjoyment of the Boat Basin will comply with all applicable laws, ordinances, regulations, and orders of governmental agencies and other authorities having jurisdiction and with any directives pursuant to law of any governmental agency or other authority who imposes any duty or obligation on Sublessor, Sublessee, or the City of Vancouver with respect to the ownership, use, occupation, control or enjoyment of the Boat Basin or the conduct of any business on the Boat Basin.

b. Sublessee shall obtain any special use permit or licenses required by governmental authorities for conduct of its business on the Boat Basin and shall provide copies of such permits or licenses to Sublessor.

c. Sublessee shall comply with all federal, state, and local statutes, regulations, rules, and ordinances regarding the use, generation, management, storage, handling, transportation, sale, and disposal of any substance designated as, or containing components designated as, hazardous, dangerous, toxic, or otherwise harmful (collectively, “Hazardous Substances”) on, at, or around the Boat Basin. Sublessee shall be fully and completely liable to Sublessor, WPC for any and all cleanup costs and any and all other charges, fees, or penalties relating to Sublessee’s use, storage, disposal, transportation, generation, management, or sale of Hazardous Substances on, at, or around the Boat Basin.

5. Rent-Utility Costs. Sublessee shall pay monthly to Sublessor those sums totaling the pro rata share of utility costs for the Boat Basin (“Rent”). Sublessee shall have no other

monthly financial obligations owed to Sublessor, except as otherwise provided in this Fire Department Basin Sublease.

6. Sublessee's Obligations under the Master Lease.

a. Sublessee will keep the Boat Basin insured against liability and loss or damage by fire, theft, environmental contamination and other hazards.

b. It is understood and agreed that this Fire Department Basin Sublease is executed in accordance with, and subject to the terms of, the Master Lease, the Basin Sublease Agreement and any amendments to those agreements, and Sublessee shall comply with all terms and conditions of the Master Lease and the Basin Sublease Agreement (and any amendments to those agreements) to the extent applicable to the Premises (as though Sublessee is the lessee or sublessee (as applicable) under the Master Lease and the Basin Sublease Agreement). Sublessor and Sublessee agree that this Fire Department Basin Sublease, the Master Lease, and the Basin Sublease Agreement are mutually dependent and in any event of default under the executory provisions of any of them caused by Sublessee shall constitute an event of default under this Fire Department Basin Sublease.

7. Repairs, Maintenance, and Modification.

a. Sublessee, at its sole expense, shall maintain in good condition and repair the exterior and interior of the boathouse and the VFD Rapid Response Vessel.

b. If Sublessee is required to make changes or additions to the Premises at any time during the term of this Fire Department Basin Sublease as a result of Sublessee's use of the Boat Basin or because of any laws, rules, codes, or regulations affecting Sublessee or its operations in the Boat Basin, then Sublessee shall be responsible for paying such costs. Any changes or additions shall be subject to Sublessor's and WPC's approval.

c. If at any time Sublessee is required to dredge the Boat Basin, such dredging shall be at Sublessee's sole expense. Any dredging by Sublessee shall be subject to Sublessor's and WPC's approval.

8. Indemnification by Sublessee.

a. For all of Sublessee's obligations arising under this Fire Department Basin Sublease, Sublessee agrees to defend, indemnify, and hold harmless Sublessor from any and all liability arising out of a breach by Sublessee of this Fire Department Basin Sublease or Sublessee's use of the Boat Basin.

b. For all obligations arising under this Fire Department Basin Sublease or the Master Lease, Sublessee agrees to defend, indemnify, and hold harmless WPC from any and all liability arising out of the use of the Boat Basin.

c. The indemnity obligations contained in this Section 8 shall include, but not be limited to, reasonable legal and investigation costs, expert witness fees and all other reasonable costs, expenses, and liabilities whether a court action is filed or otherwise.

9. Indemnification by Sublessor.

a. Sublessor agrees to perform its obligations under the Master Lease and Basin Sublease Agreement in a timely manner, including but not limited to payment of rent. Sublessor agrees that it will indemnify and hold harmless Sublessee from all liability arising out of a breach by Sublessor of this Fire Department Basin Sublease or of any obligations under the Master Lease and Basin Sublease Agreement that Sublessor is required to perform.

10. Enforcement; Default.

a. In the event that Sublessor fails to assert any rights it may have under the Master Lease or the Basin Sublease Agreement to the detriment of Sublessee and does not cure such failure within 10 business days after receipt of a written notice from Sublessee specifying the rights to be enforced, then Sublessee shall be entitled to enforce such rights directly against City of Vancouver or WPC, as the case may be.

b. In the event that Sublessor is in default under this Fire Department Basin Sublease and fails to cure such default within five (5) business days after receipt of written notice from Sublessee, then Sublessee may pay or perform such obligations on behalf of Sublessor and may offset any amounts so paid against any amounts due and owing under this Fire Department Basin Sublease.

11. Assignment.

This Fire Department Basin Sublease shall not be assignable without the express written consent of Sublessor and WPC, which consent will not be unreasonably withheld.

12. Successors and Assigns.

All covenants, promises, conditions, representations, and agreements contained in this Fire Department Basin Sublease, including the termination right in Section 3 of this Fire Department Basin Sublease, shall be binding upon and to the benefit of the parties, their respective heirs, executors, administrators, successors, and assigns.

13. Notices.

Any notice required to given to any party under this Fire Department Basin Sublease shall be deemed to have been served when mailed, postage prepaid, by certified or registered mail, or delivered by recognized overnight courier, addressed as follows:

If to Sublessee:

Vancouver Fire Department
c/o _____
P.O. Box 1995 Vancouver, WA 98668-1995

If to Sublessor:

Vigor Works LLC
Attention: Chief Operating Officer
5555 N. Channel Avenue
Portland, Oregon 97217

With a copy to:

Vigor Works LLC
Attention: General Counsel
5555 N. Channel Avenue
Portland, Oregon 97217

If to WPC:

WPC Vancouver LLC
Attention: JD Watumull
307 Lewers Street, 6th Floor
Honolulu, HI 98615

14. Attorney's Fees.

Should either party default in any of the covenants or agreements contained herein, the defaulting party shall pay all costs and expenses, including reasonable attorney's fees, which may arise from the enforcement of this Fire Department Basin Sublease, or in pursuing any remedy provided by the laws of the State of Washington, whether such remedy is filing a lawsuit or otherwise.

15. Entire Agreement; Amendments; Waiver. This Fire Department Basin Sublease supersedes and cancels all previous agreements or understandings between the parties, excluding the Master Lease. This Fire Department Basin Sublease expresses and contains the entire agreement of the parties with respect to Sublessee's sublease of the Premises and there are no express or implied representations, warranties, or agreements between the parties, except as contained in this Fire Department Basin Sublease. This Fire Department Basin Sublease may not be modified, amended, or supplemented except by a writing signed by Sublessor and Sublessee. No consent given or waiver made by Sublessor of any breach of Sublessee of any provision of this Fire Department Basin Sublease shall operate or be construed in any manner as a waiver of any subsequent breach of the same or of any other provision.

16. Recording.

Simultaneously with the execution of this Fire Department Basin Sublease, Sublessor and Sublessee agree to execute and record a commercially reasonable memorandum of this Fire Department Basin Sublease, which shall expressly reference Sublessor's right terminate this Fire

Department Basin Sublease, as provided in Section 3, and memorialize the effective date of this Fire Department Basin Sublease as the date the Transaction closed.

IN WITNESS WEHREOF, the parties hereto have executed this Sublease.

Sublessor:

Vigor Works LLC,
an Oregon limited liability company

By: _____

Name: _____

Title: _____

Sublessee:

Vancouver Fire Department,
a City of Vancouver Agency

By: _____

Name: _____

Title: _____

Consent to this Sublease is granted this ____ day of _____, 2019.

WPC

EXHIBIT A

Amended and Restated Boat Basin Lease

AMENDED AND RESTATED BASIN LEASE AGREEMENT

This Amended and Restated Basin Lease (the “Basin Lease”) is made by and between the City of Vancouver (“City”) and Christensen Group, Inc., a Washington corporation (“CGI”) and assigns (collectively with CGI, referred to as “Tenant”), as of _____, __, 2019 (the “Effective Date”).

RECITALS

A. The City is owner of certain land that it first leased to CGI, successor to Christensen Motor Yacht Corporation, Inc., for a term of 60 years, to construct a boat basin and boat launch in support of its yacht construction business located at 4400 SE Columbia Way, pursuant to a March 26, 1990 Agreement (the “1990 Agreement”).

B. The 1990 Agreement was amended by the January 11, 1994 Amendatory Agreement to modify the legal description of the basin and to construct a public trail for the City and for which the City subsequently assumed responsibility to maintain and operate as a public facility.

C. The 1990 Agreement was amended again by the December 2, 1996 Amended Lease Agreement to establish a November 1, 1996 commencement date for the 60-year term and to modify the permitted depth of the two easements, referred to in this Basin Lease as the “Channel Access Easement” and “Basin Access Easement” and, collectively, as the “Access Easements.”

D. The 1990 Agreement was further amended by the March 26, 2018 Lease Amendment to obtain CGI’s approval for the City of Vancouver Fire Department to sublease the basin to operate a boathouse and rapid response vessel.

E. CGI intends to sell its property at 4400 SE Columbia Way and to assign the Basin Lease to another party (the “Buyer”) who intends to sublease the basin to be used for the

construction, repair, outfitting, launching, and retrieving a variety of marine vessels (the “Transaction”).

F. During Buyer’s inspection of the basin, Buyer discovered that a small portion of the basin was subject to a deed restriction for park and playground use only (the “Deed Restriction”), which was placed on the property by the State of Washington when the property was conveyed to the City in 1970, pursuant to a Park and Playground Use Deed, Auditor’s File No. G5577032, as amended by a 1988 Corrective Deed, Auditor’s File No. 8807080034. Buyer also discovered several encroachments at the basin affecting the boat ramp and laydown area and the sidewalk and viewing platform.

G. In order to remove the Deed Restriction, the City quitclaimed the portion of the basin property subject to the Deed Restriction to the State of Washington and the State of Washington then leased that property back to the City, pursuant to that Aquatic Land Lease, Lease No. 20-099510 (the “the Aquatic Land Lease”), which is attached as Exhibit A. The Aquatic Land Lease terminates on November 1, 2056. This Land is referred to in this Basin Lease as the “DNR Leased Land” and is described and depicted in the attached Exhibit B.

H. The remainder of the land which is the subject of this Basin Lease is referred to in this Basin Lease as the “Basin Area” and is described and depicted in the attached Exhibit C. The legal description of the Basin Area is also being amended to correct certain encroachments.

I. It is the parties’ intent that this Basin Lease shall replace the 1990 Agreement and all amendments thereto.

NOW, THEREFORE, based on the mutual promises and covenants set out in this Basin Lease and for other good and valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

1. Term; Excise Taxes.

The City leases to Tenant and Tenant leases from the City the DNR Leased Land (defined as the “Property” in the Aquatic Land Lease) and the Basin Area, subject to the limitations set forth in section 1.1 of the Aquatic Land Lease. The Commencement Date of the Basin Lease is November 1, 1996 and will expire sixty years from that date which is November 1, 2056. As to the DNR Leased Land, this Basin Lease shall terminate if the Aquatic Land Lease terminates for any reason. As of the Effective Date of the Basin Lease, Tenant will pay all leasehold excise taxes under RCW 82.29A, and any other taxes or permit fees on the Basin. The excise tax due on December 1, 2018 was \$3,704.93. Upon the expiration or termination of this Lease, Tenant shall remove its improvements from the DNR Leased Land, as required by Sections 3 and 7 of the Aquatic Land Lease or as otherwise reasonably required by City.

2. Appraisal. Upon the twenty-fifth, thirtieth, thirty-fifth, fortieth, forty-fifth, fiftieth, and fifty-fifth anniversaries of the Commencement Date, the Basin Area will be appraised to establish the value of the land, separate from the improvements. The City and Tenant each will name an appraiser and the two shall select a third appraiser, all three of whom shall appraise the land and the average of the three appraisals shall determine the rent for the

next five years; provided, any appraisal more than twenty-five percent above or below the other two shall be disregarded. The cost of the third appraiser shall be shared equally by the City and Tenant. The DNR Leased Land shall not be considered in the appraisal.

3. Rent.

a. The rent due on December 1, 2018 was \$28,854.60. As of the Effective Date, Tenant, each year, will pay the City ten percent of the appraised value of the unimproved land within the Basin Area and will continue to pay taxes as set forth in Section No. 1. The annual payments will be made in advance of the anniversary dates of the Commencement Date.

b. Additional Rent shall be paid by Tenant for the DNR Leased Land in the same amount as provided for in Section 4 Rent of the Aquatic Land Lease. Initially, the Rent shall be as follows: (i) \$235.57 for water dependent uses and (ii) \$3,076.57 for non-water dependent uses. Tenant also shall pay any leasehold excise tax, fees, and administrative charges, which are assessed against the City under the Aquatic Land Lease, in proportion to its payments of Additional Rent for the DNR Leased Land. The Additional Rent and any applicable leasehold excise tax, fees, or administrative charges shall be due and payable sixty (60) days before the date upon which the rent is due and payable to the State. Pre-payment of Additional Rent in amounts greater than the Additional Rent is prohibited. As provided in the Section 4 of the Aquatic Land Lease, the state may adjust the Additional Rent and must provide notice to City of such adjustments. The City shall forward to Tenant any rental adjustment notices received from the State and Tenant shall pay such amount to the City. Provided Tenant timely pays Additional Rent and any leasehold excise tax, fees, or administrative charges required by the Aquatic Land Lease, any late payment fees, interest, or penalties assessed by the State of Washington, pursuant to Section 6 of Aquatic Land Lease, shall be the responsibility of City. In the event that Tenant is delinquent in its payments to the City, it shall be responsible for any late payment fees, interest, or penalties assessed by the State.

c. Tenant shall provide the City with Financial Security in the manner and amounts as provided in subsection 10.4 of the Aquatic Land Lease.

4. Basin Dredging. Provided that it has secured all required permits and provided notice to the City, Tenant may maintain the Access Easements to a depth of minus ten feet Columbia River Datum (CRD) and to a width of 100 feet to provide water access. To the Extent any of the foregoing dredging is on DNR Leased Land, Tenant also shall comply with the applicable terms of the Aquatic Land Lease.

5. Purpose; Uses. The DNR Leased Land shall be used by Tenant solely for the “Permitted Use” and subject to the “Restrictions” described in Section 2 of the Aquatic Land Lease. The Basin Area shall be used by Tenant solely for vessel launching, retrieving, mooring, egress, and ingress and for the outfitting, repair, and maintenance of marine vessels in support of operations at 4400 SE Columbia Way. Within the DNR Leased Land, any construction, repair, modification or demolition shall comply with subsections 7.3 and 7.4 of the Aquatic Land Lease. Otherwise, Tenant shall construct no structures of any kind, except docks and slips, breakwaters,

one floating boathouse, dry-dock, one stationary dry-dock facility, one houseboat (to serve for security), a parking lot, and a staging area.

6. Landscape. Tenant shall landscape and fence such property in accordance with City standards and subject to reasonable written approval by Directors of Parks, so as to be consistent with other present or potential uses in the area. Tenant agrees to maintain such property and all structures so as to provide a neat and attractive appearance consistent with the appearance and character of the area and recognizing that the adjacent area is a city park.

7. Access Easements. The land leased by the City to Tenant is dependent for water access upon two easements, which are described in more detail in Exhibit D and are referred to collectively as the "Access Easements." The first easement, the Basin Access Easement, is across both City-owned land and DNR Leased Land that is subject to the Aquatic Land Lease. The City hereby grants Tenant an easement over the Basin Access Easement for the purpose of accessing the basin. That portion of the Basin Access Easement across the DNR Leased Land shall terminate without notice upon the termination of the Aquatic Land Lease or this Basin Lease. The Basin Access Easement leads to a second easement, the Channel Access Easement, that provides access to the Columbia River over submerged land. The City hereby grants Tenant the Channel Access Easement for the purpose of ingress and egress for boats, as described in the deed from Smith to the City under Auditor's Recording No. 526962. The Channel Access Easement shall terminate without notice upon the termination of this Basin Lease. The City leases the Access Easements to Tenant for access both to and from the land and water. The Access Easements are non-exclusive. Tenant shall be responsible for obtaining all permits for dredging and maintaining the Access Easements for the term of this Basin Lease.

8. Assignment; Sublease. Tenant may assign this Basin Lease or sublease the Basin Area to any third party, so long as the use of the Basin Area is limited to the purpose and uses described in Paragraph No. 5 and with the consent of the City which shall not be unreasonably withheld. Tenant also must comply with Section 9 of the Aquatic Land Lease for any assignment, sublease, or transfer of any interest involving the DNR Leased Lands. In the event of an assignment of the Basin Lease, such assignment shall be subject to all of the rights and obligations of this Basin Lease and any subleases. The City acknowledges that Buyer's lender may require Buyer to assign, mortgage or otherwise pledge Buyer's leasehold interest in the Basin Area as security for a loan from Buyer's lender. The City agrees it will consent to such assignment, mortgage, or pledge so long as, if requested by City, Buyer and Buyer's lender execute a commercially reasonable form of consent to assignment, mortgage, or pledge as the City, Buyer, and Buyer's lender may mutually agree. The City's consent to the foregoing also shall be subject to the applicable terms of the Aquatic Land Lease.

9. Change in Purpose or Use. If Tenant ceases to operate the DNR Leased Land and Basin Area as described in Paragraph No. 5, Tenant may use the basin for some other marine or water dependent purpose, but only upon a City Council finding that the new use would not be contrary to the public interest and would not interfere with any public uses in the area and, as to the DNR Leased Land, with the permission of the State. Unless the City Council approves the new use, the Basin Lease would automatically terminate.

10. DNR Leased Land Obligations.

a. The DNR Leased Land is subject to the Aquatic Land Lease between the City of Vancouver and the State of Washington. Notwithstanding the foregoing, there is no privity of contract between Tenant and the State of Washington. Tenant acknowledges that it has received a copy the Aquatic Land Lease. Tenant acknowledges State of Washington's right of entry to the DNR Leased Lands, as set out in Section 15 of the Aquatic Land Lease. With respect to the DNR Leased Lands, any conflict between the terms and conditions of this Basin Lease and the Aquatic Land Lease, the Aquatic Land Lease shall control.

b. With respect to the DNR Leased Lands, this Basin Lease and any assignment or sublease are subject to the following terms and conditions of the Aquatic Land Lease:

(i) The terms and conditions governing improvements and personal property in Section 7 of the Aquatic Land Lease;

(ii) the terms and conditions governing environmental liability and risk allocation in Section 8 of the Aquatic Land Lease;

(iii) the terms and conditions governing maintenance and repair in Section 11 of the Aquatic Land Lease;

(iv) the terms and conditions governing damage or destruction in Section 12 of the Aquatic Land Lease; and

(v) the terms and conditions governing condemnation in Section 13 of the Aquatic Land Lease.

11. Default. If Tenant ceases using the Basin Area as provided in Paragraph No. 5, or in Paragraph No. 9 as approved by the City Council, ceases paying taxes, or fails properly to maintain insurance or otherwise to properly maintain the Basin Area, the City may declare this Basin Lease void and may re-enter; provided, the City gives Tenant at least thirty days written notice to cure any alleged default prior to declaring this Basin Lease void. If Tenant begins to correct any alleged default within such thirty days, Tenant shall be given a reasonable time to correct any alleged default.

b. In the event City is in default of the Aquatic Land Lease, City shall provide prompt notice to Tenant of such default. If City is deemed to be in an "Event of Default" of the Aquatic Land Lease, Tenant shall have the right to provide the City with the resources to enable it to cure such default, if possible. In such case, City shall reimburse Tenant for all of its costs incurred to cure such default. City shall remit payment to Tenant within 30 days of a written demand by Tenant for such costs.

12. Hold Harmless; Insurance.

a. Tenant will hold the City harmless from any claims for personal injuries relating to the Tenant's use of the Basin Area. Tenant will name the City as an additional

insured on liability insurance policies that Tenant shall maintain in a minimum amount of One Million Dollars per injury to any person, or such higher amount as may reasonably be demanded by City.

b. With respect to the DNR Leased Land, Tenant shall comply with the applicable Insurance requirements of Sections 10.2 and 10.3 of the Aquatic Land Lease. Tenant also shall indemnify, defend, and hold harmless the State of Washington with respect to the DNR Leased Land, as provided in Section 10.1 of the Aquatic Land Lease.

13. Consent by Tenant. In addition to the structures permitted in Paragraph No. 5, Tenant consents to the City placing and mooring a fireboat house and the Vancouver Fire Department Rapid Response Vessel in the basin, pursuant to a separate sublease agreement, subject to such agreement being approved by Tenant. Such consent and approval is and shall be continually dependent upon the Vancouver Fire Department not interfering with Tenant's permitted uses of the Basin Area, as described in Paragraph No. 5, or Paragraph No. 9 as approved by the City Council.

The parties acknowledge that the separate sublease agreement referenced above will include a provision giving the Tenant or a sublessee of Tenant the right to terminate such separate sublease agreement, but Tenant or a sublessee of Tenant must give no less than twenty-four months' prior written notice to the Vancouver Fire Department, a City of Vancouver agency. Tenant agrees that this provision may be enforced by the City.

14. Consent by City. City consents to Tenant assigning this Basin Lease to Buyer at the closing of the Transaction. City also consents to Buyer subleasing to Vigor Works LLC the DNR Leased Land and Basin Area, including all rights to the Access Easements granted to Tenant under this Basin Lease.

15. Termination. Tenant shall have the option to terminate this Basin Lease upon ninety days' prior written notice to the City upon the occurrence of any of the following events:

a. Any sublessee or assign operating the basin is in default or has abandoned the use of the basin.

b. At the discretion of Tenant, but only if any sublessee or assign operating the basin consents to assume the obligation of Tenant under this Basin Lease.

c. Upon a sale by Tenant of the 4400 SE Columbia Way property and the buyer of the property does not assume this Basin Lease, but only if any sublessee or assign operating the basin consents to assume the obligations of Tenant under this Basin Lease.

Any sublease or assignment pursuant to this Section 15 must comply with the sublease and assignment requirements set forth in Section 8 of this Basin Lease.

16. Notice. Any notice regarding this Basin Lease, or required to be provided by this Basin Lease, shall be in writing and be (i) sent by certified U.S. Mail, (ii) personally delivered, or

(iii) sent by e-mail in portable document format (pdf). If sent by e-mail, such notice shall be followed the next day with notice by certified U.S. Mail. Notice shall be deemed given when delivered. Notice shall be addressed, as follows:

If to City:

City of Vancouver
Real Property Services
P.O. Box 1995
Vancouver, WA. 98665-1995

If to Tenant:

Christensen Group, Inc.
4400 SE Columbia Way
Vancouver, WA 98661
Attn: General Counsel

17. Amendment and Restatement. This Basin Lease amends, restates, and replaces the 1990 Agreement and all amendments, such that the 1990 Agreement and amendments shall have no further force or effect.

CHRISTENSEN GROUP, INC.

By: _____

Name: _____

Its: _____

CITY OF VANCOUVER

By: _____

Name: _____

Its: _____

Approved as to form:

STATE OF WASHINGTON)

)-ss

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that Kathryn D. Maynard, President of Christensen Group, Inc., is the person who appeared before me, and such person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it to be a free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Subscribed and sworn to before me the ____ day of _____, 2019

Notary Public in and for the State of Washington

My commission expires: _____

STATE OF WASHINGTON)

)-ss

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that _____, the _____ for the City of Vancouver, Washington, is the person who appeared before me, and such person acknowledged signing this instrument, on oath stated that such person is authorized to execute this instrument, and acknowledged it to be a free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Subscribed and sworn to before me on the ____ day of _____, 2019

Notary Public in and for the State of Washington

My commission expires: _____

EXHIBIT A
Aquatic Land Lease

When recorded, return to:
City of Vancouver
PO Box 1995
Vancouver, WA 98668



AQUATIC LANDS LEASE

Lease No. 20-099510

Grantor: Washington State Department of Natural Resources
Grantee(s): City of Vancouver
Legal Description: SE1/4, Section 36, Township 2 North, Range 1 East, W.M.
Complete Legal Description on Page 35
Assessor's Property Tax Parcel or Account Number: 503085000
Assessor's Property Tax Parcel or Account Number for Upland parcel used in conjunction with this lease: 503085000

THIS LEASE is between the STATE OF WASHINGTON, acting through the Department of Natural Resources ("State"), and CITY OF VANCOUVER, a government agency ("Tenant").

BACKGROUND

Tenant desires to lease the aquatic lands commonly known as Columbia River, which are tidelands located in Clark County, Washington, from State, and State desires to lease the property to Tenant pursuant to the terms and conditions of this Lease. State has authority to enter into this Lease under Chapter 43.12, Chapter 43.30 and Title 79 of the Revised Code of Washington (RCW).

THEREFORE, the Parties agree as follows:

SECTION 1 PROPERTY

1.1 Property Defined.

- (a) State leases to Tenant and Tenant leases from State the real property described in Exhibit A together with all the rights of State, if any, to improvements on and easements benefiting the Property, but subject to the exceptions and restrictions set forth in this Lease (collectively the “Property”).
- (b) This Lease is subject to all valid interests of third parties noted in the records of Clark County, or on file in the Office of the Commissioner of Public Lands, Olympia, Washington; rights of the public under the Public Trust Doctrine or federal navigation servitude; and treaty rights of Indian Tribes.
- (c) This Lease does not include a right to harvest, collect, or damage natural resources, including aquatic life or living plants; water rights; mineral rights; or a right to excavate or withdraw sand, gravel, or other valuable materials.
- (d) State reserves the right to grant easements and other land uses on the Property to others when the easement or other land uses will not interfere unreasonably with the Permitted Use.

1.2 Survey and Property Descriptions.

- (a) Tenant warrants that the legal description provided in Exhibit A is a true and accurate description of the Property boundaries and the improvements to be constructed or already existing on the Property. Tenant’s obligation to provide a true and accurate description of the Property boundaries is a material term of this Lease.
- (b) State’s acceptance of the record of survey referenced in Exhibit A does not constitute agreement that this record of survey accurately reflects the actual amount of land used by Tenant. Tenant’s use or occupancy of any state-owned aquatic lands outside the Property boundaries is a material breach of this Lease and State may seek remedies under Section 14 of this Lease in addition to any other remedies afforded by law or equity or otherwise.
- (c) Tenant shall hold State harmless and will not seek damages from State in the event a subsequent record of survey reveals an error in the legal description provided in Exhibit A.

1.3 Inspection. State makes no representation regarding the condition of the Property, improvements located on the Property, the suitability of the Property for Tenant’s Permitted Use, compliance with governmental laws and regulations, availability of utility rights, access to the Property, or the existence of hazardous substances on the Property. Tenant inspected the Property and accepts it “AS IS.”

SECTION 2 USE

2.1 Permitted Use. Tenant shall use the Property for:

Public Access (one roadway), one boat ramp and storage within the Lease area (the “Permitted Use”), and for no other purpose.

This is a mixed use, with 35,071 square feet of public use and access, 6,350 square feet of nonwater-dependent use and 4,150 square feet of water-dependent use for a total lease area of 45,571 square feet. Exhibit B describes the Permitted Use in detail. The Permitted Use is subject to additional obligations in Exhibit B.

2.2 Restrictions on Permitted Use and Operations. The following limitations and requirements apply to the Property and adjacent state-owned aquatic land. Tenant’s compliance with the following does not limit Tenant’s liability under any other provision of this Lease.

- (a) Tenant shall not cause or permit:
 - (1) Damage to natural resources,
 - (2) Waste, or
 - (3) Deposit of material, unless approved by State in writing. This prohibition includes deposit of fill, rock, earth, ballast, wood waste, refuse, garbage, waste matter, pollutants of any type, or other matter.
- (b) Tenant shall not cause or permit grounding, scour, or damage to aquatic land and vegetation. This prohibition includes the following limitations:
 - (1) If pressure washing or cleaning any equipment, machinery, or floating or fixed structures within the boundaries of the Property or on any adjacent state-owned aquatic land, Tenant shall avoid scouring the substrate and damaging any aquatic land and vegetation. Tenant shall also comply with the following limitations:
 - (i) If equipment contains or is covered with petroleum based products:
 - (1) Tenant shall not pressure wash such equipment in or over the water and
 - (2) all wash water must be contained and taken to an approved treatment facility.
 - (ii) Tenant shall collect or sweep up non-organic debris accumulations on structures resulting from pressure washing and properly dispose of such debris in an upland location.
 - (iii) Tenant shall pressure wash using only clean water. Tenant shall not use or add to the pressure washing unit any detergents or other cleaning agents.
 - (iv) Tenant shall pressure wash painted structures using appropriate filter fabric to control and contain paint particles generated by the pressure washing.
 - (2) Tenant shall avoid damage caused by propeller wash from vessels.
 - (3) Tenant shall not allow moorage or anchorage of vessels in water shallower than 7 feet at the extreme low tide, and shall not allow vessels to come in contact with underlying tidelands (“ground out”) at any time.
 - (4) If anchoring, Tenant shall use and shall require use of anchor lines with midline floats.
 - (5) Tenant shall not allow floating structures to come in contact with underlying tidelands (“ground out”). Tenant must either (1) locate all

floating structures in water too deep to permit grounding out or (2) install stoppers sufficient to prevent grounding, keeping the bottom of the structure above the level of the substrate.

- (c) Tenant shall not construct new bulkheads or place hard bank armoring.
- (d) Tenant shall not install fixed breakwaters.
- (e) Tenant shall incorporate best management practices to prevent release of chemical contaminants, wastewater, garbage, and other pollutants, as set forth in Pollution Prevention for Washington State Marinas, available at <https://wsg.washington.edu/wordpress/wp-content/uploads/marina-handbook.pdf>. Tenant shall comply with any revisions to these best management practices that occur after the effective date of this lease. If Department of Natural Resources, Department of Ecology, or any other regulatory agency establishes different standards, Tenant shall meet the most protective standard.
- (f) Residential uses, as defined by WAC 332-30-106(62), are not permitted on the Property.

2.3 Conformance with Laws. Tenant shall, at all times, keep current and comply with all conditions and terms of permits, licenses, certificates, regulations, ordinances, statutes, and other government rules and regulations regarding Tenant's use or occupancy of the Property.

2.4 Liens and Encumbrances. Unless expressly authorized by State in writing, Tenant shall keep the Property free and clear of liens or encumbrances arising from the Permitted Use or Tenant's occupancy of the Property. Notwithstanding the foregoing, State acknowledges that Tenant may request State's consent to assign this Lease to a subtenant and such subtenant may be required by its lender to assign, mortgage or otherwise pledge its leasehold interest in the Property as security for a loan from subtenant's lender.

SECTION 3 TERM

3.1 Term Defined. The term of this Lease is Thirty-Seven (37) years (the "Term"), beginning on the 1 day of July, 2019 (the "Commencement Date"), and ending on the 2 day of November, 2056 (the "Termination Date"), unless terminated sooner under the terms of this Lease.

3.2 Renewal of the Lease. This Lease does not provide a right of renewal. Tenant may apply for a new lease, which State has discretion to grant. Tenant must apply for a new lease at least one (1) year prior to Termination Date. State will notify Tenant within ninety (90) days of its intent to approve or deny a new Lease.

3.3 End of Term.

- (a) Upon the expiration or termination of this Lease, Tenant shall remove Improvements in accordance with Section 7, Improvements, and surrender the Property to State in the same or better condition as on the Commencement Date, reasonable wear and tear excepted.
- (b) Definition of Reasonable Wear and Tear.

- (1) Reasonable wear and tear is deterioration resulting from the Permitted Use that has occurred without neglect, negligence, carelessness, accident, or abuse of the Property by Tenant or any other person on the premises with the permission of Tenant.
- (2) Reasonable wear and tear does not include unauthorized deposit of material prohibited under Paragraph 2.2 regardless of whether the deposit is incidental to or the byproduct of the Permitted Use.
- (c) If Property is in worse condition, excepting for reasonable wear and tear, on the surrender date than on the Commencement Date, the following provisions apply.
 - (1) State shall provide Tenant a reasonable time to take all steps necessary to remedy the condition of the Property. State may require Tenant to enter into a right-of-entry or other use authorization prior to the Tenant entering the Property if the Lease has terminated.
 - (2) If Tenant fails to remedy the condition of the Property in a timely manner, State may take steps reasonably necessary to remedy Tenant's failure. Upon demand by State, Tenant shall pay all costs of State's remedy, including but not limited to the costs of removing and disposing of material deposited improperly on the Property, lost revenue resulting from the condition of the Property, and administrative costs associated with the State's remedy.

3.4 Holdover.

- (a) If Tenant remains in possession of the Property after the Termination Date, the occupancy will not be an extension or renewal of the Term. The occupancy will be a month-to-month tenancy, on terms identical to the terms of this Lease, which either Party may terminate on thirty (30) days' written notice.
 - (1) The monthly rent during the holdover will be the same rent that would be due if the Lease were still in effect and all adjustments in rent were made in accordance with its terms.
 - (2) Payment of more than the monthly rent will not be construed to create a periodic tenancy longer than month-to-month. If Tenant pays more than the monthly rent and State provides notice to vacate the property, State shall refund the amount of excess payment remaining after the Tenant ceases occupation of the Property.
- (b) If State notifies Tenant to vacate the Property and Tenant fails to do so within the time set forth in the notice, Tenant will be a trespasser and shall owe the State all amounts due under RCW 79.02.300 or other applicable laws.

SECTION 4 RENT

4.1 Annual Rent.

- (a) Until adjusted as set forth below, Tenant shall pay to State an annual rent of Three Thousand Three Hundred Twelve Dollars and 14/100 (\$3,312.14), consisting of Two Hundred Thirty-Five Dollars and 57/100 (\$235.57) related to water-dependent use and Three Thousand Seventy-Six Dollars and 57/100 (\$3,076.57) related to the nonwater-dependent use.

- (b) The annual rent, as it currently exists or as adjusted or modified (the “Annual Rent”), is due and payable in full on or before the Commencement Date and on or before the same date of each year thereafter. Any payment not paid by State’s close of business on the date due is past due.

4.2 Payment Place. Tenant shall make payment to Financial Management Division, 1111 Washington St SE, PO Box 47041, Olympia, WA 98504-7041.

4.3 Adjustment Based on Use. Annual Rent is based on Tenant’s Permitted Use of the Property, as described in Section 2 above. If Tenant’s Permitted Use changes, the Annual Rent shall be adjusted as appropriate for the changed use.

4.4 Rent Adjustment Procedures.

- (a) Notice of Rent Adjustment. State shall provide notice of adjustments to the Annual Rent allowed under Paragraphs 4.5(b) and 4.6(b) to Tenant in writing no later than ninety (90) days after the anniversary date of the Lease.
- (b) Procedures on Failure to make Timely Adjustment. If the State fails to provide the notice required in Paragraph 4.4(a), State shall not collect the adjustment amount for the year in which State failed to provide notice. Upon providing notice of adjustment, State may adjust and prospectively bill Annual Rent as if missed or waived adjustments had been implemented at the proper interval. This includes the implementation of any inflation adjustment.

4.5 Rent Adjustments for Water-Dependent Uses.

- (a) Inflation Adjustment. State shall adjust water-dependent rent annually pursuant to RCW 79.105.200-.360, except in those years in which State revalues the rent under Paragraph 4.5(b) below. This adjustment will be effective on the anniversary of the Commencement Date.
- (b) Revaluation of Rent. At the end of the first four-year period of the Term, and at the end of each subsequent four-year period, State shall revalue the water-dependent Annual Rent in accordance with RCW 79.105.200-.360.
- (c) Rent Cap. State shall increase rent incrementally in compliance with RCW 79.105.260 as follows: If application of the statutory rent formula for water-dependent uses would result in an increase in the rent attributable to such uses of more than fifty percent (50%) in any one year, State shall limit the actual increase implemented in such year to fifty percent (50%) of the then-existing rent. In subsequent, successive years, State shall increase the rental amount incrementally until the State implements the full amount of increase as determined by the statutory rent formula.

4.6 Rent Adjustments for Nonwater-Dependent Uses.

- (a) Inflation Adjustment. Except in those years in which State revalues the rent under Paragraph 4.6(b) below, State shall adjust nonwater-dependent rent annually on the anniversary of the Commencement Date. Adjustment is based on the percentage rate of change in the previous calendar year's Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of

Labor, for the Seattle-Tacoma-Bremerton CMSA, All Urban Consumers, all items 1982-84 = 100. If publication of the Consumer Price Index is discontinued, State shall use a reliable governmental or other nonpartisan publication evaluating the information used in determining the Consumer Price Index.

- (b) Revaluation of Rent.
- (1) At the end of the first four-year period of the Term, and at the end of each subsequent four-year period, State shall revalue the nonwater-dependent Annual Rent to reflect the then-current fair market rent.
 - (2) If State and Tenant cannot reach agreement on the fair market rental value, the Parties shall submit the valuation to a review board of appraisers. The board must consist of three members, one selected by and at the cost of Tenant; a second member selected by and at the cost of State; and a third member selected by the other two members with the cost shared equally by State and Tenant. The decision of the majority of the board binds the Parties. Until the Parties agree to, or the review board establishes, the new rent, Tenant shall pay rent in the same amount established for the preceding year. If the board determines additional rent is required, Tenant shall pay the additional rent within ten (10) days of the board's decision. If the board determines a refund is required, State shall pay the refund within ten (10) days of the board's decision.

SECTION 5 OTHER EXPENSES

5.1 Utilities. Tenant shall pay all fees charged for utilities required or needed by the Permitted Use.

5.2 Taxes and Assessments. Tenant shall pay all taxes (including leasehold excise taxes), assessments, and other governmental charges applicable or attributable to the Property, Tenant's leasehold interest, the improvements, or Tenant's use and enjoyment of the Property.

5.3 Right to Contest. If in good faith, Tenant may contest any tax or assessment at its sole cost and expense. At the request of State, Tenant shall furnish reasonable protection in the form of a bond or other security, satisfactory to State, against loss or liability resulting from such contest.

5.4 Proof of Payment. If required by State, Tenant shall furnish to State receipts or other appropriate evidence establishing the payment of amounts this Lease requires Tenant to pay.

5.5 Failure to Pay. If Tenant fails to pay amounts due under this Lease, State may pay the amount due, and recover its cost in accordance with Section 6.

SECTION 6 LATE PAYMENTS AND OTHER CHARGES

6.1 Failure to Pay Rent. Failure to pay rent is a default by the Tenant. State may seek remedies under Section 14 as well as late charges and interest as provided in this Section 6.

6.2 Late Charge. If State does not receive full rent payment within ten (10) days of the date due, Tenant shall pay to State a late charge equal to four percent (4%) of the unpaid amount or Fifty Dollars (\$50), whichever is greater, to defray the overhead expenses of State incident to the delay.

6.3 Interest Penalty for Past Due Rent and Other Sums Owed.

- (a) Tenant shall pay interest on the past due rent at the rate of one percent (1%) per month until paid, in addition to paying the late charges determined under Paragraph 6.2. Rent not paid by the close of business on the due date will begin accruing interest the day after the due date.
- (b) If State pays or advances any amounts for or on behalf of Tenant, Tenant shall reimburse State for the amount paid or advanced and shall pay interest on that amount at the rate of one percent (1%) per month from the date State notifies Tenant of the payment or advance. This includes, but is not limited to, State's payment of taxes of any kind, assessments, insurance premiums, costs of removal and disposal of materials or Improvements under any provision of this Lease, or other amounts not paid when due.

6.4 Referral to Collection Agency and Collection Agency Fees. If State does not receive full payment within thirty (30) days of the due date, State may refer the unpaid amount to a collection agency as provided by RCW 19.16.500 or other applicable law. Upon referral, Tenant shall pay collection agency fees in addition to the unpaid amount.

6.5 No Accord and Satisfaction. If Tenant pays, or State otherwise receives, an amount less than the full amount then due, State may apply such payment as it elects. State may accept payment in any amount without prejudice to State's right to recover the balance of the rent or pursue any other right or remedy. No endorsement or statement on any check, any payment, or any letter accompanying any check or payment constitutes accord and satisfaction.

6.6 No Counterclaim, Setoff, or Abatement of Rent. Except as expressly set forth elsewhere in this Lease, Tenant shall pay rent and all other sums payable by Tenant without the requirement that State provide prior notice or demand. Tenant's payment is not subject to counterclaim, setoff, deduction, defense or abatement.

SECTION 7 IMPROVEMENTS

7.1 Improvements Defined.

- (a) "Improvements," consistent with RCW 79.105 through 79.145, are additions within, upon, or attached to the land. This includes, but is not limited to, fill, structures, bulkheads, docks, pilings, and other fixtures.

- (b) “Personal Property” means items that can be removed from the Property without (1) injury to the Property or Improvements or (2) diminishing the value or utility of the Property or Improvements.
- (c) “State-Owned Improvements” are Improvements made or owned by State. State-Owned Improvements includes any construction, alteration, or addition to State-Owned Improvements made by Tenant.
- (d) “Tenant-Owned Improvements” are Improvements authorized by State and (1) made by Tenant or (2) acquired by Tenant from the prior tenant.
- (e) “Unauthorized Improvements” are Improvements made on the Property without State’s prior consent or Improvements made by Tenant that do not conform to plans submitted to and approved by the State.

7.2 Existing Improvements. On the Commencement Date, the following Improvements are located on the Property: one boat ramp, one roadway, and a fence. The Improvements are Tenant-Owned Improvements.

7.3 Construction, Major Repair, Modification, and Demolition.

- (a) This Paragraph 7.3 governs construction, alteration, replacement, major repair, modification, demolition, and deconstruction of Improvements (“Work”).
- (b) All Work must conform to requirements under Paragraph 7.4. Paragraph 11.3, which applies to maintenance and minor repair, also applies to all Work under this Paragraph 7.3.
- (c) Except in an emergency, Tenant shall not conduct Work, without State’s prior written consent, as follows:
 - (1) State may deny consent if State determines that denial is in the best interests of the State or if proposed Work does not comply with Paragraphs 7.4 and 11.3. State may impose additional conditions reasonably intended to protect and preserve the Property. If Work is for removal of Improvements at End of Term, State may waive removal of some or all Improvements.
 - (2) Except in an emergency, Tenant shall submit to State plans and specifications describing the proposed Work at least sixty (60) days before submitting permit applications to regulatory authorities unless Tenant and State otherwise agree to coordinate permit applications. At a minimum, or if no permits are necessary, Tenant shall submit plans and specifications at least ninety (90) days before commencement of Work.
- (d) Tenant shall notify State of emergency Work within five (5) business days of the start of such Work. Upon State’s request, Tenant shall provide State with plans and specifications or as-builts of emergency Work.
- (e) Tenant shall not commence or authorize Work until Tenant or Tenant’s contractor has:
 - (1) Obtained a performance and payment bond in an amount equal to one hundred twenty-five percent (125%) of the estimated cost of construction. Tenant shall maintain the performance and payment bond until Tenant pays in full the costs of the Work, including all laborers and material persons.

- (2) Obtained all required permits.
- (f) Before completing Work, Tenant shall remove all debris and restore the Property to an orderly and safe condition. If Work is intended for removal of Improvements at End of Term, Tenant shall restore the Property in accordance with Paragraph 3.3, End of Term.
- (g) Upon completing Work, Tenant shall promptly provide State with as-built plans and specifications.
- (h) State shall not charge rent for authorized Improvements installed by Tenant during this Term of this Lease, but State may charge rent for such Improvements when and if Tenant or successor obtains a subsequent use authorization for the Property and State has waived the requirement for Improvements to be removed as provided in Paragraph 7.5.

7.4 Standards for Work.

- (a) Applicability of Standards for Work.
 - (1) The standards for Work in Paragraph 7.4(b) apply to Work commenced in the five year period following the Commencement Date. Work commences when State approves plans and specifications.
 - (2) If Tenant commences Work five years or more after the Commencement Date, Tenant shall comply with State's then current standards for Work.
 - (3) Tenant may ascertain State's current standards for Work as follows:
 - (i) Before submitting plans and specifications for State's approval as required by Paragraph 7.3 of the Lease, Tenant shall request State to provide Tenant with then current standards for Work on State-owned Aquatic Lands.
 - (ii) Within thirty (30) days of receiving Tenant's request, State shall provide Tenant with current standards for Work, which will be effective for the purpose of State's approval of Tenant's proposed Work provided Tenant submits plans and specifications for State's approval within two (2) years of Tenant's request for standards.
 - (iii) If State does not timely provide current standards upon Tenant's request, the standards under Paragraph 7.4(b) apply to Tenant's Work provided Tenant submits plans and specifications as required by Paragraph 7.3 within two (2) years of Tenant's request for standards.
 - (iv) If Tenant fails to (1) make a request for current standards or (2) timely submit plans and specifications to State after receiving current standards, Tenant shall make changes in plans or Work necessary to conform to current standards for Work upon State's demand.
- (b) Standards for Work.
 - (1) State will not approve plans to construct new Improvements or expand existing Improvements in or over habitats designated by State as important habitat. Tenant shall confirm location of important habitat on Property, if any, with State before submitting plans and specifications in accordance with Paragraph 7.3.

- (2) Tenant shall only conduct in-water Work during time periods authorized for such work under WAC 220-660-330, Authorized Work Times in Saltwater Areas, as amended, or as otherwise directed by the Washington Department of Fish and Wildlife (WDFW).
- (3) Tenant shall not provide anchorage or moorage in water more shallow than seven (7) feet at the extreme low tide.
- (4) Tenant shall use embedded anchors and midline floats on all anchored structures and buoys.
- (5) If Tenant is constructing a new or rebuilding an existing boat ramp or launch, Tenant shall construct boat ramps and launches to minimize:
 - (i) interruption of longshore current,
 - (ii) alteration of existing sediment transport mechanisms (wave energy, longshore current, or other),
 - (iii) impacts to species.

7.5 Tenant-Owned Improvements at End of Lease.

- (a) Disposition.
 - (1) Tenant shall remove Tenant-Owned Improvements in accordance with Paragraph 7.3 upon the expiration, termination, or cancellation of the Lease unless State waives the requirement for removal.
 - (2) Tenant-Owned Improvements remaining on the Property on the expiration, termination, or cancellation date shall become State-Owned Improvements without payment by State, unless State elects otherwise. State may refuse or waive ownership. If RCW 79.125.300 or 79.130.040 apply at the time this Lease expires, Tenant could be entitled to payment by the new tenant for Tenant-Owned Improvements.
 - (3) If Tenant-Owned Improvements remain on the Property after the expiration, termination, or cancellation date without State's consent, State may remove all Improvements and Tenant shall pay State's costs.
- (b) Conditions Under Which State May Waive Removal of Tenant-Owned Improvements.
 - (1) State may waive removal of some or all Tenant-Owned Improvements whenever State determines that it is in the best interests of the State and regardless of whether Tenant re-leases the Property.
 - (2) If Tenant re-leases the Property, State may waive requirement to remove Tenant-Owned Improvements. State also may consent to Tenant's continued ownership of Tenant-Owned Improvements.
 - (3) If Tenant does not re-lease the Property, State may waive requirement to remove Tenant-Owned Improvements upon consideration of a timely request from Tenant, as follows:
 - (i) Tenant must notify State at least one (1) year before the Termination Date of its request to leave Tenant-Owned Improvements.
 - (ii) State, within ninety (90) days of receiving Tenant's notification, will notify Tenant whether State consents to some or all Tenant-

Owned Improvements remaining. State has no obligation to grant consent.

- (iii) State's failure to respond to Tenant's request to leave Improvements within ninety (90) days is a denial of the request.
- (c) Tenant's Obligations if State Waives Removal.
 - (1) Tenant shall not remove Improvements if State waives the requirement for removal of some or all Tenant-Owned Improvements.
 - (2) Tenant shall maintain such Improvements in accordance with this Lease until the expiration, termination, or cancellation date. Tenant is liable to State for cost of repair if Tenant causes or allows damage to Improvements State has designated to remain.

7.6 Disposition of Unauthorized Improvements.

- (a) Unauthorized Improvements belong to State, unless State elects otherwise.
- (b) State may either:
 - (1) Consent to Tenant ownership of the Improvements, or
 - (2) Charge rent for use of the Improvements from the time of installation or construction and
 - (i) Require Tenant to remove the Improvements in accordance with Paragraph 7.3, in which case Tenant shall pay rent for the Improvements until removal, or
 - (ii) Consent to Improvements remaining and Tenant shall pay rent for the use of the Improvements, or
 - (iii) Remove Improvements and Tenant shall pay for the cost of removal and disposal, in which case Tenant shall pay rent for use of the Improvements until removal and disposal.

7.7 Disposition of Personal Property.

- (a) Tenant retains ownership of Personal Property unless Tenant and State agree otherwise in writing.
- (b) Tenant shall remove Personal Property from the Property by the Termination Date. Tenant is liable for damage to the Property and Improvements resulting from removal of Personal Property.
- (c) State may sell or dispose of all Personal Property left on the Property after the Termination Date.
 - (1) If State conducts a sale of Personal Property, State shall apply proceeds first to the State's administrative costs in conducting the sale, second to payment of amount that then may be due from the Tenant to the State. State shall pay the remainder, if any, to the Tenant.
 - (2) If State disposes of Personal Property, Tenant shall pay for the cost of removal and disposal.

SECTION 8 ENVIRONMENTAL LIABILITY/RISK ALLOCATION

8.1 Definitions.

- (a) “Hazardous Substance” means any substance that now or in the future becomes regulated or defined under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to human health, environmental protection, contamination, pollution, or cleanup.
- (b) “Release or threatened release of Hazardous Substance” means a release or threatened release as defined under any law described in Paragraph 8.1(a).
- (c) “Utmost care” means such a degree of care as would be exercised by a very careful, prudent, and competent person under the same or similar circumstances; the standard of care applicable under the Washington State Model Toxics Control Act (“MTCA”), Chapter 70.105D RCW, as amended.
- (d) “Tenant and affiliates” when used in this Section 8 means Tenant or Tenant’s subtenants, contractors, agents, employees, guests, invitees, licensees, affiliates, or any person on the Property with the Tenant’s permission.
- (e) “Liabilities” as used in this Section 8 means any claims, demands, proceedings, lawsuits, damages, costs, expenses, fees (including attorneys’ fees and disbursements), penalties, or judgments.

8.2 General Conditions.

- (a) Tenant’s obligations under this Section 8 extend to the area in, on, under, or above:
 - (1) The Property; and
 - (2) Adjacent state-owned aquatic lands if affected by a release of Hazardous Substances that occurs as a result of the Permitted Use.
- (b) Standard of Care.
 - (1) Tenant shall exercise the utmost care with respect to Hazardous Substances.
 - (2) Tenant shall exercise utmost care for the foreseeable acts or omissions of third parties with respect to Hazardous Substances, and the foreseeable consequences of those acts or omissions, to the extent required to establish a viable, third-party defense under the law.

8.3 Current Conditions and Duty to Investigate.

- (a) State makes no representation about the condition of the Property. Hazardous Substances may exist in, on, under, or above the Property.
- (b) This Lease does not impose a duty on State to conduct investigations or supply information to Tenant about Hazardous Substances.
- (c) Tenant is responsible for conducting all appropriate inquiry and gathering sufficient information about the existence, scope, and location of Hazardous Substances on or near the Property necessary for Tenant to meet Tenant’s obligations under this Lease and utilize the Property for the Permitted Use.

8.4 Use of Hazardous Substances.

- (a) Tenant and affiliates shall not use, store, generate, process, transport, handle, release, or dispose of Hazardous Substances, except in accordance with all applicable laws.

- (b) Tenant shall not undertake, or allow others to undertake by Tenant's permission, acquiescence, or failure to act, activities that result in a release or threatened release of Hazardous Substances.
- (c) If use of Hazardous Substances related to Tenant's use or occupancy of the Property results in violation of law:
 - (1) Tenant shall submit to State any plans for remedying the violations, and
 - (2) Tenant shall implement any remedial measures to restore the Property or natural resources that State may require in addition to remedial measures required by regulatory authorities.
- (d) Tenant shall comply with the provisions of Chapter 90.56 RCW Oil and Hazardous Substance Spill Prevention and Response Act. Tenant shall develop, update as necessary and operate in accordance with a plan of operations consistent with the requirements of Chapter 90.56 RCW. Failure to comply with the requirements of Chapter 90.56 is a default under Section 14.
- (e) At a minimum, Tenant and affiliates shall observe the following Hazardous Substances operational standards. If the Washington Department of Ecology, U.S. Environmental Protection Agency or other regulatory agency establishes different standards applicable to Tenant's activities under the Permitted Use, Tenant shall meet the standard that provides greater protection to the environment.
 - (1) Tenant shall not allow work on overwater structures or vessels without protective measures to prevent discharge of toxins to the water, including:
 - (i) Tenant shall not cause or allow underwater hull scraping and other underwater removal of paints.
 - (ii) Tenant shall not cause or allow underwater refinishing work from boats or temporary floats unless permitted by an industrial National Pollutant Discharge Elimination System (NPDES) permit.
 - (iii) Tenant shall not cause or allow above the waterline boat repairs or refinishing in-water except if limited to decks and superstructures and less than 25 percent of a boat is repaired or refinished in-water per year.
 - (iv) Tenant shall use and require others to use tarps and other dust, drip and spill containment measures when repairing or refinishing boats in water.
 - (2) Tenant shall not store or allow others to store fuel tanks, petroleum products, hydraulic fluid, machinery coolants, lubricants and chemicals not in use in locations above the water surface.
 - (3) Tenant shall inspect all equipment using petroleum products, hydraulic fluids, machinery coolants, chemicals, or other toxic or deleterious materials on a monthly basis and immediately make all repairs necessary to stop leakage.
 - (4) Tenant shall maintain a supply of oil spill containment materials adequate to contain a spill from the largest vessel in use on the Property.

8.5 Management of Contamination, if any.

- (a) Tenant and affiliates shall not undertake activities that:

- (1) Damage or interfere with the operation of remedial or restoration activities, if any;
 - (2) Result in human or environmental exposure to contaminated sediments, if any;
 - (3) Result in the mechanical or chemical disturbance of on-site habitat mitigation, if any.
- (b) If requested, Tenant shall allow reasonable access to:
 - (1) Employees and authorized agents of the Environmental Protection Agency, the Washington State Department of Ecology, health department, or other similar environmental agencies; and
 - (2) Potentially liable or responsible parties who are the subject of an order or consent decree that requires access to the Property. Tenant may negotiate an access agreement with such parties, but Tenant may not unreasonably withhold such agreement.

8.6 Notification and Reporting.

- (a) Tenant shall immediately notify State if Tenant becomes aware of any of the following:
 - (1) A release or threatened release of Hazardous Substances;
 - (2) Any new discovery of or new information about a problem or liability related to, or derived from, the presence of Hazardous Substances;
 - (3) Any lien or action arising from Hazardous Substances;
 - (4) Any actual or alleged violation of any federal, state, or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances;
 - (5) Any notification from the US Environmental Protection Agency (EPA) or the Washington State Department of Ecology (DOE) that remediation or removal of Hazardous Substances is or may be required at the Property.
- (b) Tenant's duty to report under Paragraph 8.6(a) extends to lands described in Paragraph 8.2(a) and to any other property used by Tenant in conjunction with the Property if a release of Hazardous Substances on the other property could affect the Property.
- (c) Tenant shall provide State with copies of all documents Tenant submits to any federal, state or local authorities concerning environmental impacts or proposals relative to the Property. Documents subject to this requirement include, but are not limited to, applications, reports, studies, or audits for National Pollution Discharge and Elimination System Permits; Army Corps of Engineers permits; State Hydraulic Project Approvals (HPA); State Water Quality certification; Substantial Development permit; and any reporting necessary for the existence, location, and storage of Hazardous Substances on the Property.

8.7 Indemnification.

- (a) Tenant shall fully indemnify, defend, and hold State harmless from and against Liabilities that arise out of, or relate to:

- (1) The use, storage, generation, processing, transportation, handling, or disposal of any Hazardous Substance by Tenant and affiliates occurring whenever Tenant occupies or has occupied the Property;
- (2) The release or threatened release of any Hazardous Substance resulting from any act or omission of Tenant and affiliates occurring whenever Tenant occupies or has occupied the Property.
- (b) Tenant shall fully indemnify, defend, and hold State harmless for Liabilities that arise out of or relate to Tenant's breach of obligations under Paragraph 8.5.

8.8 Reservation of Rights.

- (a) For Liabilities not covered by the indemnification provisions of Paragraph 8.7, the Parties expressly reserve and do not waive any rights, claims, immunities, causes of action, or defenses relating to Hazardous Substances that either Party may have against the other under law.
- (b) The Parties expressly reserve all rights, claims, immunities, and defenses either Party may have against third parties. Nothing in this Section 8 benefits or creates rights for third parties.
- (c) The allocations of risks, Liabilities, and responsibilities set forth in this Section 8 do not release either Party from or affect the liability of either Party for Hazardous Substances claims or actions by regulatory agencies.

8.9 Cleanup.

- (a) If Tenant's act, omission, or breach of obligation under Paragraph 8.4 results in a release of Hazardous Substances that exceeds the threshold limits of any applicable regulatory standard, Tenant shall, at Tenant's sole expense, promptly take all actions necessary or advisable to clean up the Hazardous Substances in accordance with applicable law.
- (b) Tenant may undertake a cleanup of the Property pursuant to the Washington State Department of Ecology's Voluntary Cleanup Program, provided that Tenant cooperates with the Department of Natural Resources in development of cleanup plans. Tenant shall not proceed with Voluntary Cleanup without the Department of Natural Resources approval of final plans. Nothing in the operation of this provision is an agreement by the Department of Natural Resources that the Voluntary Cleanup complies with any laws or with the provisions of this Lease. Tenant's completion of a Voluntary Cleanup is not a release from or waiver of any obligation for Hazardous Substances under this Lease.

8.10 Sampling by State, Reimbursement, and Split Samples.

- (a) State may enter the Property and conduct sampling, tests, audits, surveys, or investigations ("Tests") of the Property at any time to determine the existence, scope, or effects of Hazardous Substances.
- (b) If such Tests, along with any other information, demonstrate a breach of Tenant's obligations regarding Hazardous Substances under this Lease, Tenant shall promptly reimburse State for all costs associated with the Tests, provided State gave Tenant thirty (30) calendar days advance notice in nonemergencies and reasonably practical notice in emergencies.

- (c) In nonemergencies, Tenant is entitled to obtain split samples of Test samples, provided Tenant gives State written notice requesting split samples at least ten (10) calendar days before State conducts Tests. Upon demand, Tenant shall promptly reimburse State for additional cost, if any, of split samples.
- (d) If either Party conducts Tests on the Property, the conducting Party shall provide the other with validated final data and quality assurance/quality control/chain of custody information about the Tests within sixty (60) calendar days of a written request by the other party, unless Tests are part of a submittal under Paragraph 8.6(c) in which case Tenant shall submit data and information to State without written request by State. Neither party is obligated to provide any analytical summaries or the work product of experts.

8.11 Closeout Assessment.

- (a) State may require Tenant to conduct a Closeout Environmental Assessment (“Closeout Assessment”) prior to Termination of the Lease.
- (b) The purpose of the Closeout Assessment is to determine the existence, scope, or effects of Hazardous Substances on the Property and associated natural resources. The Closeout Assessment may include sediment sampling.
- (c) No later than one hundred eighty (180) calendar days prior to the Termination Date, or within ninety (90) days of valid notice to early termination, State shall provide Tenant with written notice that State requires a Closeout Assessment.
- (d) Within sixty (60) days of State’s notice that Closeout Assessment is required and before commencing assessment activities, Tenant shall submit a proposed plan for conducting the Closeout Assessment in writing for State’s approval.
- (e) If State fails to approve or disapprove of the plan in writing within sixty (60) days of its receipt, State waives requirement for approval.
- (f) Tenant shall be responsible for all costs required to complete planning, sampling, analyzing, and reporting associated with the Closeout Assessment.
- (g) If the initial results of the Closeout Assessment disclose that Hazardous Substances may have migrated to other property, State may require additional Closeout Assessment work to determine the existence, scope, and effect of Hazardous Substances on adjacent property, any other property subject to use by Tenant in conjunction with its use of the Property, or on associated natural resources.
- (h) Tenant shall submit Closeout Assessment to State upon completion.
- (i) As required by law, Tenant shall report to the appropriate regulatory authorities if the Closeout Assessment discloses a release or threatened release of Hazardous Substances.

SECTION 9 ASSIGNMENT AND SUBLETTING

9.1 State Consent Required. Tenant shall not convey, transfer, or encumber any part of Tenant’s interest in this Lease or the Property without State’s prior written consent.

- (a) In determining whether to consent, State may consider, among other items, the proposed transferee’s financial condition, business reputation, and experience, the

nature of the proposed transferee's business, the then-current value of the Property, and such other factors as may reasonably bear upon the suitability of the transferee as a tenant of the Property. State may refuse its consent to any conveyance, transfer, or encumbrance if it will result in a subdivision of the leasehold. Tenant shall submit information regarding any proposed transferee to State at least thirty (30) days prior to the date of the proposed transfer.

- (b) State reserves the right to condition its consent upon:
 - (1) Changes in the terms and conditions of this Lease, including, but not limited to, the Annual Rent; and/or
 - (2) The agreement of Tenant or transferee to conduct Tests for Hazardous Substances on the Property or on other property owned or occupied by Tenant or the transferee.
- (c) Each permitted transferee shall assume all obligations under this Lease, including the payment of rent. No assignment, sublet, or transfer shall release, discharge, or otherwise affect the liability of Tenant.
- (d) State's consent under this Paragraph 9.1 does not constitute a waiver of any claims against Tenant for the violation of any term of this Lease.

9.2 Rent Payments Following Assignment. The acceptance by State of the payment of rent following an assignment or other transfer does not constitute consent to any assignment or transfer.

9.3 Terms of Subleases.

- (a) Tenant shall submit the terms of all subleases to State for approval.
- (b) Tenant shall incorporate the following requirements in all subleases:
 - (1) The sublease must be consistent with and subject to all the terms and conditions of this Lease;
 - (2) The sublease must provide that this Lease controls if the terms of the sublease conflict with the terms of this Lease;
 - (3) The term of the sublease (including any period of time covered by a renewal option) must end before the Termination Date of the initial Term or any renewal term;
 - (4) The sublease must terminate if this Lease terminates for any reason;
 - (5) The subtenant must receive and acknowledge receipt of a copy of this Lease;
 - (6) The sublease must prohibit the prepayment to Tenant by the subtenant of more than the annual rent;
 - (7) The sublease must identify the rental amount subtenant is to pay to Tenant;
 - (8) The sublease must provide that there is no privity of contract between the subtenant and State;
 - (9) The sublease must require removal of the subtenant's Improvements and Personal Property upon termination of the sublease;
 - (10) The subtenant's permitted use must be within the scope of the Permitted Use;

- (11) The sublease must require the subtenant to meet the Indemnification requirements under Section 10;
- (12) The sublease must require the subtenant to meet the Insurance requirements under Section 10;
- (13) If the sublease includes moorage of a vessel, the sublease must require the subtenant to procure marine insurance as set forth in Paragraph 10.2(c)(4) of this Lease.

9.4 Short-Term Subleases of Moorage Slips. Short-term subleasing of moorage slips for a term of one year or less does not require State's written consent or approval pursuant to Paragraphs 9.1 or 9.3. Tenant shall conform moorage sublease agreements to the sublease requirements in Paragraph 9.3.

9.5 Event of Assignment. If Tenant is a corporation, dissolution of the corporation or a transfer (by one or more transactions) of a majority of the voting stock of Tenant is an assignment of this Lease. If Tenant is a partnership, dissolution of the partnership or a transfer (by one or more transactions) of the controlling interest in Tenant is an assignment of this Lease. If Tenant is a limited liability company, conveyance of an economic interest of greater than fifty (50) percent is an assignment of this Lease. Assignments defined in this Paragraph 9.5 require State's consent under Paragraph 9.1.

SECTION 10 INDEMNITY, FINANCIAL SECURITY, INSURANCE

10.1 Indemnity.

- (a) Tenant shall indemnify, defend, and hold State, its employees, officers, and agents harmless from Claims arising out of the use, occupation, or control of the Property by Tenant, its subtenants, contractors, agents, invitees, guests, employees, affiliates, licensees, or permittees to the fullest extent permitted by law and subject to the limitations provided below.
- (b) "Claim" as used in this Paragraph 10.1 means any financial loss, claim, suit, action, damages, expenses, costs, fees (including attorneys' fees), fines, penalties, or judgments attributable to bodily injury, sickness, disease, death, and damages to tangible property, including, but not limited to, land, aquatic life, and other natural resources. "Damages to tangible property" includes, but is not limited to, physical injury to the Property, diminution in value, and/or damages resulting from loss of use of the Property.
- (c) State shall not require Tenant to indemnify, defend, and hold State harmless for claims caused solely by or resulting solely from the negligence or willful act of the State or State's elected officials, employees, or agents.
- (d) Tenant specifically and expressly waives any immunity that may be granted under the Washington State Industrial Insurance Act, Title 51 RCW in connection with its obligation to indemnify, defend, and/or hold State and its agencies, officials, agents, or employees harmless. Further, the indemnification obligation under this Lease shall not be limited in any way by any limitation on amount or

type of damages, compensation, or benefits payable to or for any third party under the worker's compensation acts.

- (e) Only to the extent RCW 4.24.115 applies and requires such a limitation, if a claim, suit, or action for injuries or damage is caused by or results from the concurrent negligence of (a) the State or State's agents or employees and (b) the Tenant or Tenant's subtenants, agents, or employees, these indemnity provisions shall be valid and enforceable only to the extent of the negligence of the Tenant and those acting on its behalf.
- (f) Section 8, Environmental Liability/Risk Allocation, exclusively shall govern Tenant's liability to State for Hazardous Substances and its obligation to indemnify, defend, and hold State harmless for Hazardous Substances.

10.2 Insurance Terms.

- (a) Insurance Required.
 - (1) Tenant certifies that on the Commencement Date of this Lease it is self-insured or a member of a self-insured risk pool for all the liability exposures, its self-insurance plan satisfies all State requirements, and its self-insurance plan provides coverage equal to that required in this Paragraph 10.2 and by Paragraph 10.3, Insurance Types and Limits. Tenant shall provide to State evidence of its status as a self-insured entity or member of a self-insured risk pool. Upon request by State, Tenant shall provide a written description of its financial condition and/or the self-insured funding mechanism. Tenant shall provide State with at least thirty (30) days' written notice prior to any material changes to Tenant's self-insured funding mechanism. If during the term of this Lease Tenant's self-insurance plan fails to provide coverage equal to that required in Paragraph 10.2 and Paragraph 10.3 of this Lease, Tenant shall procure additional commercial insurance coverage to meet the requirements of this Lease. The requirements in Paragraph 10.2(a)(3) and (4) only apply where the Tenant procures additional commercial insurance to meet the requirements of this Lease.
 - (2) Unless State agrees to an exception, Tenant shall provide insurance issued by an insurance company or companies admitted to do business in the State of Washington and have a rating of A- or better by the most recently published edition of Best's Reports. Tenant may submit a request to the risk manager for the Department of Natural Resources to approve an exception to this requirement. If an insurer is not admitted, the insurance policies and procedures for issuing the insurance policies shall comply with Chapter 48.15 RCW and 284-15 WAC.
 - (3) All general liability, excess, umbrella, builder's risk, and pollution legal liability insurance policies must name the State of Washington, the Department of Natural Resources, its elected and appointed officials, agents, and employees as an additional insured by way of endorsement.

- (4) All property insurance must name the State of Washington, the Department of Natural Resources, its elected and appointed officials, agents, and employees as loss payees.
 - (5) All insurance provided in compliance with this Lease must be primary as to any other insurance or self-insurance programs afforded to or maintained by State.
- (b) Waiver.
 - (1) Tenant waives all rights against State for recovery of damages to the extent insurance maintained pursuant to this Lease covers these damages.
 - (2) Except as prohibited by law, Tenant waives all rights of subrogation against State for recovery of damages to the extent that they are covered by insurance maintained pursuant to this lease.
- (c) Proof of Insurance.
 - (1) Tenant shall provide State with a certificate(s) and endorsement(s) of insurance executed by a duly authorized representative of each insurer, showing compliance with insurance requirements specified in this Lease; and, if requested, copies of policies to State.
 - (2) The certificate(s) of insurance must reference the Lease number.
 - (3) Receipt of such certificates, endorsements or policies by State does not constitute approval by State of the terms of such policies.
 - (4) For all moorage agreements issued by the Tenant that are entered into or renewed after June 12, 2014, Tenant shall require all vessels except transients to provide proof of marine insurance that provides coverage at liability limits of at least three hundred thousand dollars (\$300,000) per occurrence and includes, at a minimum, general liability, legal liability, and pollution liability coverage. To the extent not already included in the general, legal, and pollution liability coverage of a vessel owner, Tenant shall also require the vessel owner to provide proof of coverage for fuel spills, hull damage, wreck removal, salvage, and injuries to passengers and crew of the vessel. Failure to comply with the insurance requirements as outlined in RCW 88.26.030 shall cause Tenant to assume secondary liability under RCW 79.100.060 for any derelict or abandoned vessel as defined in RCW 79.100.010.
- (d) State must receive written notice before cancellation or non-renewal of any insurance required by this Lease, as follows:
 - (1) Insurers subject to RCW 48.18 (admitted and regulated by the Insurance Commissioner): If cancellation is due to non-payment of premium, provide State ten (10) days' advance notice of cancellation; otherwise, provide State forty-five (45) days' advance notice of cancellation or non-renewal.
 - (2) Insurers subject to RCW 48.15 (surplus lines): If cancellation is due to non-payment of premium, provide State ten (10) days' advance notice of cancellation; otherwise, provide State twenty (20) days' advance notice of cancellation or non-renewal.
- (e) Adjustments in Insurance Coverage.

- (1) State may impose changes in the limits of liability for all types of insurance as State deems necessary.
 - (2) Tenant shall secure new or modified insurance coverage within thirty (30) days after State requires changes in the limits of liability.
- (f) If Tenant fails to procure and maintain the insurance described above within fifteen (15) days after Tenant receives a notice to comply from State, State may either:
 - (1) Deem the failure an Event of Default under Section 14, or
 - (2) Procure and maintain comparable substitute insurance and pay the premiums. Upon demand, Tenant shall pay to State the full amount paid by State, together with interest at the rate provided in Paragraph 6.3 from the date of State's notice of the expenditure until Tenant's repayment.
- (g) General Terms.
 - (1) State does not represent that coverage and limits required under this Lease are adequate to protect Tenant.
 - (2) Coverage and limits do not limit Tenant's liability for indemnification and reimbursements granted to State under this Lease.
 - (3) The Parties shall use any insurance proceeds payable by reason of damage or destruction to property first to restore the real property covered by this Lease, then to pay the cost of the reconstruction, then to pay the State any sums in arrears, and then to Tenant.

10.3 Insurance Types and Limits.

- (a) General Liability Insurance.
 - (1) Tenant shall maintain commercial general liability insurance (CGL) or marine general liability (MGL) covering claims for bodily injury, personal injury, or property damage arising on the Property and/or arising out of Tenant's use, occupation, or control of the Property and, if necessary, commercial umbrella insurance with a limit of not less than Two Million Dollars (\$2,000,000) per each occurrence. If such CGL or MGL insurance contains aggregate limits, the general aggregate limit must be at least twice the "each occurrence" limit. CGL or MGL insurance must have products-completed operations aggregate limit of at least two times the "each occurrence" limit.
 - (2) CGL insurance must be written on Insurance Services Office (ISO) Occurrence Form CG 00 01 (or a substitute form providing equivalent coverage). All insurance must cover liability arising out of premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract) and contain separation of insured (cross-liability) condition.
 - (3) MGL insurance must have no exclusions for non-owned watercraft.
- (b) Workers' Compensation.
 - (1) State of Washington Workers' Compensation.

- (i) Tenant shall comply with all State of Washington workers' compensation statutes and regulations. Tenant shall provide workers' compensation coverage for all employees of Tenant. Coverage must include bodily injury (including death) by accident or disease, which arises out of or in connection with Tenant's use, occupation, and control of the Property.
 - (ii) If Tenant fails to comply with all State of Washington workers' compensation statutes and regulations and State incurs fines or is required by law to provide benefits to or obtain coverage for such employees, Tenant shall indemnify State. Indemnity shall include all fines; payment of benefits to Tenant, employees, or their heirs or legal representatives; and the cost of effecting coverage on behalf of such employees.
- (2) Longshore and Harbor Workers' and Jones Acts. Longshore and Harbor Workers' Act (33 U.S.C. Section 901 *et seq.*) and/or the Jones Act (46 U.S.C. Section 688) may require Tenant to provide insurance coverage in some circumstances. Tenant shall ascertain if such insurance is required and, if required, shall maintain insurance in compliance with law. Tenant is responsible for all civil and criminal liability arising from failure to maintain such coverage.
- (c) Employers' Liability Insurance. Tenant shall procure employers' liability insurance, and, if necessary, commercial umbrella liability insurance with limits not less than One Million Dollars (\$1,000,000) each accident for bodily injury by accident and One Million Dollars (\$1,000,000) each employee for bodily injury by disease.
- (d) Property Insurance.
 - (1) Tenant shall buy and maintain property insurance covering all real property and fixtures, equipment, tenant improvements and betterments (regardless of whether owned by Tenant or State). Such insurance must be written on an all risks basis and, at minimum, cover the perils insured under ISO Special Causes of Loss Form CP 10 30, and cover the full replacement cost of the property insured. Such insurance may have commercially reasonable deductibles. Any coinsurance requirement in the policy must be waived. The policy must include State as a loss payee.
 - (2) Tenant shall buy and maintain equipment breakdown insurance covering all real property and fixtures, equipment, tenant improvements and betterments (regardless of whether owned by Tenant or State) from loss or damage caused by the explosion of equipment, fired or unfired vessels, electric or steam generators, electrical arching, or pipes.
 - (3) In the event of any loss, damage, or casualty which is covered by one or more of the types of insurance described above, the Parties to this Lease shall proceed cooperatively to settle the loss and collect the proceeds of such insurance, which State shall hold in trust, including interest earned by State on such proceeds, for use according to the terms of this Lease. The Parties shall use insurance proceeds in accordance with Paragraph 10.2(g)(3).

- (4) When sufficient funds are available, using insurance proceeds described above, the Parties shall continue with reasonable diligence to prepare plans and specifications for, and thereafter carry out, all work necessary to:
 - (i) Repair and restore damaged building(s) and/or Improvements to their former condition, or
 - (ii) Replace and restore damaged building(s) and/or Improvements with a new building(s) and/or Improvements on the Property of a quality and usefulness at least equivalent to or more suitable than, damaged building(s) and/or Improvements.
- (e) Business Auto Policy Insurance.
 - (1) Tenant or Tenant's contractor(s) shall maintain business auto liability insurance and, if necessary, commercial umbrella liability insurance with a limit not less than One Million Dollars (\$1,000,000) per accident. Such insurance must cover liability arising out of "Any Auto".
 - (2) Business auto coverage must be written on ISO Form CA 00 01, or substitute liability form providing equivalent coverage. If necessary, the policy must be endorsed to provide contractual liability coverages and cover a "covered pollution cost or expense" as provided in the 1990 or later editions of CA 00 01.
- (f) Protection and Indemnity Insurance (P&I). For each vessel owned, used, and/or operated on the Property by Tenant or Tenant's contractor(s), Tenant or Tenant's contractor(s) shall procure and maintain P&I insurance with limits of liability not less than One Million Dollars (\$1,000,000). The P&I insurance must cover, at a minimum, all claims relating to injuries or damages to persons or property sustained in, on, or about the property; fuel spills; wreck removal; salvage; injuries to passengers and crew of the vessel; and damages to nets and fishing lines. If necessary, Tenant shall procure and maintain commercial umbrella liability insurance covering claims for these risks.
- (g) Hull Insurance. Tenant shall procure and maintain hull insurance for each vessel owned and/or operated by the Tenant on the Property. The coverage amount of each hull insurance policy must be equal to the value of the covered vessel.
- (h) Pollution Legal Liability Insurance.
 - (1) Tenant shall procure and maintain for the duration of this Lease pollution legal liability insurance, including investigation and defense costs, for bodily injury and property damage, including loss of use of damaged property or of property that has been physically damaged or destroyed. Such coverage must provide for both on-site and off-site cleanup costs and cover gradual and sudden pollution, and include in its scope of coverage natural resource damage claims. Tenant shall maintain coverage in an amount of at least:
 - (i) One Million Dollars (\$1,000,000) each occurrence for Tenant's operations at the site(s) identified above, and
 - (ii) at least Two Million Dollars (\$2,000,000) general aggregate or policy limit, if any.

- (2) Such insurance may be provided on an occurrence or claims-made basis. If such coverage is obtained as an endorsement to the CGL and is provided on a claims-made basis, the following additional conditions must be met:
 - (i) The Insurance Certificate must state that the insurer is covering Hazardous Substance removal.
 - (ii) The policy must contain no retroactive date, or the retroactive date must precede abatement services.
 - (iii) Coverage must be continuously maintained with the same insurance carrier through the official completion of any work on the Property.
 - (iv) The extended reporting period (tail) must be purchased to cover a minimum of thirty-six (36) months beyond completion of work.

10.4 Financial Security.

- (a) At its own expense, Tenant shall procure and maintain during the Term of this Lease a corporate security bond or provide other financial security that State, at its option, may approve ("Security"). Tenant shall provide Security in an amount equal to One Thousand Dollars (\$1,000.00), which is consistent with RCW 79.115.100, and secures Tenant's performance of its obligations under this Lease, with the exception of the obligations under Section 8, Environmental Liability/Risk Allocation. Tenant's failure to maintain the Security in the required amount during the Term constitutes a breach of this Lease.
- (b) All Security must be in a form acceptable to the State.
 - (1) Bonds must be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better, in the most recently published edition of Best's Reports, unless State approves an exception. Tenant may submit a request to the risk manager for the Department of Natural Resources for an exception to this requirement.
 - (2) Letters of credit, if approved by State, must be irrevocable, allow State to draw funds at will, provide for automatic renewal, and comply with RCW 62A.5-101, *et. seq.*
 - (3) Savings account assignments, if approved by State, must allow State to draw funds at will.
- (c) Adjustment in Amount of Security.
 - (1) State may require an adjustment in the Security amount:
 - (i) At the same time as revaluation of the Annual Rent,
 - (ii) As a condition of approval of assignment or sublease of this Lease,
 - (iii) Upon a material change in the condition or disposition of any Improvements, or
 - (iv) Upon a change in the Permitted Use.
 - (2) Tenant shall deliver a new or modified form of Security to State within thirty (30) days after State has required adjustment of the amount of the Security.
- (d) Upon any default by Tenant in its obligations under this Lease, State may collect on the Security to offset the liability of Tenant to State. Collection on the Security does not (1) relieve Tenant of liability, (2) limit any of State's other remedies, (3)

reinstate or cure the default or (4) prevent termination of the Lease because of the default.

SECTION 11 MAINTENANCE AND REPAIR

11.1 State's Repairs. State shall not be required to make any alterations, maintenance, replacements, or repairs in, on, or about the Property, or any part thereof, during the Term.

11.2 Tenant's Repairs, Alteration, Maintenance and Replacement.

- (a) Tenant shall, at its sole cost and expense, keep and maintain the Property and all improvements (regardless of ownership) in good order and repair, in a clean, attractive, and safe condition.
- (b) Tenant shall, at its sole cost and expense, make any and all additions, repairs, alterations, maintenance, replacements, or changes to the Property or to any improvements on the Property which may be required by any public authority having jurisdiction over the Property and requiring it for public health, safety and welfare purposes.
- (c) Except as provided in Paragraph 11.2(d), all additions, repairs, alterations, replacements or changes to the Property and to any improvements on the Property shall be made in accordance with, and ownership shall be governed by, Section 7, above.
- (d) Routine maintenance and repair are acts intended to prevent a decline, lapse, or cessation of the Permitted Use and associated Improvements. Routine maintenance or repair that does not require regulatory permits does not require authorization from State pursuant to Section 7.

SECTION 12 DAMAGE OR DESTRUCTION

12.1 Notice and Repair.

- (a) In the event of damage to or destruction of the Property or Improvements, Tenant shall promptly give written notice to State. State does not have actual knowledge of the damage or destruction without Tenant's written notice.
- (b) Unless otherwise agreed in writing, Tenant shall promptly reconstruct, repair, or replace the Property and Improvements as nearly as possible to its condition immediately prior to the damage or destruction in accordance with Paragraph 7.3, Construction, Major Repair, Modification, and Demolition and Tenant's additional obligations in Exhibit B, if any.

12.2 State's Waiver of Claim. State does not waive any claims for damage or destruction of the Property unless State provides written notice to Tenant of each specific claim waived.

12.3 Insurance Proceeds. Tenant's duty to reconstruct, repair, or replace any damage or destruction of the Property or any Improvements on the Property is not conditioned upon the

availability of any insurance proceeds to Tenant from which the cost of repairs may be paid. The Parties shall use insurance proceeds in accordance with Paragraph 10.2(g)(3).

12.4 Rent in the Event of Damage or Destruction. Unless the Parties agree to terminate this Lease, there is no abatement or reduction in rent during such reconstruction, repair, and replacement.

12.5 Default at the Time of Damage or Destruction. If Tenant is in default under the terms of this Lease at the time damage or destruction occurs, State may elect to terminate the Lease and State then shall have the right to retain any insurance proceeds payable as a result of the damage or destruction.

SECTION 13 CONDEMNATION

13.1 Definitions.

- (a) "Taking" means that an entity authorized by law exercises the power of eminent domain, either by judgment, settlement in lieu of judgment, or voluntary conveyance in lieu of formal court proceedings, over all or any portion of the Property and Improvements. This includes any exercise of eminent domain on any portion of the Property and Improvements that, in the judgment of the State, prevents or renders impractical the Permitted Use.
- (b) "Date of Taking" means the date upon which title to the Property or a portion of the Property passes to and vests in the condemner or the effective date of any order for possession if issued prior to the date title vests in the condemner.

13.2 Effect of Taking. If there is a taking, the Lease terminates proportionate to the extent of the taking. If this Lease terminates in whole or in part, Tenant shall make all payments due and attributable to the taken Property up to the date of taking. If Tenant has pre-paid rent and Tenant is not in default of the Lease, State shall refund Tenant the pro rata share of the pre-paid rent attributable to the period after the date of taking.

13.3 Allocation of Award.

- (a) The Parties shall allocate the condemnation award based upon the ratio of the fair market value of (1) Tenant's leasehold estate and Tenant-Owned Improvements and (2) State's interest in the Property; the reversionary interest in Tenant-Owned Improvements, if any; and State-Owned Improvements, if any.
- (b) If Tenant and State are unable to agree on the allocation, the Parties shall submit the dispute to binding arbitration in accordance with the rules of the American Arbitration Association.

SECTION 14 DEFAULT AND REMEDIES

14.1 Default Defined. Tenant is in default of this Lease on the occurrence of any of the following:

- (a) Failure to pay rent or other expenses when due;
- (b) Failure to comply with any law, regulation, policy, or order of any lawful governmental authority;
- (c) Failure to comply with any other provision of this Lease;
- (d) Commencement of bankruptcy proceedings by or against Tenant or the appointment of a trustee or receiver of Tenant's property.

14.2 Tenant's Right to Cure.

- (a) A default becomes an "Event of Default" if Tenant fails to cure the default within the applicable cure period following State's written notice of default. Upon an Event of Default, State may seek remedies under Paragraph 14.3.
- (b) Unless expressly provided elsewhere in this Lease, the cure period is ten (10) days for failure to pay rent or other monetary defaults; for other defaults, the cure period is thirty (30) days.
- (c) For nonmonetary defaults not capable of cure within thirty (30) days, State will not unreasonably withhold approval of a reasonable alternative cure schedule. Tenant must submit a cure schedule within thirty (30) days of a notice of default. The default is not an Event of Default if State approves the schedule and Tenant works diligently and in good faith to execute the cure. The default is an Event of Default if Tenant fails to timely submit a schedule or fails to cure in accordance with an approved schedule.
- (d) State may elect to deem a default by Tenant as an Event of Default if the default occurs within six (6) months after a default by Tenant for which State has provided notice and opportunity to cure and regardless of whether the first and subsequent defaults are of the same nature.

14.3 Remedies.

- (a) Upon an Event of Default, State may terminate this Lease and remove Tenant by summary proceedings or otherwise.
- (b) If the Event of Default (1) arises from Tenant's failure to comply with restrictions on Permitted Use and operations under Paragraph 2.2 or (2) results in damage to natural resources or the Property, State may enter the Property without terminating this Lease to (1) restore the natural resources or Property and charge Tenant restoration costs and/or (2) charge Tenant for damages. On demand by State, Tenant shall pay all costs and/or damages.
- (c) Without terminating this Lease, State may relet the Property on any terms and conditions as State may decide are appropriate.
 - (1) State shall apply rent received by reletting: (1) to the payment of any indebtedness other than rent due from Tenant to State; (2) to the payment of any cost of such reletting; (3) to the payment of the cost of any alterations and repairs to the Property; and (4) to the payment of rent and leasehold excise tax due and unpaid under this Lease. State shall hold and apply any balance to Tenant's future rent as it becomes due.
 - (2) Tenant is responsible for any deficiency created by the reletting during any month and shall pay the deficiency monthly.

- (3) At any time after reletting, State may elect to terminate this Lease for the previous Event of Default.
- (d) State's reentry or repossession of the Property under Paragraph 14.3 is not an election to terminate this Lease or cause a forfeiture of rents or other charges Tenant is obligated to pay during the balance of the Term, unless (1) State gives Tenant written notice of termination or (2) a legal proceeding decrees termination.
- (e) The remedies specified under this Paragraph 14.3 are not exclusive of any other remedies or means of redress to which the State is lawfully entitled for Tenant's breach or threatened breach of any provision of this Lease.

SECTION 15 ENTRY BY STATE

State may enter the Property at any reasonable hour to inspect for compliance with the terms of this Lease, to monitor impacts to habitat, or survey habitat and species. State may coordinate the site inspection with Washington State Department of Ecology or other regulatory authorities, if appropriate. Provision for periodic inspection does not preclude State's option to inspect at other times. State's failure to inspect the Property does not constitute a waiver of any rights or remedies under this Lease.

SECTION 16 DISCLAIMER OF QUIET ENJOYMENT

16.1 No Guaranty or Warranty.

- (a) State believes that this Lease is consistent with the Public Trust Doctrine and that none of the third-party interests identified in Paragraph 1.1(b) will materially or adversely affect Tenant's right of possession and use of the Property, but State makes no guaranty or warranty to that effect.
- (b) State disclaims and Tenant releases State from any claim for breach of any implied covenant of quiet enjoyment. This disclaimer and release includes, but is not limited to, interference arising from exercise of rights under the Public Trust Doctrine; Treaty rights held by Indian Tribes; and the general power and authority of State and the United States with respect to aquatic lands and navigable waters.
- (c) Tenant is responsible for determining the extent of Tenant's right to possession and for defending Tenant's leasehold interest.

16.2 Eviction by Third-Party. If a third-party evicts Tenant, this Lease terminates as of the date of the eviction. In the event of a partial eviction, Tenant's rent obligations abate as of the date of the partial eviction, in direct proportion to the extent of the eviction; this Lease shall remain in full force and effect in all other respects.

SECTION 17 NOTICE AND SUBMITTALS

Following are the locations for delivery of notice and submittals required or permitted under this Lease. Any Party may change the place of delivery upon ten (10) days' written notice to the other.

State: DEPARTMENT OF NATURAL RESOURCES
Aquatic Resources Division | Rivers District
PO Box 280 | 601 Bond Rd
Castle Rock, WA 98611

Tenant: CITY OF VANCOUVER
PO Box 1995
Vancouver, WA 98668

The Parties may deliver any notice in person, by facsimile machine, or by certified mail. Depending on the method of delivery, notice is effective upon personal delivery, upon receipt of a confirmation report if delivered by facsimile machine, or three (3) days after mailing. All notices must identify the Lease number. On notices transmitted by facsimile machine, the Parties shall state the number of pages contained in the notice, including the transmittal page, if any.

SECTION 18 MISCELLANEOUS

18.1 Authority. Tenant and the person or persons executing this Lease on behalf of Tenant represent that Tenant is qualified to do business in the State of Washington, that Tenant has full right and authority to enter into this Lease, and that each and every person signing on behalf of Tenant is authorized to do so. Upon State's request, Tenant shall provide evidence satisfactory to State confirming these representations.

18.2 Successors and Assigns. This Lease binds and inures to the benefit of the Parties, their successors, and assigns.

18.3 Headings. The headings used in this Lease are for convenience only and in no way define, limit, or extend the scope of this Lease or the intent of any provision.

18.4 Entire Agreement. This Lease, including the exhibits, attachments, and addenda, if any, contains the entire agreement of the Parties. This Lease merges all prior and contemporaneous agreements, promises, representations, and statements relating to this transaction or to the Property.

18.5 Waiver.

- (a) The waiver of any breach or default of any term, covenant, or condition of this Lease is not a waiver of such term, covenant, or condition; of any subsequent breach or default of the same; or of any other term, covenant, or condition of this Lease. State's acceptance of a rental payment is not a waiver of any preceding or

existing breach other than the failure to pay the particular rental payment that was accepted.

- (b) The renewal of the Lease, extension of the Lease, or the issuance of a new lease to Tenant, does not waive State's ability to pursue any rights or remedies under the Lease.

18.6 Cumulative Remedies. The rights and remedies of State under this Lease are cumulative and in addition to all other rights and remedies afforded by law or equity or otherwise.

18.7 Time is of the Essence. TIME IS OF THE ESSENCE as to each and every provision of this Lease.

18.8 Language. The word "Tenant" as used in this Lease applies to one or more persons and regardless of gender, as the case may be. If there is more than one Tenant, their obligations are joint and several. The word "persons," whenever used, shall include individuals, firms, associations, and corporations. The word "Parties" means State and Tenant in the collective. The word "Party" means either or both State and Tenant, depending on the context.

18.9 Invalidity. The invalidity, voidness, or illegality of any provision of this Lease does not affect, impair, or invalidate any other provision of this Lease.

18.10 Applicable Law and Venue. This Lease is to be interpreted and construed in accordance with the laws of the State of Washington. Venue for any action arising out of or in connection with this Lease is in the Superior Court for Thurston County, Washington.

18.11 Statutory Reference. Any reference to a statute means that statute as presently enacted or hereafter amended or superseded.

18.12 Recordation. At Tenant's expense and no later than thirty (30) days after receiving the fully-executed Lease, Tenant shall record this Lease in the county in which the Property is located. Tenant shall include the parcel number of the upland property used in conjunction with the Property, if any. Tenant shall provide State with recording information, including the date of recordation and file number.

18.13 Modification. No modification of this Lease is effective unless in writing and signed by both Parties. Oral representations or statements do not bind either Party.

18.14 Survival. Any obligations of Tenant not fully performed upon termination of this Lease do not cease, but continue as obligations of the Tenant until fully performed.

18.15 Exhibits and Attachments. All referenced exhibits and attachments are incorporated in the Lease unless expressly identified as unincorporated.

THIS AGREEMENT requires the signature of all Parties and is effective on the date of the last signature below.

CITY OF VANCOUVER

Dated: _____, 20__

By:
Title:
Address:
Phone:

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: _____, 20__

By:
Title:
Address:

Approved as to Form this ____ day of
_____, 20__.

Assistant Attorney General
State of Washington

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF)
) ss.
County of)

I certify that I know or have satisfactory evidence that _____
is the person who appeared before me, and said person acknowledged that (he/she) signed this
instrument, on oath stated that (he/she) was authorized to execute the instrument and
acknowledged it as the _____ (type of authority) of _____
(name of corporation) to be the free and voluntary act of such party for the uses and purposes
mentioned in the instrument.

Dated: _____, 20__

(Seal or stamp)

(Signature)

(Print Name)

Notary Public in and for the State of
Washington, residing at

My appointment expires _____

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)) ss.
County of)

I certify that I know or have satisfactory evidence that _____
is the person who appeared before me, and said person acknowledged that (he/she) signed this
instrument, on oath stated that (he/she) was authorized to execute the instrument and
acknowledged it as the _____ of the Department of
Natural Resources, to be the free and voluntary act of such party for the uses and purposes
mentioned in the instrument.

Dated: _____, 20__

(Seal or stamp)

(Signature)

(Print Name)

Notary Public in and for the State of
Washington, residing at

My appointment expires _____

EXHIBIT A
PROPERTY DESCRIPTION

Agreement Number 20-099510

1. LEGAL DESCRIPTION OF THE PROPERTY:

That real property legally described and shown as Lease No. 20-099510 in that Record of Survey recorded in Clark County, Washington on [Month] [Day], 2019 in Book XX of Surveys at Page XXX.

2. SQUARE FOOTAGE OF EACH USE CLASSIFICATION:

Water-dependent	<u>.150</u>	⁴ / ₅
Water-dependent use that is Public Use and Access	<u>5,071</u>	³ / ₅
Nonwater-dependent	<u>.350</u>	⁶ / ₅
Total Square Feet	<u>5,571</u>	⁴ / ₅

EXHIBIT B
PLAN OF OPERATIONS

1. DESCRIPTION OF PERMITTED USE

A. Existing Facilities.

The leased area shall be used for commercial access to the boat ramp for marine vessel launching, retrieving, outfitting, repair, and maintenance. The fenced area will be utilized for XXX equipment storage. The roadway and surrounding leasehold area will be utilized for public access.

The installation and maintenance of utilities is subject to a separate easement agreement between the parties.

B. Proposed Work.

Tenant proposes no new facilities or Work.

2. ADDITIONAL OBLIGATIONS

A. Tenant shall post clearly the following signs provided by State, “enjoy your Washington state-owned aquatic lands sign”.

B. Tenant shall orient and shield lighting fixtures attached to overwater structures in a manner which minimizes the amount of light shining directly on the water, minimizes the amount of glare on the water, and minimizes the amount of light broadcasting into the night sky. Tenant shall implement the following measures to achieve this requirement:

- (1) Tenant shall direct light to walkways,
- (2) Tenant shall use light shields which prevent light from being emitted upward and prevent glare on the water,
- (3) Tenant shall use fixtures that do not emit light upward,
- (4) Tenant shall use lights that are “warm-white” or filtered to minimize blue emission and shall not use LED and fluorescent light bulbs.

Master Approved as to form this
10th day of December 2018
Jennifer Clements, Assistant Attorney General

DNR Leased Land

Is Tracts 1 and 2 described below:

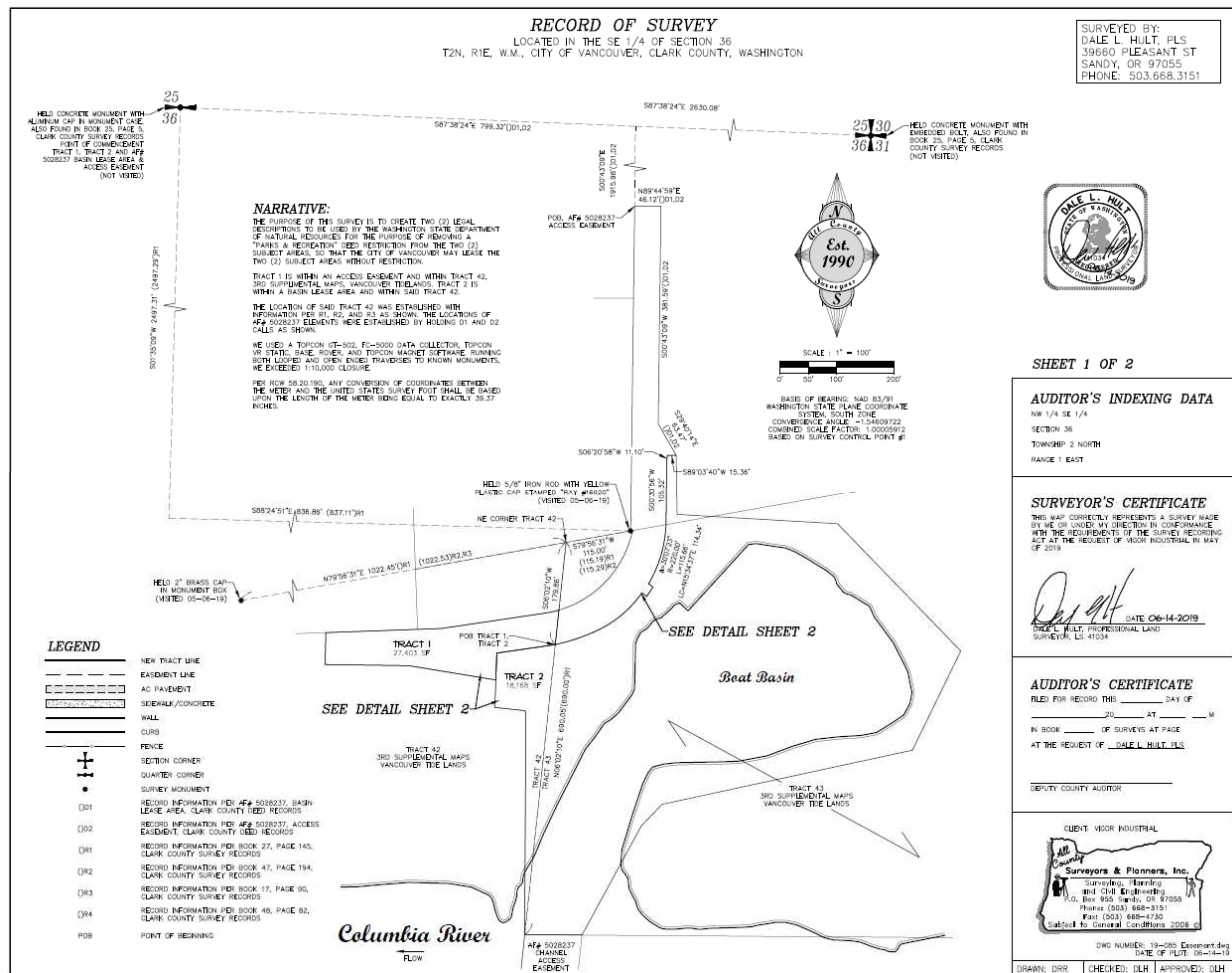


EXHIBIT C

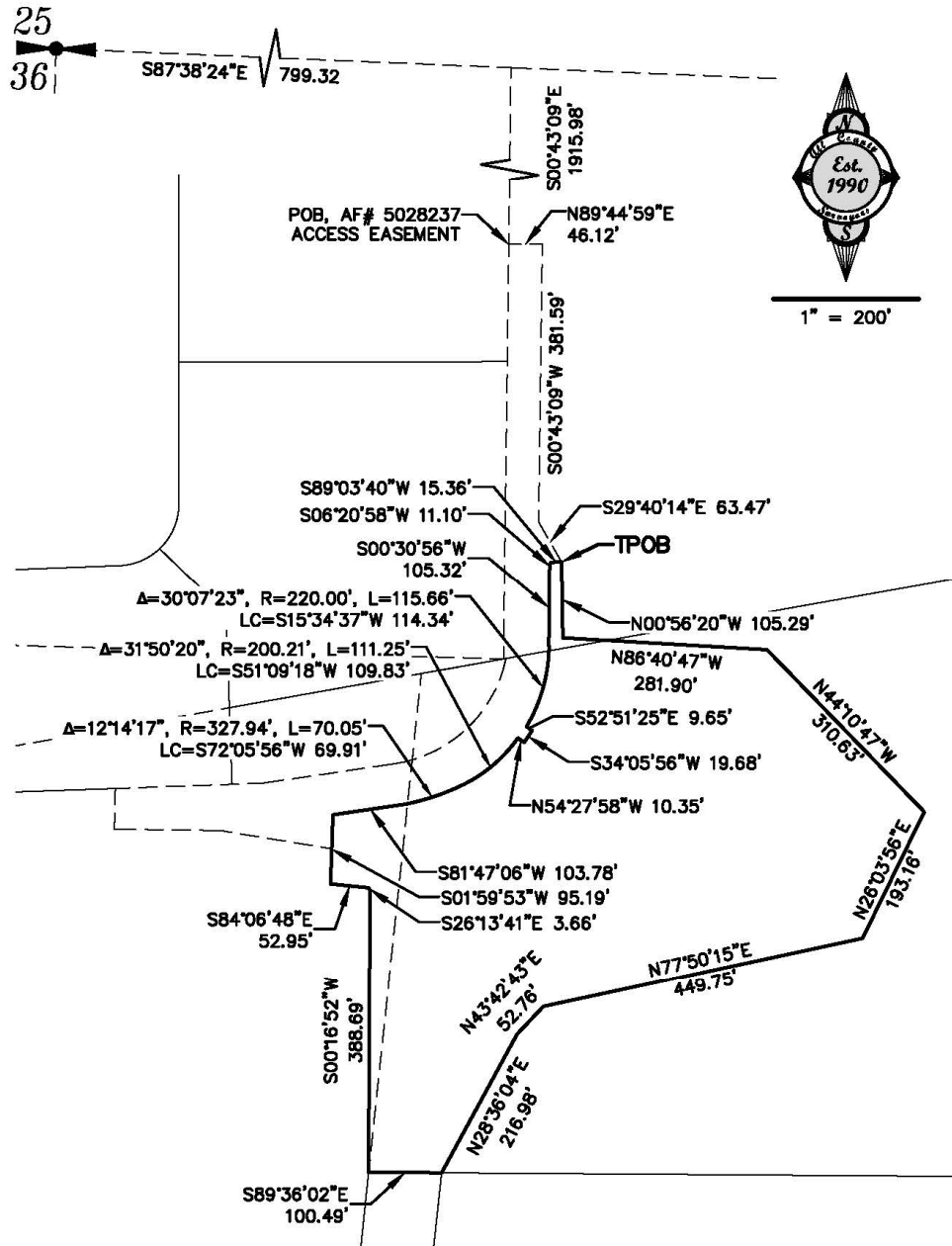
Basin Area

A TRACT OF LAND LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF VANCOUVER, IN CLARK COUNTY, IN THE STATE OF WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH ONE-QUARTER CORNER OF SAID SECTION 36, THENCE S87°38'24"E ALONG THE NORTH LINE OF SAID SECTION 36 A DISTANCE OF 799.32 FEET TO A POINT; THENCE S00°43'09"E A DISTANCE OF 1915.98 FEET TO THE POINT OF BEGINNING OF THE ACCESS EASEMENT DESCRIBED IN AF# 5028237, CLARK COUNTY DEED RECORDS; THENCE N89°44'59"E ALONG THE NORTH LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 46.12 FEET TO THE NORTHERLY NORTHEAST CORNER THEREOF; THENCE S00°43'09"W ALONG THE EAST LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 381.59 FEET TO AN ANGLE POINT; THENCE S29°40'14"E CONTINUING ALONG THE EAST LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 63.47 FEET TO THE NORTHERLY NORTHEAST CORNER OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 AND THE TRUE POINT OF BEGINNING; THENCE S89°03'40"W ALONG THE NORTH LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 15.36 FEET TO THE EASTERLY EDGE OF A CONCRETE SIDEWALK; THENCE S06° 20' 58"W ALONG THE EASTERLY EDGE OF SAID SIDEWALK A DISTANCE OF 11.10 FEET TO A POINT; THENCE S00°30'56"W CONTINUING ALONG THE EASTERLY EDGE OF SAID SIDEWALK A DISTANCE OF 105.32 FEET TO A POINT; THENCE 115.66 FEET ALONG CONTINUING ALONG THE EASTERLY EDGE OF SAID SIDEWALK ALONG A 220.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 30°07'23" (LONG CHORD BEARS S15°34'37"W, 114.34') TO THE EASTERLY EDGE OF AN OBSERVATION DECK; THENCE S52°51'25"E ALONG THE EASTERLY EDGE OF SAID OBSERVATION DECK A DISTANCE OF 9.65 FEET TO AN ANGLE POINT; THENCE S34°05'56"W CONTINUING ALONG THE EASTERLY EDGE OF SAID OBSERVATION DECK A DISTANCE OF 19.68 FEET TO AN ANGLE POINT; THENCE N54°27'58"W CONTINUING ALONG THE EASTERLY EDGE OF SAID OBSERVATION DECK A DISTANCE OF 10.35 FEET TO THE SOUTHEASTERLY EDGE OF SAID SIDEWALK; THENCE 111.25 FEET ALONG THE SOUTHEASTERLY EDGE OF SAID SIDEWALK ALONG A 200.21 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 31°50'20" (LONG CHORD BEARS S51°09'18"W, 109.83') TO A POINT; THENCE 70.05 FEET CONTINUING ALONG THE SOUTHEASTERLY EDGE OF SAID SIDEWALK ALONG A 327.94 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 12°14'17" (LONG CHORD BEARS S72°05'56"W, 69.91') TO A POINT; THENCE S81°47'06"W CONTINUING ALONG THE SOUTHEASTERLY EDGE OF SAID SIDEWALK A DISTANCE OF 103.78 FEET TO THE NORTHERLY PROJECTION OF A CHAINLINK FENCE; THENCE S01°59'53"W ALONG SAID CHAINLINK FENCE AND THE NORTHERLY PROJECTION THEREOF A DISTANCE OF 95.19 FEET TO AN ANGLE POINT IN SAID CHAINLINK FENCE; THENCE S84°06'48"E CONTINUING ALONG SAID CHAINLINK FENCE A DISTANCE OF 52.95 FEET TO THE WEST LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 THENCE S26°13'41"E ALONG THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 3.66 FEET AN ANGLE POINT; THENCE S00°16'52"W CONTINUING ALONG THE WEST LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 388.69 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE S89°36'02"E ALONG THE SOUTH LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID

AF# 5028237 A DISTANCE OF 100.49 FEET TO THE SOUTHERLY SOUTHEAST CORNER THEREOF;
THENCE N28°36'04"E ALONG THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID
AF# 5028237 A DISTANCE OF 216.98 FEET TO AN ANGLE POINT; THENCE N43°42'43"E ALONG
THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF
52.76 FEET TO AN ANGLE POINT; THENCE N77°50'15"E THE EASTERLY LINE OF THE BASIN LEASE
AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 449.75 FEET TO AN ANGLE POINT;
THENCE N26°03'56"E ALONG THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID
AF# 5028237 A DISTANCE OF 193.16 FEET TO AN ANGLE POINT; THENCE N44°10'47"W ALONG
THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF
310.63 FEET TO AN ANGLE POINT; THENCE N86°40'47"W ALONG THE EASTERLY LINE OF THE
BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF
281.90 FEET TO AN ANGLE POINT; THENCE N00°56'20"W ALONG THE EASTERLY LINE OF THE
BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 105.29 FEET TO THE TRUE
POINT OF BEGINNING;
CONTAINING AN AREA OF 319,663 SQUARE FEET, MORE OR LESS

BASIN LEASE AREA
LOCATED IN THE SE 1/4 OF SECTION 36, T2N, R1E, W.M.,
CITY OF VANCOUVER, CLARK COUNTY, WASHINGTON



19-085 Easement.dwg
DATE OF PLOT: 06-14-19

EXHIBIT D

Access Easements

LEGAL DESCRIPTION FOR CHRISTENSEN GROUP, INC.
Channel Access from the Basin to the Columbia River

October 10, 1996

A parcel of property in the East half of Section 36, Township 2 North, Range 1 East of the Willamette Meridian, lying within Tideland Tracts 42 and 43 as shown on the second and third supplemental maps of Vancouver Tidelands in Clark County, Washington described as follows:

COMMENCING at the Northwest corner of said East half of Section 36;

THENCE South 89° 13' 33" East along the North line of said East half, 799.32 feet to a point that bears North 00° 52' 00" East West from a 5/8" iron rod with plastic cap affixed "City of Vancouver" as set by Thomas Ray (during Record of Survey recorded in Book 17 at page 90) to remonument a concrete monument as found and shown on Record of Survey recorded in Book 14 at Page 136;

THENCE South 00° 52' 00" East towards said "City of Vancouver" iron rod 1915.98 feet to the Southwest corner of that portion of Columbia Way conveyed to the City of Vancouver by deed recorded under Auditor's File # G 569075 of Clark County records;

THENCE North 88° 09' 50" East, along the South line of said Columbia Way parcel, 46.12 feet;

THENCE South 00° 52' 00" East, 381.59 feet;

THENCE South 31° 15' 23" East, 63.47 feet;

THENCE South 87° 28' 31" West 30.51 feet;

THENCE South 02° 31' 29" East, 104.23 feet to a 220.00 foot radius curve to the right;

THENCE around said 220.00 foot radius curve to the right, 324.35 feet;

THENCE South 81° 56' 49" West, 75.71 feet;

THENCE South 04° 22' 35" West, 36.98 feet;

THENCE South 27° 48' 50" East 88.80 feet;

THENCE South 01° 18' 17" East 388.69 feet to the TRUE POINT OF BEGINNING;

THENCE North 88° 48' 49" East 100.49 feet;

THENCE South 04° 27' 02" West 492.06 feet;

THENCE North 85° 32' 58" West, 100.00 feet, to a point, that bears South 04° 27' 02" West from the TRUE POINT OF BEGINNING;

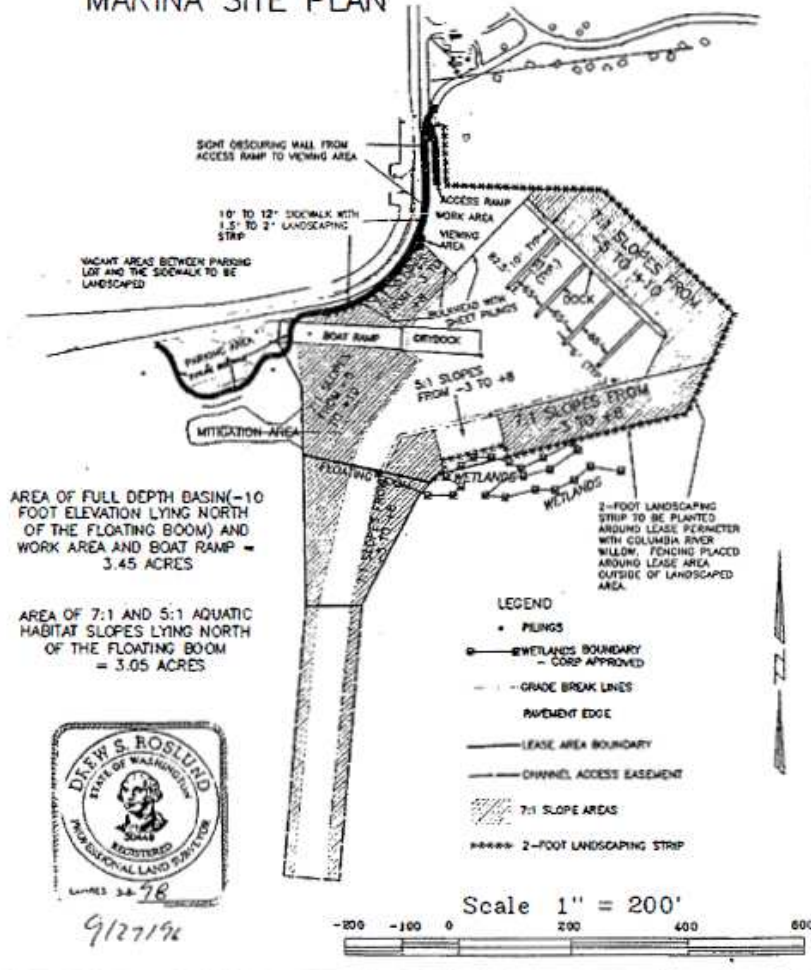
THENCE North 04° 27' 02" East, 482.19 feet to the TRUE POINT OF BEGINNING.



OLSON LAND SURVEYORS
ENGINEERS
ENGINEERING INC. 1111 BROADWAY, VANCOUVER, WA 98660

CHRISTENSEN GROUP INC.
MARINA FACILITY
VANCOUVER, WA

MARINA SITE PLAN





All County Surveyors
& Planners, Inc.

PO Box 955

• Sandy, Oregon 97055

• Phone: 503-668-3151

• Fax: 503- 668-4730

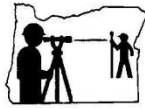
**ACCESS EASEMENT
LOCATED IN THE SE 1/4 OF SECTION 36, T2N, R1E, W.M.,
CITY OF VANCOUVER, CLARK COUNTY, WASHINGTON**

OUR JOB # : 19-085

A TRACT OF LAND LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF VANCOUVER, IN CLARK COUNTY, IN THE STATE OF WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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Affiliated: Professional Land Surveys of Oregon • American Congress of Surveying and Mapping
P:\Documents\2019 Documents\19-085 VIGOR - Tract 42\19-085 Revised Legals.docx



All County Surveyors & Planners, Inc.

PO Box 955 • Sandy, Oregon 97055 • Phone: 503-668-3151 • Fax: 503- 668-4730

FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF $12^{\circ}14'17''$ (LONG CHORD BEARS $S72^{\circ}05'56''W$, 69.91') TO A POINT; THENCE $S81^{\circ}47'06''W$ CONTINUING ALONG THE SOUTHEASTERLY EDGE OF SAID SIDEWALK A DISTANCE OF 103.78 FEET TO THE NORTHERLY PROJECTION OF A CHAINLINK FENCE; THENCE $S01^{\circ}59'53''W$ ALONG SAID CHAINLINK FENCE AND THE NORTHERLY PROJECTION THEREOF A DISTANCE OF 47.02 FEET TO A POINT; THENCE $N80^{\circ}41'22''W$ A DISTANCE OF 154.66 FEET TO A POINT ON THE SOUTH LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237; THENCE $N89^{\circ}14'06''W$ ALONG THE SOUTH LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 146.97 FEET TO THE WESTERLY SOUTHWEST CORNER THEREOF; THENCE $N01^{\circ}19'49''E$ ALONG THE WEST LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 55.94 FEET TO THE WESTERLY NORTHWEST CORNER THEREOF; THENCE $N87^{\circ}57'32''E$ ALONG THE NORTH LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 202.80 FEET TO AN ANGLE POINT; THENCE $N81^{\circ}38'27''E$ ALONG THE NORTHWESTERLY LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 183.51 FEET TO A POINT; THENCE 224.87 FEET CONTINUING ALONG THE NORTHWESTERLY LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237, ALONG A 185.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF $69^{\circ}38'38''$ (LONG CHORD BEARS $N46^{\circ}49'08''E$, 211.28') TO AN ANGLE POINT; THENCE $S79^{\circ}57'04''W$ CONTINUING ALONG THE NORTHWESTERLY LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 3.56 FEET TO AN ANGLE POINT; THENCE $N00^{\circ}43'09''E$ ALONG THE WESTERLY LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 570.82 FEET TO THE TRUE POINT OF BEGINNING;

CONTAINING AN AREA OF 71,900 SQUARE FEET, MORE OR LESS



Affiliated: Professional Land Surveys of Oregon • American Congress of Surveying and Mapping
P:\Documents\2019 Documents\19-085 VIGOR - Tract 42\19-085 Revised Legals.docx

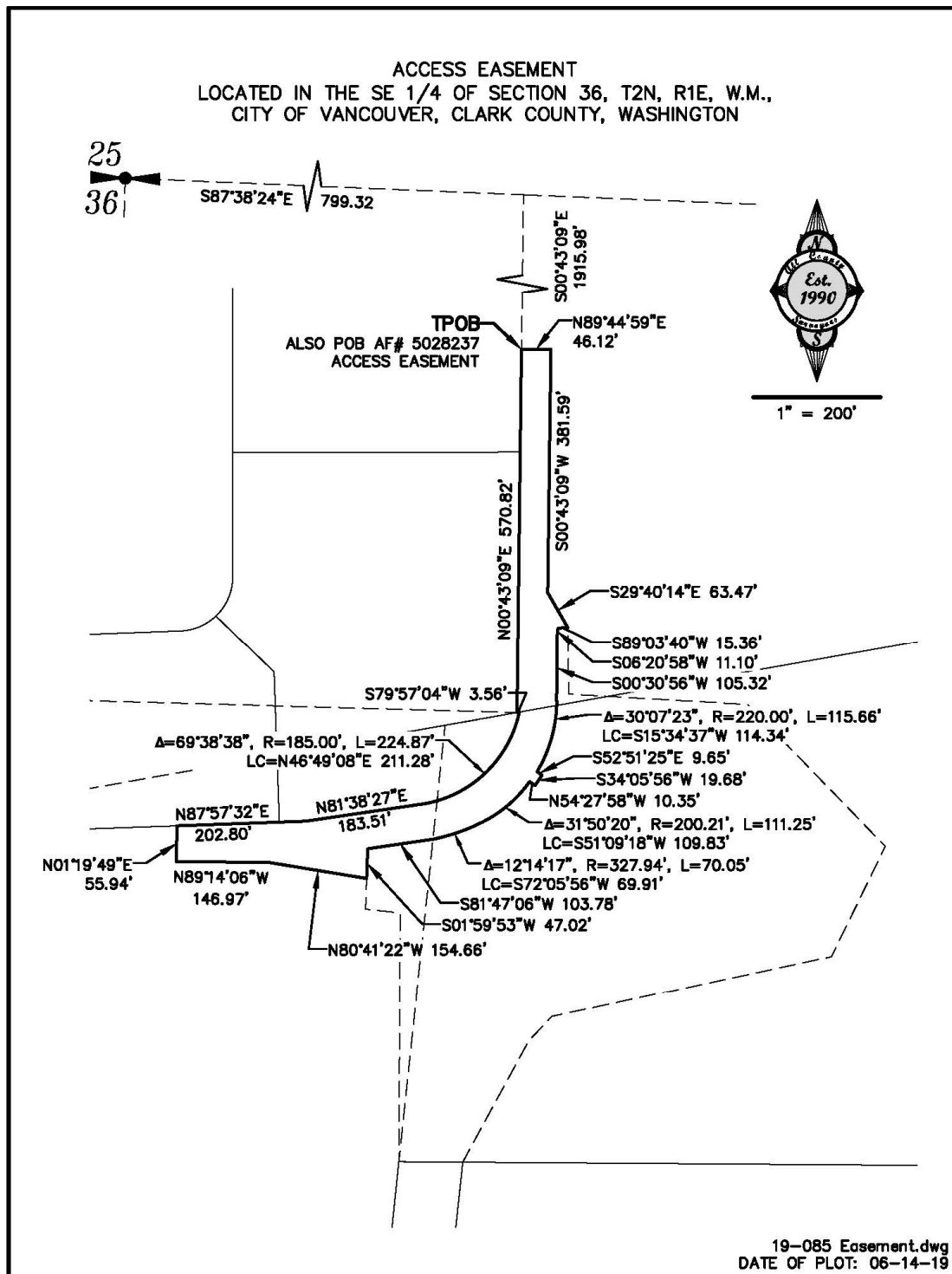


EXHIBIT B

Basin Sublease Agreement

AMENDED AND RESTATED BASIN LEASE AGREEMENT

This Amended and Restated Basin Lease (the “Basin Lease”) is made by and between the City of Vancouver (“City”) and Christensen Group, Inc., a Washington corporation (“CGI”) and assigns (collectively with CGI, referred to as “Tenant”), as of _____, __, 2019 (the “Effective Date”).

RECITALS

A. The City is owner of certain land that it first leased to CGI, successor to Christensen Motor Yacht Corporation, Inc., for a term of 60 years, to construct a boat basin and boat launch in support of its yacht construction business located at 4400 SE Columbia Way, pursuant to a March 26, 1990 Agreement (the “1990 Agreement”).

B. The 1990 Agreement was amended by the January 11, 1994 Amendatory Agreement to modify the legal description of the basin and to construct a public trail for the City and for which the City subsequently assumed responsibility to maintain and operate as a public facility.

C. The 1990 Agreement was amended again by the December 2, 1996 Amended Lease Agreement to establish a November 1, 1996 commencement date for the 60-year term and to modify the permitted depth of the two easements, referred to in this Basin Lease as the “Channel Access Easement” and “Basin Access Easement” and, collectively, as the “Access Easements.”

D. The 1990 Agreement was further amended by the March 26, 2018 Lease Amendment to obtain CGI’s approval for the City of Vancouver Fire Department to sublease the basin to operate a boathouse and rapid response vessel.

E. CGI intends to sell its property at 4400 SE Columbia Way and to assign the Basin Lease to another party (the “Buyer”) who intends to sublease the basin to be used for the construction, repair, outfitting, launching, and retrieving a variety of marine vessels (the “Transaction”).

F. During Buyer’s inspection of the basin, Buyer discovered that a small portion of the basin was subject to a deed restriction for park and playground use only (the “Deed Restriction”), which was placed on the property by the State of Washington when the property was conveyed to the City in 1970, pursuant to a Park and Playground Use Deed, Auditor’s File No. G5577032, as amended by a 1988 Corrective Deed, Auditor’s File No. 8807080034. Buyer also discovered several encroachments at the basin affecting the boat ramp and laydown area and the sidewalk and viewing platform.

G. In order to remove the Deed Restriction, the City quitclaimed the portion of the basin property subject to the Deed Restriction to the State of Washington and the State of

Washington then leased that property back to the City, pursuant to that Aquatic Land Lease, Lease No. 20-099510 (the “Aquatic Land Lease”), which is attached as Exhibit A. The Aquatic Land Lease terminates on November 1, 2056. This Land is referred to in this Basin Lease as the “DNR Leased Land” and is described and depicted in the attached Exhibit B.

H. The remainder of the land which is the subject of this Basin Lease is referred to in this Basin Lease as the “Basin Area” and is described and depicted in the attached Exhibit C. The legal description of the Basin Area is also being amended to correct certain encroachments.

I. It is the parties’ intent that this Basin Lease shall replace the 1990 Agreement and all amendments thereto.

NOW, THEREFORE, based on the mutual promises and covenants set out in this Basin Lease and for other good and valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

1. Term; Excise Taxes.

The City leases to Tenant and Tenant leases from the City the DNR Leased Land (defined as the “Property” in the Aquatic Land Lease) and the Basin Area, subject to the limitations set forth in section 1.1 of the Aquatic Land Lease. The Commencement Date of the Basin Lease is November 1, 1996 and will expire sixty years from that date which is November 1, 2056. As to the DNR Leased Land, this Basin Lease shall terminate if the Aquatic Land Lease terminates for any reason. As of the Effective Date of the Basin Lease, Tenant will pay all leasehold excise taxes under RCW 82.29A, and any other taxes or permit fees on the Basin. The excise tax due on December 1, 2018 was \$3,704.93. Upon the expiration or termination of this Lease, Tenant shall remove its improvements from the DNR Leased Land, as required by Sections 3 and 7 of the Aquatic Land Lease or as otherwise reasonably required by City.

2. Appraisal. Upon the twenty-fifth, thirtieth, thirty-fifth, fortieth, forty-fifth, fiftieth, and fifty-fifth anniversaries of the Commencement Date, the Basin Area will be appraised to establish the value of the land, separate from the improvements. The City and Tenant each will name an appraiser and the two shall select a third appraiser, all three of whom shall appraise the land and the average of the three appraisals shall determine the rent for the next five years; provided, any appraisal more than twenty-five percent above or below the other two shall be disregarded. The cost of the third appraiser shall be shared equally by the City and Tenant. The DNR Leased Land shall not be considered in the appraisal.

3. Rent.

a. The rent due on December 1, 2018 was \$28,854.60. As of the Effective Date, Tenant, each year, will pay the City ten percent of the appraised value of the unimproved land within the Basin Area and will continue to pay taxes as set forth in Section No. 1. The annual payments will be made in advance of the anniversary dates of the Commencement Date.

b. Additional Rent shall be paid by Tenant for the DNR Leased Land in the same amount as provided for in Section 4 Rent of the Aquatic Land Lease. Initially, the Rent

shall be as follows: (i) \$235.57 for water dependent uses and (ii) \$3,076.57 for non-water dependent uses. Tenant also shall pay any leasehold excise tax, fees, and administrative charges, which are assessed against the City under the Aquatic Land Lease, in proportion to its payments of Additional Rent for the DNR Leased Land. The Additional Rent and any applicable leasehold excise tax, fees, or administrative charges shall be due and payable sixty (60) days before the date upon which the rent is due and payable to the State. Pre-payment of Additional Rent in amounts greater than the Additional Rent is prohibited. As provided in the Section 4 of the Aquatic Land Lease, the state may adjust the Additional Rent and must provide notice to City of such adjustments. The City shall forward to Tenant any rental adjustment notices received from the State and Tenant shall pay such amount to the City. Provided Tenant timely pays Additional Rent and any leasehold excise tax, fees, or administrative charges required by the Aquatic Land Lease, any late payment fees, interest, or penalties assessed by the State of Washington, pursuant to Section 6 of Aquatic Land Lease, shall be the responsibility of City. In the event that Tenant is delinquent in its payments to the City, it shall be responsible for any late payment fees, interest, or penalties assessed by the State.

c. Tenant shall provide the City with Financial Security in the manner and amounts as provided in subsection 10.4 of the Aquatic Land Lease.

4. Basin Dredging. Provided that it has secured all required permits and provided notice to the City, Tenant may maintain the Access Easements to a depth of minus ten feet Columbia River Datum (CRD) and to a width of 100 feet to provide water access. To the Extent any of the foregoing dredging is on DNR Leased Land, Tenant also shall comply with the applicable terms of the Aquatic Land Lease.

5. Purpose; Uses. The DNR Leased Land shall be used by Tenant solely for the “Permitted Use” and subject to the “Restrictions” described in Section 2 of the Aquatic Land Lease. The Basin Area shall be used by Tenant solely for vessel launching, retrieving, mooring, egress, and ingress and for the outfitting, repair, and maintenance of marine vessels in support of operations at 4400 SE Columbia Way. Within the DNR Leased Land, any construction, repair, modification or demolition shall comply with subsections 7.3 and 7.4 of the Aquatic Land Lease. Otherwise, Tenant shall construct no structures of any kind, except docks and slips, breakwaters, one floating boathouse, dry-dock, one stationary dry-dock facility, one houseboat (to serve for security), a parking lot, and a staging area.

6. Landscape. Tenant shall landscape and fence such property in accordance with City standards and subject to reasonable written approval by Directors of Parks, so as to be consistent with other present or potential uses in the area. Tenant agrees to maintain such property and all structures so as to provide a neat and attractive appearance consistent with the appearance and character of the area and recognizing that the adjacent area is a city park.

7. Access Easements. The land leased by the City to Tenant is dependent for water access upon two easements, which are described in more detail in Exhibit D and are referred to collectively as the “Access Easements.” The first easement, the Basin Access Easement, is across both City-owned land and DNR Leased Land that is subject to the Aquatic Land Lease.

The City hereby grants Tenant an easement over the Basin Access Easement for the purpose of accessing the basin. That portion of the Basin Access Easement across the DNR Leased Land shall terminate without notice upon the termination of the Aquatic Land Lease or this Basin Lease. The Basin Access Easement leads to a second easement, the Channel Access Easement, that provides access to the Columbia River over submerged land. The City hereby grants Tenant the Channel Access Easement for the purpose of ingress and egress for boats, as described in the deed from Smith to the City under Auditor's Recording No. 526962. The Channel Access Easement shall terminate without notice upon the termination of this Basin Lease. The City leases the Access Easements to Tenant for access both to and from the land and water. The Access Easements are non-exclusive. Tenant shall be responsible for obtaining all permits for dredging and maintaining the Access Easements for the term of this Basin Lease.

8. Assignment, Sublease. Tenant may assign this Basin Lease or sublease the Basin Area to any third party, so long as the use of the Basin Area is limited to the purpose and uses described in Paragraph No. 5 and with the consent of the City which shall not be unreasonably withheld. Tenant also must comply with Section 9 of the Aquatic Land Lease for any assignment, sublease, or transfer of any interest involving the DNR Leased Lands. In the event of an assignment of the Basin Lease, such assignment shall be subject to all of the rights and obligations of this Basin Lease and any subleases. The City acknowledges that Buyer's lender may require Buyer to assign, mortgage or otherwise pledge Buyer's leasehold interest in the Basin Area as security for a loan from Buyer's lender. The City agrees it will consent to such assignment, mortgage, or pledge so long as, if requested by City, Buyer and Buyer's lender execute a commercially reasonable form of consent to assignment, mortgage, or pledge as the City, Buyer, and Buyer's lender may mutually agree. The City's consent to the foregoing also shall be subject to the applicable terms of the Aquatic Land Lease.

9. Change in Purpose or Use. If Tenant ceases to operate the DNR Leased Land and Basin Area as described in Paragraph No. 5, Tenant may use the basin for some other marine or water dependent purpose, but only upon a City Council finding that the new use would not be contrary to the public interest and would not interfere with any public uses in the area and, as to the DNR Leased Land, with the permission of the State. Unless the City Council approves the new use, the Basin Lease would automatically terminate.

10. DNR Leased Land Obligations.

a. The DNR Leased Land is subject to the Aquatic Land Lease between the City of Vancouver and the State of Washington. Notwithstanding the foregoing, there is no privity of contract between Tenant and the State of Washington. Tenant acknowledges that it has received a copy the Aquatic Land Lease. Tenant acknowledges State of Washington's right of entry to the DNR Leased Lands, as set out in Section 15 of the Aquatic Land Lease. With respect to the DNR Leased Lands, any conflict between the terms and conditions of this Basin Lease and the Aquatic Land Lease, the Aquatic Land Lease shall control.

b. With respect to the DNR Leased Lands, this Basin Lease and any assignment or sublease are subject to the following terms and conditions of the Aquatic Land Lease:

(i) The terms and conditions governing improvements and personal property in Section 7 of the Aquatic Land Lease;

(ii) the terms and conditions governing environmental liability and risk allocation in Section 8 of the Aquatic Land Lease;

(iii) the terms and conditions governing maintenance and repair in Section 11 of the Aquatic Land Lease;

(iv) the terms and conditions governing damage or destruction in Section 12 of the Aquatic Land Lease; and

(v) the terms and conditions governing condemnation in Section 13 of the Aquatic Land Lease.

11. Default. If Tenant ceases using the Basin Area as provided in Paragraph No. 5, or in Paragraph No. 9 as approved by the City Council, ceases paying taxes, or fails properly to maintain insurance or otherwise to properly maintain the Basin Area, the City may declare this Basin Lease void and may re-enter; provided, the City gives Tenant at least thirty days written notice to cure any alleged default prior to declaring this Basin Lease void. If Tenant begins to correct any alleged default within such thirty days, Tenant shall be given a reasonable time to correct any alleged default.

b. In the event City is in default of the Aquatic Land Lease, City shall provide prompt notice to Tenant of such default. If City is deemed to be in an “Event of Default” of the Aquatic Land Lease, Tenant shall have the right to provide the City with the resources to enable it to cure such default, if possible. In such case, City shall reimburse Tenant for all of its costs incurred to cure such default. City shall remit payment to Tenant within 30 days of a written demand by Tenant for such costs.

12. Hold Harmless; Insurance.

a. Tenant will hold the City harmless from any claims for personal injuries relating to the Tenant’s use of the Basin Area. Tenant will name the City as an additional insured on liability insurance policies that Tenant shall maintain in a minimum amount of One Million Dollars per injury to any person, or such higher amount as may reasonably be demanded by City.

b. With respect to the DNR Leased Land, Tenant shall comply with the applicable Insurance requirements of Sections 10.2 and 10.3 of the Aquatic Land Lease. Tenant also shall indemnify, defend, and hold harmless the State of Washington with respect to the DNR Leased Land, as provided in Section 10.1 of the Aquatic Land Lease.

13. Consent by Tenant. In addition to the structures permitted in Paragraph No. 5, Tenant consents to the City placing and mooring a fireboat house and the Vancouver Fire Department Rapid Response Vessel in the basin, pursuant to a separate sublease agreement, subject to such agreement being approved by Tenant. Such consent and approval is and shall be continually dependent upon the Vancouver Fire Department not interfering with Tenant's permitted uses of the Basin Area, as described in Paragraph No. 5, or Paragraph No. 9 as approved by the City Council.

The parties acknowledge that the separate sublease agreement referenced above will include a provision giving the Tenant or a sublessee of Tenant the right to terminate such separate sublease agreement, but Tenant or a sublessee of Tenant must give no less than twenty-four months' prior written notice to the Vancouver Fire Department, a City of Vancouver agency. Tenant agrees that this provision may be enforced by the City.

14. Consent by City. City consents to Tenant assigning this Basin Lease to Buyer at the closing of the Transaction. City also consents to Buyer subleasing to Vigor Works LLC the DNR Leased Land and Basin Area, including all rights to the Access Easements granted to Tenant under this Basin Lease.

15. Termination. Tenant shall have the option to terminate this Basin Lease upon ninety days' prior written notice to the City upon the occurrence of any of the following events:

a. Any sublessee or assign operating the basin is in default or has abandoned the use of the basin.

b. At the discretion of Tenant, but only if any sublessee or assign operating the basin consents to assume the obligation of Tenant under this Basin Lease.

c. Upon a sale by Tenant of the 4400 SE Columbia Way property and the buyer of the property does not assume this Basin Lease, but only if any sublessee or assign operating the basin consents to assume the obligations of Tenant under this Basin Lease.

Any sublease or assignment pursuant to this Section 15 must comply with the sublease and assignment requirements set forth in Section 8 of this Basin Lease.

16. Notice. Any notice regarding this Basin Lease, or required to be provided by this Basin Lease, shall be in writing and be (i) sent by certified U.S. Mail, (ii) personally delivered, or (iii) sent by e-mail in portable document format (pdf). If sent by e-mail, such notice shall be followed the next day with notice by certified U.S. Mail. Notice shall be deemed given when delivered. Notice shall be addressed, as follows:

If to City:

City of Vancouver

Real Property Services
P.O. Box 1995
Vancouver, WA. 98665-1995

If to Tenant:

Christensen Group, Inc.
4400 SE Columbia Way
Vancouver, WA 98661
Attn: General Counsel

17. Amendment and Restatement. This Basin Lease amends, restates, and replaces the 1990 Agreement and all amendments, such that the 1990 Agreement and amendments shall have no further force or effect.

CHRISTENSEN GROUP, INC.

By: _____

Name: _____

Its: _____

CITY OF VANCOUVER

By: _____

Name: _____

Its: _____

Approved as to form:

STATE OF WASHINGTON)

)-ss

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that Kathryn D. Maynard, President of Christensen Group, Inc., is the person who appeared before me, and such person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it to be a free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Subscribed and sworn to before me the ____ day of _____, 2019

Notary Public in and for the State of Washington

My commission expires: _____

STATE OF WASHINGTON)

)-ss

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that _____, the _____ for the City of Vancouver, Washington, is the person who appeared before me, and such person acknowledged signing this instrument, on oath stated that such person is authorized to execute this instrument, and acknowledged it to be a free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Subscribed and sworn to before me on the ____ day of _____, 2019

Notary Public in and for the State of Washington

My commission expires: _____

EXHIBIT A

Aquatic Land Lease

As stated in Exhibit A

EXHIBIT C

Description of the Premises

A TRACT OF LAND LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF VANCOUVER, IN CLARK COUNTY, IN THE STATE OF WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH ONE-QUARTER CORNER OF SAID SECTION 36, THENCE S87°38'24"E ALONG THE NORTH LINE OF SAID SECTION 36 A DISTANCE OF 799.32 FEET TO A POINT; THENCE S00°43'09"E A DISTANCE OF 1915.98 FEET TO THE POINT OF BEGINNING OF THE ACCESS EASEMENT DESCRIBED IN AF# 5028237, CLARK COUNTY DEED RECORDS; THENCE N89°44'59"E ALONG THE NORTH LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 46.12 FEET TO THE NORTHERLY NORTHEAST CORNER THEREOF; THENCE S00°43'09"W ALONG THE EAST LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 381.59 FEET TO AN ANGLE POINT; THENCE S29°40'14"E CONTINUING ALONG THE EAST LINE OF THE ACCESS EASEMENT DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 63.47 FEET TO THE NORTHERLY NORTHEAST CORNER OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 AND THE TRUE POINT OF BEGINNING; THENCE S89°03'40"W ALONG THE NORTH LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 15.36 FEET TO THE EASTERLY EDGE OF A CONCRETE SIDEWALK; THENCE S06° 20' 58"W ALONG THE EASTERLY EDGE OF SAID SIDEWALK A DISTANCE OF 11.10 FEET TO A POINT; THENCE S00°30'56"W CONTINUING ALONG THE EASTERLY EDGE OF SAID SIDEWALK A DISTANCE OF 105.32 FEET TO A POINT; THENCE 115.66 FEET ALONG CONTINUING ALONG THE EASTERLY EDGE OF SAID SIDEWALK ALONG A 220.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 30°07'23" (LONG CHORD BEARS S15°34'37"W, 114.34') TO THE EASTERLY EDGE OF AN OBSERVATION DECK; THENCE S52°51'25"E ALONG THE EASTERLY EDGE OF SAID OBSERVATION DECK A DISTANCE OF 9.65 FEET TO AN ANGLE POINT; THENCE S34°05'56"W CONTINUING ALONG THE EASTERLY EDGE OF SAID OBSERVATION DECK A DISTANCE OF 19.68 FEET TO AN ANGLE POINT; THENCE N54°27'58"W CONTINUING ALONG THE EASTERLY EDGE OF SAID OBSERVATION DECK A DISTANCE OF 10.35 FEET TO THE SOUTHEASTERLY EDGE OF SAID SIDEWALK; THENCE 111.25 FEET ALONG THE SOUTHEASTERLY EDGE OF SAID SIDEWALK ALONG A 200.21 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 31°50'20" (LONG CHORD BEARS S51°09'18"W, 109.83') TO A POINT; THENCE 70.05 FEET CONTINUING ALONG THE SOUTHEASTERLY EDGE OF SAID SIDEWALK ALONG A 327.94 FOOT RADIUS CURVE TO THE RIGHT THROUGH A

CENTRAL ANGLE OF 12°14'17" (LONG CHORD BEARS S72°05'56"W, 69.91') TO A POINT; THENCE S81°47'06"W CONTINUING ALONG THE SOUTHEASTERLY EDGE OF SAID SIDEWALK A DISTANCE OF 103.78 FEET TO THE NORTHERLY PROJECTION OF A CHAINLINK FENCE; THENCE S01°59'53"W ALONG SAID CHAINLINK FENCE AND THE NORTHERLY PROJECTION THEREOF A DISTANCE OF 95.19 FEET TO AN ANGLE POINT IN SAID CHAINLINK FENCE; THENCE S84°06'48"E CONTINUING ALONG SAID CHAINLINK FENCE A DISTANCE OF 52.95 FEET TO THE WEST LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 THENCE S26°13'41"E ALONG THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 3.66 FEET AN ANGLE POINT; THENCE S00°16'52"W CONTINUING ALONG THE WEST LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 388.69 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE S89°36'02"E ALONG THE SOUTH LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 100.49 FEET TO THE SOUTHERLY SOUTHEAST CORNER THEREOF; THENCE N28°36'04"E ALONG THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 216.98 FEET TO AN ANGLE POINT; THENCE N43°42'43"E ALONG THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 52.76 FEET TO AN ANGLE POINT; THENCE N77°50'15"E THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 449.75 FEET TO AN ANGLE POINT; THENCE N26°03'56"E ALONG THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 193.16 FEET TO AN ANGLE POINT; THENCE N44°10'47"W ALONG THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 310.63 FEET TO AN ANGLE POINT; THENCE N86°40'47"W ALONG THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF

281.90 FEET TO AN ANGLE POINT; THENCE N00°56'20"W ALONG THE EASTERLY LINE OF THE BASIN LEASE AREA DESCRIBED IN SAID AF# 5028237 A DISTANCE OF 105.29 FEET TO THE TRUE POINT OF BEGINNING;

CONTAINING AN AREA OF 319,663 SQUARE FEET, MORE OR LESS

25
36

S00°43'09"E
1915.98'

N89°44'59"E
46.12'



500°43'00"W 391 50'

-S29°40'14"E 63.47'

—ТРОВ

N00°56'20"W 105.29'

N86°40'47"W
281.90'

—S52°51'25"E 9.65'

S34°05'56"W 19.68'

—N54°27'58"W 10.35

—S81°47'06"W 103.78'

—S01°59'53"W 95.19

—S26°13'41"E 3.66'

S84°06'48"E
52.95'

S0016'52"W
388.69'

N43°42'43"E
52.76'

N77°50'15"E
449.75'

3.8

8'36'0"

S89°36'02"E_



Item #7.

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 7/15/2019

SUBJECT Appointment of Charter Pro & Con Committees

Action Requested

Appoint the following Vancouver residents to the respective pro statement writing committees for the 2019 ballot measures regarding amendments to the City's charter:

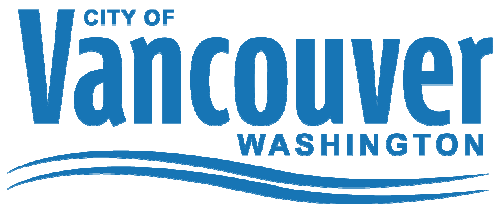
Barry Hemphill, Frank Lamie, Lynn Samuels (Proposition 1); David Olson, Frank L'Amie, Melissa Rugg (Proposition 2); Melissa Boles, David Olson, Carmen McKibben (Proposition 3); Esther Schrader, Marjorie Ledell (Proposition 4); John Caton, Melissa Boles, Susan Courtney (Proposition 5); Esther Schrader, Marjorie Ledell (Proposition 6); Sarah Summerhill, John Caton (Proposition 7).

(Descriptions for each proposition are included in the memorandum associated with this agenda item.)

Jeanette (Jan) Bader, Program & Policy Development Manager, 487-8606

ATTACHMENTS:

- ▢ Appointment Memo



MEMORANDUM

DATE: July 9, 2019

TO: Mayor & Council

FROM: Jeanette (Jan) Bader, Program & Policy Development Manager

RE: **Appointment of Proposed Charter Amendment Pro & Con Committees**

CC: Eric Holmes, City Manager
Brent Boger, Assistant City Attorney
Amanda Delapena, Assistant to the City Council

As part of the process of placing the proposed charter amendments on the November ballot, the City Council is required to appoint committees to write pro and con statements for each of the proposed changes. The statements from the Committees will appear in the 2019 Clark County Voter's Pamphlet. The Committees, once appointed by Council, will work directly with the Clark County Elections office in preparing their statements.

Nine Charter Review Committee members and three community volunteers volunteered to write pro ballot statements. There were no volunteers for con statements so the County Elections Office will attempt to recruit volunteers for those positions.

Proposition #1- Citizen Commission on Mayor/Council Salaries

Barry R Hemphill
Frank L'Amie
Lynn Samuels

Proposition #2- Clarifying Councilmember Qualifications

David Olson
Frank L'Amie
Melissa Rugg

Proposition #3- Elaboration of Procedures for Filling Council Vacancies

Melissa Boles
David Olson
Carmen McKibben

Proposition #4- Revisions of the Claims Process

Esther Schrader
Marjorie Ledell

Proposition #5- Clarifying Contracting Authority

John Caton
Melissa Boles
Susan Courtney

Proposition #6 - Allowing Ordinance Amendments by Reference to Subsections

Esther Schrader
Marjorie Ledell

Proposition #7- Miscellaneous Changes to Remove Inconsistencies and Inapplicable Language

Sarah Summerhill
John Caton

Council is required to appoint the pro and con committees by August 6, 2019. Because Council's summer break is July 22- August 4, I am requesting that Council appoint the above volunteers to the Pro Committees for the proposed charter amendments at the July 15, 2019 City Council meeting. The names will then be forwarded to the Clark County Elections Office along with the ballot resolutions.

VOUCHER APPROVAL

We, the undersigned council members of the City of Vancouver, Clark County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of:

\$ 3,606,619.93 this 15th day of July 2019.

MAYOR

COUNCILMEMBER



AUDITING OFFICER

COUNCILMEMBER

DATE	INCLUSIVE CHECK NUMBERS	CHECK TOTAL
July 2 - July 8	Accounts Payable Checks (see attached)	\$ 3,586,703.96
July 2 - July 8	Hansen City Payments (see attached)	\$ 13,460.20
July 2 - July 8	Visa Refunds (see attached)	\$ 6,455.77
July 2 - July 8	Payroll Checks (see attached)	\$ -
TOTAL		\$ 3,606,619.93

INVOICE PAYMENTS REPORT

<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Description from: Spend Category / Supplier Invoice Memo</u>
		SUBTOTAL	3,586,703.96		
Hansen		7/9/2019	\$ 22.58	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 17.06	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 571.56	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 161.76	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 664.44	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 1,950.60	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 56.52	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 344.57	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 554.05	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 1,431.72	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 169.48	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 2,562.98	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 399.12	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 235.72	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 17.06	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 143.72	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 2,303.88	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 695.72	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 446.34	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 221.00	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 310.80	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 141.28	City Payments	Posted 7-2-19 thru 7-8-19
Hansen		7/9/2019	\$ 38.24	City Payments	Posted 7-2-19 thru 7-8-19
		SUBTOTAL	13,460.20		
VISA		7/9/2019	\$ 2,062.70	Miscellaneous	Parks Class Refunds - FCC 7-2-19 thru 7-9-19
VISA		7/9/2019	\$ 4,393.07	Miscellaneous	Parks Class Refunds - MCC 7-2-19 thru 7-9-19
VISA		7/9/2019	\$ -	Miscellaneous	Parks Class Refunds - Special Events 7-2-19 thru 7-9-19
VISA		7/9/2019	\$ -	Miscellaneous	Parks Class Refunds - WREC 7-2-19 thru 7-9-19
		SUBTOTAL	6,455.77		
		TOTAL	3,606,619.93		

INVOICE PAYMENTS REPORT

<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Description from: Spend Category / Supplier Invoice Memo</u>
Check	3108	7/3/2019	5,232.69	State of Washington Department of Transportation - Remit-To: WADOT - PO Box 47305	SC0053 Services - Professional & Contracted Services 541900
Check	3109	7/3/2019	10.36	Stericycle Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3110	7/3/2019	12,595.00	Stop Stick Ltd	SC0045 Supplies - Minor Tools/Equipment < \$10,000 535000
Check	3111	7/3/2019	300.00	Sumuri LLC	SC0068 Services - Software Maintenance 545500
Check	3112	7/3/2019	154.00	The Columbian Publishing Co	SC0063 Services - Advertising 544000
Check	3113	7/3/2019	14,394.65	The Pape Group Inc	SC0144 Capital - Rolling Stock (Vehicle) 564700
Check	3114	7/3/2019	5,941.57	Traffic Safety Supply Co Inc	SC0039 Supplies - Other Operating Supplies 531900
Check	3115	7/3/2019	560.43	Transunion Risk & Alternative Data Solutions Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3116	7/3/2019	422.63	Triple J Enterprises	SC0053 Services - Professional & Contracted Services 541900
Check	3117	7/3/2019	13,752.00	Univar USA Inc	SC0039 Supplies - Other Operating Supplies 531900
Check	3118	7/3/2019	229.00	Vast Data Concepts	SC0053 Services - Professional & Contracted Services 541900
Check	3119	7/3/2019	4,000.00	W&H Pacific Inc.	SC0053 Services - Professional & Contracted Services 541900
Check	3120	7/3/2019	24,578.90	Walter E Nelson Company	SC0045 Supplies - Minor Tools/Equipment < \$10,000 535000
Check	3121	7/3/2019	1,257.22	Wapiti NW LLC	SC0075 Services - Repair & Maint - Equipment 548100
Check	3122	7/3/2019	4,062.00	Washington State Criminal Justice Training Commission	SC0062 Services - Education/Training 543500
Check	3123	7/3/2019	5,810.00	William Peacock	SC0062 Services - Education/Training 543500
Check	3124	7/3/2019	875.50	Yakima County	SC0064 Services - Rental - Building 545100
Check	3125	7/3/2019	2,317.43	Zayo Group Holding Inc	SC0059 Services - Other Communication 542900
Check	3126	7/3/2019	25,301.89	Allegiance Benefit Plan Management Inc	SC0032 Personnel Benefits - Medical Payment - Retired (Pension) 529600
Check	3127	7/3/2019	86.46	AT & T Mobility II LLC	SC0059 Services - Other Communication 542900
Check	3128	7/3/2019	23,001.81	Cellco Partnership - Remit-To: Cellco - Dallas	SC0058 Services - Aircard Communication 542800
Check	3129	7/3/2019	134,721.87	Clark County - Remit-To: Clark County - Treasurer Vancouver	SC0088 Intergovernmental Services and Payments - County Law Enforcement 551100
Check	3130	7/3/2019	461.74	Clark Public Utility District No. 1	SC0071 Services - Electrical 547100
Check	3131	7/3/2019	421,400.98	Clark Public Utility District No. 1	SC0071 Services - Electrical 547100
Check	3132	7/3/2019	138.65	Clark Public Utility District No. 1	SC0071 Services - Electrical 547100
Check	3133	7/3/2019	448.23	Clark Public Utility District No. 1	SC0071 Services - Electrical 547100
Check	3134	7/3/2019	206.02	Comcast	SC0055 Services - Phone Service/Billings 542500-542700
Check	3135	7/3/2019	195.20	Comcast - Remit-To: Comcast Business - City of Industry	SC0083 Services - Misc Expenses 549900
Check	3136	7/3/2019	109.35	Comcast - Remit-To: Comcast Business - City of Industry	SC0083 Services - Misc Expenses 549900
Check	3137	7/3/2019	262.00	Dex Media West	SC0063 Services - Advertising 544000
Check	3138	7/3/2019	9,536.50	Evergreen Habitat for Humanity	SC0053 Services - Professional & Contracted Services 541900
Check	3139	7/3/2019	81.38	Frontier Communications	SC0055 Services - Phone Service/Billings 542500-542700
Check	3140	7/3/2019	1,016.87	State of Washington Department of Retirement System (PERS)	SC0012 Personnel Benefits - PERS II Pension 521200
Check	3141	7/3/2019	43,648.06	Summit Law Group	SC0053 Services - Professional & Contracted Services 541900
Check	3142	7/3/2019	139.91	United Parcel Service	SC0054 Services - Postage 542200
Check	3143	7/3/2019	80,009.50	Vancouver Firefighters Union Health & Welfare Trust	SC0053 Services - Professional & Contracted Services 541900
Check	3144	7/3/2019	200.00	Willis of Seattle Inc - Remit-To: Willis - Pasadena	SC0070 Services - Insurance 546000

INVOICE PAYMENTS REPORT

<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Description from: Spend Category / Supplier Invoice Memo</u>
Check	3071	7/3/2019	5,665.00	Harper Houf Peterson Righellis Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3072	7/3/2019	1,882.00	HDR Engineering Inc - Remit-To: HDR Engineering - Chicago	SC0053 Services - Professional & Contracted Services 541900
Check	3073	7/3/2019	577.61	Industrial Scientific Corporation - Remit-To: Industrial Scientific Corp - Pittsburgh	SC0053 Services - Professional & Contracted Services 541900
Check	3074	7/3/2019	5,457.95	Innovyze Inc	SC0048 Supplies - Software Licenses < \$10,000 535200
Check	3075	7/3/2019	1,693.93	Inseego North America LLC - Remit-To: Inseego - Portland	SC0048 Supplies - Software Licenses < \$10,000 535200
Check	3076	7/3/2019	2,071.10	Interior Office Solutions	SC0045 Supplies - Minor Tools/Equipment < \$10,000 535000
Check	3077	7/3/2019	29.81	J-2 Blueprint Supply Co.	SC0034 Supplies - Office Supplies 531000
Check	3078	7/3/2019	4,131.00	J D Fulwiler & Company Insurance Inc.	SC0070 Services - Insurance 546000
Check	3079	7/3/2019	4,446.40	Kelly Services Inc - Remit-To: Kelly Services - Pasadena	SC0052 Services - Temporary Help 541800
Check	3080	7/3/2019	869.63	Kronos Incorporated - Remit-To: Atlanta	SC0068 Services - Software Maintenance 545500
Check	3081	7/3/2019	5,230.30	Locution Sytems Inc	SC0068 Services - Software Maintenance 545500
Check	3082	7/3/2019	6,176.11	Mackenzie Engineering Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3083	7/3/2019	747.96	Mark IV Enterprises Inc	SC0077 Services - Repair & Maint - Other 548900
Check	3084	7/3/2019	300.00	Marquam Group LTD	SC0053 Services - Professional & Contracted Services 541900
Check	3085	7/3/2019	113,827.89	McDonald Excavating Inc	SC0337 Capital - Construction Contractors 565000
Check	3086	7/3/2019	2,000.00	Message Gears LLC	SC0068 Services - Software Maintenance 545500
Check	3087	7/3/2019	2,784.76	Municipal Emergency Services Inc - Remit-To: Municipal Emergency Services - Chicago	SC0037 Supplies - Uniforms & Protective Clothing 531300
Check	3088	7/3/2019	31,447.42	Northend Truck Equipment Inc	SC0144 Capital - Rolling Stock (Vehicle) 564700
Check	3089	7/3/2019	63.88	Northwest Cascade Inc	SC0069 Services - Other Rentals 545900
Check	3090	7/3/2019	1,747.31	One Call Concepts Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3091	7/3/2019	21,105.49	Pacific Furnishings	SC0045 Supplies - Minor Tools/Equipment < \$10,000 535000
Check	3092	7/3/2019	4,200.00	Pen-Link Ltd	SC0048 Supplies - Software Licenses < \$10,000 535200
Check	3093	7/3/2019	2,190.00	ProTech Professional Technical Services Canada Inc.	SC0062 Services - Education/Training 543500
Check	3094	7/3/2019	172.84	Rapco Industries Inc	SC0035 Supplies - Repair & Maintenance Supplies 531100
Check	3095	7/3/2019	12,007.75	Rapid Response Bio Clean	SC0053 Services - Professional & Contracted Services 541900
Check	3096	7/3/2019	178.86	Rentokil North America Inc	SC0077 Services - Repair & Maint - Other 548900
Check	3097	7/3/2019	6,829.20	Rexel USA Inc	SC0039 Supplies - Other Operating Supplies 531900
Check	3098	7/3/2019	10,485.00	Right Click Solutions Inc.	SC0078 Services - Dues & Subscriptions 549100
Check	3099	7/3/2019	21,463.20	Right Systems Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3100	7/3/2019	6,163.52	Robert Half International Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3101	7/3/2019	4,932.74	S&B Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3102	7/3/2019	2,925.93	San Diego Police Equipment Co Inc	SC0039 Supplies - Other Operating Supplies 531900
Check	3103	7/3/2019	1,158.59	Scatter Creek Pet Products Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3104	7/3/2019	402.50	Schmitt Reporting & Video Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3105	7/3/2019	4.53	Shred It USA LLC	SC0053 Services - Professional & Contracted Services 541900
Check	3106	7/3/2019	3,846.02	Software House International SHI - Remit-To: SHI - Dallas	SC0048 Supplies - Software Licenses < \$10,000 535200
Check	3107	7/3/2019	685.93	State of Washington Department of Licensing - Remit-To: DOL - Seattle Remit	SC0144 Capital - Rolling Stock (Vehicle) 564700

INVOICE PAYMENTS REPORT

<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Description from: Spend Category / Supplier Invoice Memo</u>
Check	3031	7/3/2019	180.00	Thompson,Toby	SC0340 SC to Ledger 213110 AP Refunds (Hansen)
Check	3032	7/3/2019	50.00	Weidner,Kristine N	SC0340 SC to Ledger 213110 AP Refunds (Hansen)
Check	3033	7/3/2019	15.72	Weidner,Kristine N	SC0340 SC to Ledger 213110 AP Refunds (Hansen)
Check	3034	7/3/2019	81.68	White,Chris	SC0340 SC to Ledger 213110 AP Refunds (Hansen)
Check	3035	7/3/2019	164.91	HEATHER EVANS	Customer Refund
Check	3036	7/3/2019	118.90	KENYON ELLIOTT	Customer Refund
Check	3037	7/3/2019	55.00	PAMELA BOUNDS	Customer Refund
Check	3039	7/3/2019	898.00	Accurate Corporate Services Inc	SC0141 Capital - Machinery & Equipment 564000
Check	3040	7/3/2019	13,224.80	Advanced Broadcast Solutions LLC	SC0039 Supplies - Other Operating Supplies 531900
Check	3041	7/3/2019	4,000.00	Allegis Group Holdings Inc - Remit-To: TekSystems Inc - Atlanta	SC0052 Services - Temporary Help 541800
Check	3042	7/3/2019	122,085.50	Alpine Products Inc	SC0039 Supplies - Other Operating Supplies 531900
Check	3043	7/3/2019	343.57	Aramark Uniform & Career Apparel LLC - Remit-To: Aramark - Pasadena	SC0069 Services - Other Rentals 545900
Check	3044	7/3/2019	44,051.46	Aronson Security Group	SC0077 Services - Repair & Maint - Other 548900
Check	3045	7/3/2019	1,626.00	Athlactron Holding	SC0053 Services - Professional & Contracted Services 541900
Check	3046	7/3/2019	1,862.72	Bound Tree Medical LLC	SC0036 Supplies - EMT Supplies 531200
Check	3047	7/3/2019	10,000.00	Chanh C Le	SC0392 Capital - Land Right of Way 561310
Check	3048	7/3/2019	828.49	Cintas Fire Protection - Remit-To: Cintas Fire Protection - Cincinnati	SC0035 Supplies - Repair & Maintenance Supplies 531100
Check	3049	7/3/2019	53,995.00	Clark and Sons Excavating Inc	SC0337 Capital - Construction Contractors 565000
Check	3050	7/3/2019	6,685.32	Clark County - Remit-To: Clark County - Treasurer Vancouver	SC0068 Services - Software Maintenance 545500
Check	3051	7/3/2019	1,458.65	Clark Public Utility District No. 1	SC0077 Services - Repair & Maint - Other 548900
Check	3052	7/3/2019	115,124.05	Columbia Ford Inc	SC0144 Capital - Rolling Stock (Vehicle) 564700
Check	3053	7/3/2019	285.97	Corwin Beverage	SC0039 Supplies - Other Operating Supplies 531900
Check	3054	7/3/2019	785.90	Craig and Julie Pfeifer	SC0077 Services - Repair & Maint - Other 548900
Check	3055	7/3/2019	3,623.44	CUES Inc - Remit-To: CUES Inc - Cincinnati	SC0045 Supplies - Minor Tools/Equipment < \$10,000 535000
Check	3056	7/3/2019	109,429.82	Datec Inc	SC0045 Supplies - Minor Tools/Equipment < \$10,000 535000
Check	3057	7/3/2019	66.06	Day Management Corp - Remit-To: Day Wireless - Milwaukee	SC0075 Services - Repair & Maint - Equipment 548100
Check	3058	7/3/2019	16,934.53	Epic Land Solutions Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3059	7/3/2019	4,750.00	Esix Sportswear	SC0045 Supplies - Minor Tools/Equipment < \$10,000 535000
Check	3060	7/3/2019	440.00	Eurofins Eaton Analytical Inc	SC0051 Services - Sampling & Testing 541400
Check	3061	7/3/2019	5,694.21	Felix Marine Industries Inc	SC0076 Services - Repair & Maint - Buildings 548400
Check	3062	7/3/2019	764.34	Ferguson Enterprises LLC - Remit-To: Ferguson - Dallas	SC0039 Supplies - Other Operating Supplies 531900
Check	3063	7/3/2019	580.00	FireTrex Inc	SC0068 Services - Software Maintenance 545500
Check	3064	7/3/2019	18,344.79	Gallagher Bassett Services Inc	SC0053 Services - Professional & Contracted Services 541900
Check	3065	7/3/2019	4,211.34	General Pacific Inc	SC0393 SC to Ledger 141100 Inventory
Check	3066	7/3/2019	596.20	George Elevator Service LLC	SC0077 Services - Repair & Maint - Other 548900
Check	3067	7/3/2019	2,682.99	Guided Path	SC0053 Services - Professional & Contracted Services 541900
Check	3068	7/3/2019	11,034.65	H&H Wood Recyclers	SC0053 Services - Professional & Contracted Services 541900
Check	3069	7/3/2019	134,596.89	Halbert Construction Services LLC	SC0337 Capital - Construction Contractors 565000
Check	3070	7/3/2019	181,966.94	Halme Excavating Inc	SC0337 Capital - Construction Contractors 565000

INVOICE PAYMENTS REPORT

<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Description from: Spend Category / Supplier Invoice Memo</u>
Manual Wire		7/3/2019	20,259.59	Bank Of America N.A. - Remit-To: Account Analysis	SC0053 Services - Professional & Contracted Services 541900
Manual Wire		7/3/2019	751,742.75	Rotschy Inc	SC0337 Capital - Construction Contractors 565000
Manual Wire		7/8/2019	28,554.04	Gallagher Bassett	SC0084 Services - Worker's Comp Claims - Risk Mgmt ONLY 549910
Manual Wire		7/3/2019	1,644.57	State of Oregon Department of Revenue	SC0247 Accr Empl Ben - Oregon W/H & Transit Tax 231596
Direct Deposit	EFT-00011858	7/5/2019	162.59	Wayne Folkers	Employee Reimbursement
Direct Deposit	EFT-00011859	7/5/2019	53.19	Jude Blocker	Employee Reimbursement
Direct Deposit	EFT-00011860	7/5/2019	461.50	Eugene Durshpek	Employee Reimbursement
Direct Deposit	EFT-00011861	7/5/2019	342.00	Dale Barnette	Travel Advance
Direct Deposit	EFT-00011862	7/5/2019	53.25	Timmi Winther	Travel Advance
Direct Deposit	EFT-00011863	7/5/2019	30.00	Julie Gilbertson	Employee Reimbursement
Direct Deposit	EFT-00011864	7/5/2019	16.01	Robert Givens	Employee Reimbursement
Direct Deposit	EFT-00011865	7/5/2019	77.05	Danell Norby	Travel Advance
Direct Deposit	EFT-00011866	7/5/2019	20.68	Tina Picchioni	Employee Reimbursement
Direct Deposit	EFT-00011867	7/5/2019	15.25	Richard McConaghy	Employee Reimbursement
Direct Deposit	EFT-00011868	7/5/2019	6.00	Joseph Graaff	Employee Reimbursement
Direct Deposit	EFT-00011869	7/5/2019	45.85	Judith Bailey	Employee Reimbursement
Check	3011	7/3/2019	500.00	All About Fun	SC0349 SC to Ledger 213110 AP Refunds
Check	3012	7/3/2019	1,000.00	Bonnie Grant	SC0014 Personnel Benefits - LEOFF I Pension 521300
Check	3013	7/3/2019	1,240.26	Donna Jeffries	SC0085 Services - 3rd Party Liability Claims - Risk Mgmt ONLY 549920
Check	3014	7/3/2019	478.33	Elizabeth Tupper	SC0085 Services - 3rd Party Liability Claims - Risk Mgmt ONLY 549920
Check	3015	7/3/2019	57.08	Enek Corporation	SC0360 SC to Ledger 322100 Non-Bus. Lic. & Permits - Bldgs Structures & Eqpt RC0110 322100
Check	3016	7/3/2019	100.00	Jim Prew	SC0039 Supplies - Other Operating Supplies 531900
Check	3017	7/3/2019	775,000.00	Law Office of Grant A Gehrmann, PS - Trust Account	SC0085 Services - 3rd Party Liability Claims - Risk Mgmt ONLY 549920
Check	3018	7/3/2019	142.38	Mario Lechuga	SC0061 Services - Travel & Subsistence 543300
Check	3019	7/3/2019	137.06	NW Precision Design	SC0360 SC to Ledger 322100 Non-Bus. Lic. & Permits - Bldgs Structures & Eqpt RC0110 322100 SC0407 to Ledger 322100 Non-Bus. Lic. & Permits - Fire Permits/Issuance Fees - New Dev RC0207 322105
Check	3020	7/3/2019	500.00	OC Schools Foundation	SC0349 SC to Ledger 213110 AP Refunds
Check	3021	7/3/2019	912.84	Patrick Kelly	SC0061 Services - Travel & Subsistence 543300
Check	3022	7/3/2019	150.00	Richard Porter	SC0085 Services - 3rd Party Liability Claims - Risk Mgmt ONLY 549920
Check	3023	7/3/2019	500.00	Samatha Tamtreng-Ashkar	SC0349 SC to Ledger 213110 AP Refunds
Check	3024	7/3/2019	152.25	Saskia Rieck	SC0061 Services - Travel & Subsistence 543300
Check	3025	7/3/2019	866.70	Susan Stahl	SC0085 Services - 3rd Party Liability Claims - Risk Mgmt ONLY 549920
Check	3026	7/3/2019	89.19	Chu,Melody F	SC0340 SC to Ledger 213110 AP Refunds (Hansen)
Check	3027	7/3/2019	149.30	Derrick R Provine and Stephanie Peri-Provine	SC0340 SC to Ledger 213110 AP Refunds (Hansen)
Check	3028	7/3/2019	47.44	Dove Property Management	SC0340 SC to Ledger 213110 AP Refunds (Hansen)
Check	3029	7/3/2019	141.34	Muckerheide,Amanda F	SC0340 SC to Ledger 213110 AP Refunds (Hansen)
Check	3030	7/3/2019	55.67	Oneal,Marcia	SC0340 SC to Ledger 213110 AP Refunds (Hansen)

City of Vancouver
Payroll Council Report
July 2, 2019 - July 8, 2019

Check No.	Date	Explanation	Amount
		No payroll this period	

\$ -



Staff Report 107-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 7/15/2019

SUBJECT Proposed Disposition of Surplus Property - 10601 SE Mill Plain Blvd

Key Points

- The City acquired an entire parcel, Parcel 110291-032, as part of the Mill Plain (104th Ave to Chkalov) transportation improvement project.
- Only a small strip of Parcel 110291-032 is needed for the transportation project.
- Staff has determined that the remaining remnant is not needed for public use and a resolution by Council declaring the remnant as surplus and establishing a means for its disposition was approved July 1, 2019.
- On July 15, 2019, staff is seeking approval to dispose of the remnant as part of a property exchange with an abutting property owner.
- The property exchange will offset the cost to the City of acquiring a portion of the abutting property owner's parcel, which is needed for the Mill Plain (104th Ave to Chkalov) transportation improvement project.

Strategic Plan Alignment

Goal 1, Objective 1.1: Develop and maintain a safe, balanced and innovative transportation system that will meet the needs of future generations.

Present Situation

In 2017, the City of Vancouver approved a project for the improvement of SE Mill Plain Blvd – SE 104th to Chkalov. The completion of this project has required the City to purchase easements, strips of land, and/or entire properties.

The City was required to purchase an entire parcel located at 10601 SE Mill Plain Blvd (Parcel #110291-032), even though the City only needed a portion of the parcel for right-of-way purposes. After dedicating a strip of the property as right-of-way, the remaining remnant was left without street access and the parcel became unusable in its current condition. Accordingly, City

staff has determined that the remnant cannot be used and is not needed by the city. The remnant, which is the property that is proposed for disposition to Council, is described in a detailed report and shown on a map, which are attached ("Subject Property").

To complete the Mill Plain (104th Ave to Chkalov) transportation improvement project, the City must also acquire a portion of an abutting parcel to the east (Parcel #110291-030). The owner of parcel 110291-030 would like to acquire the Subject Property. City staff and the abutting property owner were able to negotiate an agreement, contingent on Council declaring the Subject Property as surplus and approving of its disposition, for the City to convey the subject property to the abutting property owner as partial compensation for the portion of parcel 110291-030 that is needed for right-of-way purposes. The abutting property owner will then combine the remaining properties ("plottage") to compensate for the loss of access to the Subject Parcel. The fair market value for the Subject Parcel, taking into account loss of access and plottage fees, is \$55,500.

Proposal of disposition is the second of a two-step process as provided for in VMC 3.30 – Disposition of City-Owned Surplus Real Property, allowing the City to convey the subject property to an abutting property owner for its fair market value. The first step, declaration of surplus, was approved by Council on July 1, 2019.

Advantage(s)

1. Approval of Disposition of this property will allow for disposition for the remnant parcel that is not needed for transportation purposes.
2. In authorizing staff to convey the Subject Parcel as part of negotiated property exchange with an abutting property owner:
 - The value will offset the amount the City will pay the abutting property owner for property the City must acquire for the SE Mill Plain Blvd – SE 104th to Chkalov Project.
 - The parcel will return to the tax rolls.
 - There will be a cost savings to the City in regard to property maintenance.

Disadvantage(s)

None

Budget Impact

The City will pay less for neighboring property that the City must acquire for the SE Mill Plain Blvd – SE 104th to Chkalov transportation improvement project.

Prior Council Review

Declaration of Real Property as Surplus July 1, 2019

Action Requested

On July 15, 2019, following a public hearing, adopt a resolution approving disposition of certain real property located at 10601 SE Mill Plain Blvd (Assessor parcel number 110291-032).

Linda Carlson, Property Management Specialist, 487-8496; Ryan Lopossa, Streets and Transportation Manager, 487-7706

ATTACHMENTS:

- ▣ Proposed Disposition of Surplus Property Report
- ▣ Resolution
- ▣ Legal Description / Sketch
- ▣ Map - 10601 SE Mill Plain Blvd
- ▣ Presentation

PROPOSAL FOR DISPOSITION OF SURPLUS PROPERTY

July 15, 2019

The City of Vancouver is requesting that the parcel below (Subject Parcel) be approved for disposition by the City as per Ordinance M-3923.

- This Subject Parcel (110291-032) is 7,782 square feet. This is an improved parcel zoned general commercial (GC) located at 10601 SE Mill Plain Blvd. A map designating exact location of the parcels is attached as Exhibit "A".
- The City of Vancouver recently purchased the Subject Parcel as part of the Mill Plain Blvd. – 104th Ave to Chkalov Project. Staff determined that future municipal use for this Subject Parcel is not needed for transportation purposes.
- To our knowledge, there are no deed restrictions on the Subject Parcel.
- Federal funds were used to acquire the Subject Parcel as part of the Mill Plain Blvd. – 104th Ave to Chkalov Project. Grant funding guidelines require that the sale proceeds be returned to the granting agency, or alternatively, applied to project that acquired the parcel.
- Council declared the Subject Parcel surplus on July 1, 2019, and directed staff to prepare a proposal for disposition by means of negotiated sale or property exchange.
- Pending approval by Council, staff has reached an agreement with the property owner to the east of the Subject Parcel (parcel #110291-030) to dispose of the Subject Property through a property exchange. If approved by Council, the fair market value of the Subject Parcel will be used to offset the cost of purchasing a portion of parcel 110291-030 that is needed for the Mill Plain Blvd. – 104th Ave to Chkalov Project. The property owner to the east (parcel #110291-030) would receive ownership of the Subject Parcel as partial compensation for the City's acquisition of his property.
- will put the parcel back on the tax rolls and decrease the City's maintenance responsibilities.
- Staff is requesting approval of disposition of Subject Parcel after a public hearing on July 15, 2019.
- The current assessed value of the Subject Parcel (\$205,900) does not reflect the loss of access due to the ROW dedication and cost to combine parcels ("Plottage") to re-gain any access, which have significantly decreased the marketability of this site.
- The current fair market value for the Subject Parcel per appraisal is \$55,000.

07/15/2019

RESOLUTION NO. M- _____

A RESOLUTION of the City of Vancouver approving disposition of certain real property, and directing its disposal and the method of disposition.

WHEREAS, the City of Vancouver owns the real property listed on the attached Exhibit A (“Subject Property”); and

WHEREAS, on July 1, 2019, Council approved a Resolution No. M-4025 declaring the Subject Property as surplus to the needs of the City and directing that the Subject Property be disposed of by means of negotiated sale or property exchange; and

WHEREAS, Council reviewed Staff Report No. 106-19 and the Proposal for Disposition of Surplus Property related to this Subject Property; and

WHEREAS, the Subject Property should be disposed of by means of a negotiated sale as recommended.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY OF VANCOUVER:

Section 1. The Subject Property shall be disposed of by property exchange as described in Staff Report No. 106-19 and the Proposal for Disposition of Surplus Property.

Section 2. Title to the Subject Property shall be conveyed by quit claim deed.

Resolution-1

Section 3. The City of Vancouver Property Services Manager or designee is directed to take necessary actions to dispose of the Subject Property in accordance with this Resolution.

ADOPTED at a Regular Meeting of the Vancouver City Council this 15th day of July, 2019.

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

E. Bronson Potter, City Attorney

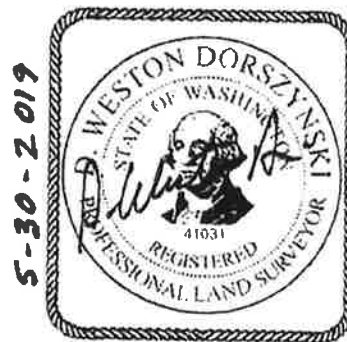
Resolution-2

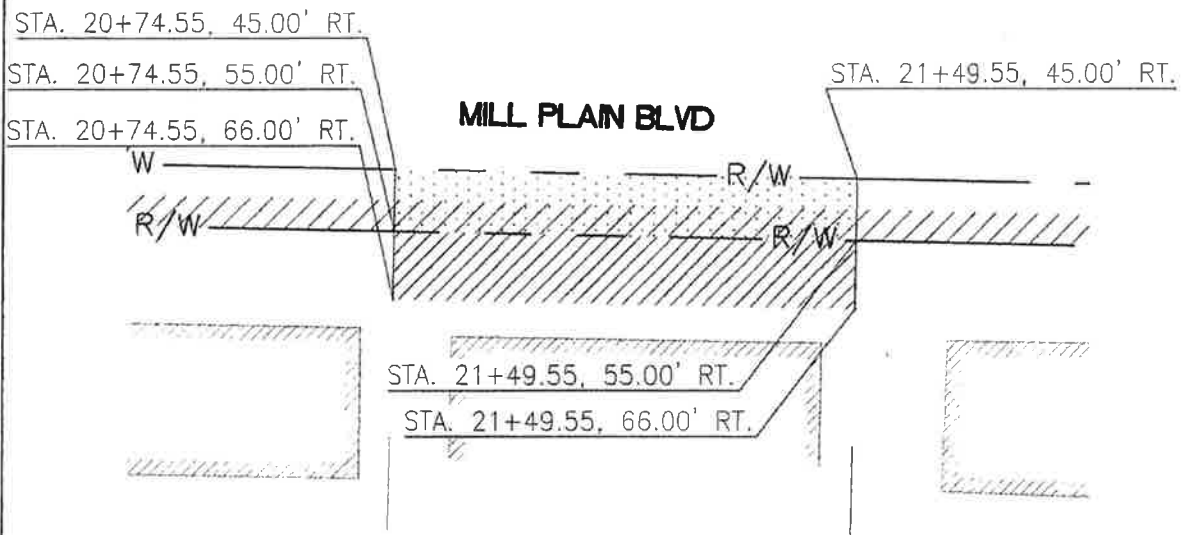
Legal Description
Tax Lot 110291032 – City of Vancouver

A tract of land lying in Lot 3, Block 2 of "Mill Plain Terrain", recorded in Subdivisions, Book F, Page 97, in the NE Quarter of Section 33, Township 2 North, Range 2 East, of the Willamette Meridian in Clark County, Washington, said tract being more particularly described as lying northerly of the following described line:

All that portion of said Lot 3 lying southerly of a line drawn 55.00 feet southerly of, when measured at right angles or radial to, the centerline of SE Mill Plain Boulevard as shown on Right-of-Way plans for the City of Vancouver Project 071223, plan approval dated 6-19-2015, revised Limited Access Area 5-3-2017.

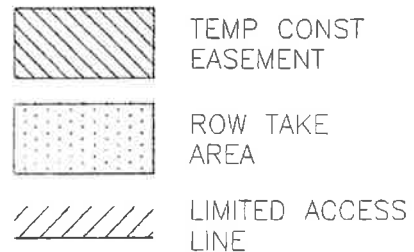
Contains 7782 square feet more or less.





OWNER: City of Vancouver
 MAILING: P.O. Box 1995
 Vancouver, WA 98668-1995

SER. NO.: 110291-032
 NE 1/4, SEC 33, T2N, R2E W.M.
 ORIGINAL PROPERTY: 8,532 SQ. FT.
 ROW AREA: 750 SQ. FT.
 TEMP CONST EASEM: 825 SQ. FT.
 PROPERTY REMAINDER: 7,782 SQ. FT.



SCALE:
 1"=30'



This exhibit is intended for general location purposes only and does not supercede the written legal description.

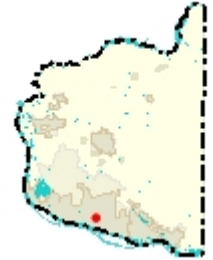
SE MILL PLAIN BLVD CORRIDOR IMPROVEMENTS - SE 104TH AVE TO SE CHKALOV DR

City of Vancouver PUBLIC WORKS — TRANSPORTATION

EXHIBITS.DWG 5/29/2019



10601 SE Mill Plain Blvd



Legend

- ☐ Taxlots
- All Roads
 - Interstate
 - State Route
 - Arterial
 - Forest Arterial
 - Minor Collector
 - Forest Collector
 - Private or Other
- Cities Boundaries
- Urban Growth Boundaries

Notes:

Hash tag area represents Right-of-Way acquisition

1: 678



113.0 0 56.49 113.0 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere
Clark County, WA. GIS - <http://gis.clark.wa.gov>

This map was generated by Clark County's "MapsOnline" website. Clark County does not warrant the accuracy, reliability or timeliness of any information on this map, and shall not be held liable for losses caused by using this information.

Proposal for Disposition of Surplus Property

10601 SE Mill Plain Boulevard (Parcel 110291-032)

VANCOUVER
CITY HALL



July 15, 2019

Vancouver City Council Public Hearing

Ryan Lopossa – Streets & Transportation Manager

Presentation Overview

- Review of Mill Plain Boulevard Project
- Subject Property Proposed for Disposition
- Key Points
- Next Steps
- Questions and Discussion

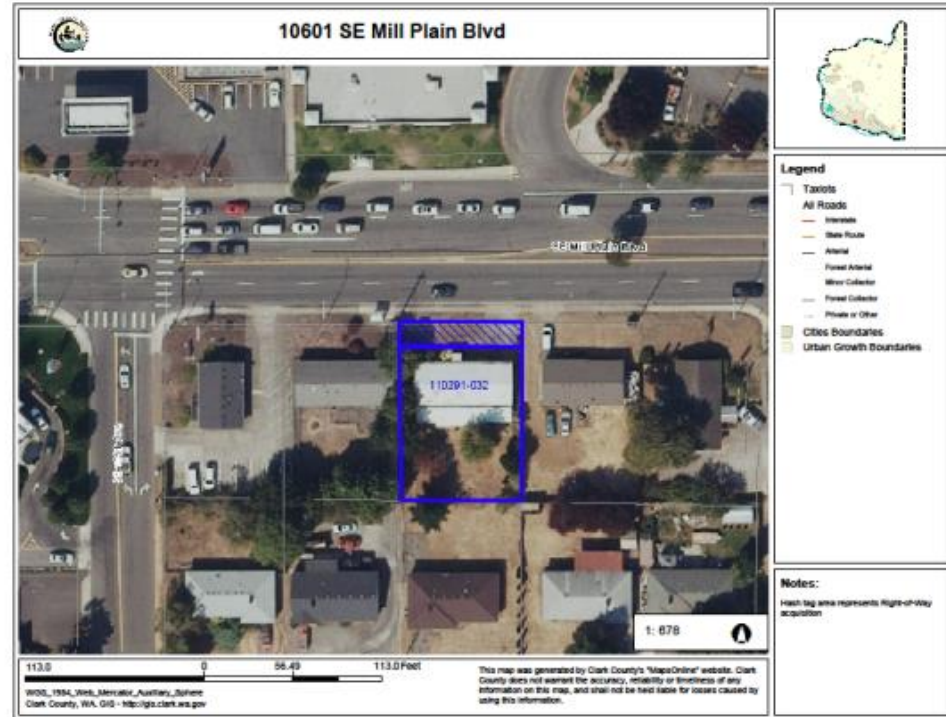
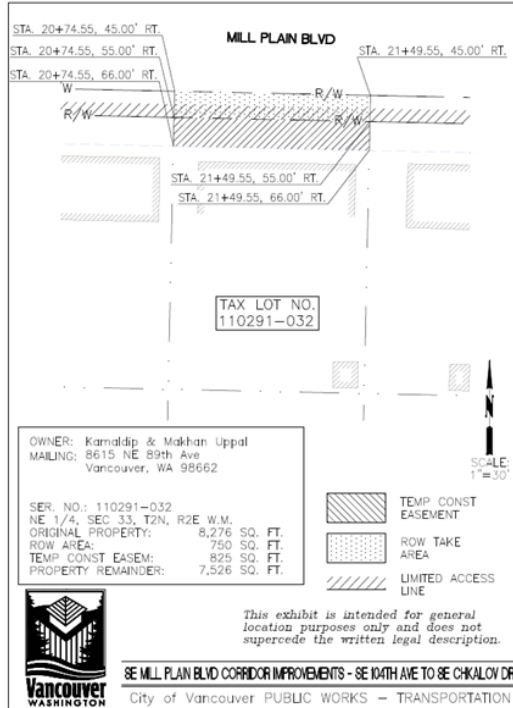
Review of Mill Plain Boulevard Project



Review of Mill Plain Boulevard Project



Subject Property Proposed for Disposition



Proposal for Disposition of Surplus Property 10601 SE Mill Plain Blvd. - 5

Key Points

- Mill Plain Boulevard improvement project ROW needs included acquisition of a 10' wide strip of property on Parcel 110291-032
- Due to proximity to I-205 on-ramps, WSDOT requires that access to the subject property from Mill Plain Boulevard be eliminated
- Loss of access creates significant impact to property, hence the City negotiated a full parcel acquisition of the subject property
- Staff is proposing disposition of the remaining portion of the parcel not required for the Mill Plain Boulevard improvement project
- Surplus property to be used in ROW negotiations with abutting property owner

Questions and Discussion

Ryan Lopossa – Streets & Transportation Manager
360-487-7706



Proposal for Disposition of Surplus Property 10601 SE Mill Plain Blvd. - 7



Staff Report 099-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 7/15/2019

SUBJECT Revisions to VMC 12.02 Urban Forestry Commission

Key Points

- Current VMC 12.02 was adopted in 1987 and has not been updated.
- Revisions reflect current scope and structure of the Urban Forestry Commission.
- Minor cleanup of definitions for consistency.
- Updates purpose and membership report to Public Works Department.
- Realigns outreach, programs and goals.

Strategic Plan Alignment

N/A

Present Situation

The current Urban Forestry Commission Ordinance (VMC 12.02) was originally adopted in 1987 and has remained unchanged since that time. The code is now outdated and does not reflect current scope and structure. Over the years, the scope of the Urban Forestry Commission has changed slightly from program development to overseeing program implementation and project, policy, and code review. The current code also requires at least one member be a Parks and Recreation Advisory Commissioner (PRAC). PRAC has had difficulty appointing a PRAC member to serve on both commissions. As a result, the Urban Forestry Commission (UFC) has been operating with only six members. The UFC now meets monthly or at least 10 times a year to qualify Vancouver as a Tree City USA, is active in the community and is staffed by the City Forester. Vancouver now has an Urban Forestry Management Plan to help guide the program. The Urban Forestry Program is now part of Vancouver Public Works' Environmental Resource Division, though it maintains close ties to Vancouver Parks and Recreation Department.

Advantage(s)

1. It is in the public interest to protect and manage the urban forest as it provides considerable benefit to the city in reducing stormwater runoff, absorbing air pollutants, providing wildlife

habitat, providing shade, stabilizing soil, and providing considerable aesthetic benefits.

2. The City undertakes efforts that promote the benefits of the urban forest through the adoption of plans, policies and regulations. The City seeks to provide oversight in these efforts through a Commission that will advise the City in the adoption of plans, policy and regulations, and provides for citizen engagement, which is a vital role in City government.
3. Provides seven members appointed by City Council without requiring one Commissioner to serve on two Commissions.
4. Reflects current scope, operating and organizational structure of the Commission.
5. Clarify roles, responsibility and expectations for future Commissioners

Disadvantage(s)

None

Budget Impact

None

Prior Council Review

- Memo delivered to Council June 25, 2019
- First reading of ordinance July 8, 2019

Action Requested

On July 15, 2019, subject to second reading and public hearing, approve ordinance.

Charles Ray, Urban Forester, 487-8328

ATTACHMENTS:

- ▢ Ordinance
- ▢ Presentation

07/08/19

07/15/19

ORDINANCE NO. M - _____

AN ORDINANCE amending Vancouver Municipal Code (VMC) Chapter 12.02 “Urban Forestry Commission” relating to the urban forestry commission establishment, definitions and Commission structure and providing for savings and an effective date.

WHEREAS, the City’s Strategic Plan provides for the City to continue to build high quality historical and cultural experiences for residents and visitors; and

WHEREAS, the City previously established the Vancouver urban forestry commission for the purposes of preserving, managing and enhancing its urban forest, which contributes to the City’s residents and visitors cultural experiences; and

WHEREAS, the urban forestry commission consists of seven members who have demonstrated an interest in the preservation and enhancement of the urban forest; and

WHEREAS, the urban forestry commission has recently reviewed VMC Chapter 12.02 and wishes to recommend changes to the VMC Chapter 12.02 for approval and adoption by the City Council; and

WHEREAS, the Council determines to adopt the changes in VMC 12.02 as provided for in this Ordinance.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VANCOUVER:

SECTION 1. Legislative Findings. The recitals set forth above are adopted as the legislative findings of the City Council of the City of Vancouver in support of adoption of this ordinance.

SECTION 2. Establishment of urban forestry commission – Purpose. Vancouver Municipal Code Section 12.02.010 as last amended by M-2726 is hereby amended as follows:

VMC 12.02.010 Establishment of urban forestry commission – Purpose.

~~There is established a~~ The Vancouver urban forestry commission ~~has been established~~ for the purpose of preserving, managing, conserving and increasing ~~enhancing the existing trees located in the parks and public areas owned by the city of Vancouver and in public right of way~~ the city's urban forest, and thereby ~~enhancing the appearance of the city and protecting an important~~ a vital environmental, social and economic resource ~~for the~~ that ~~benefits all of the city's residents and visitors, and for the purpose of assisting property owners and public agencies to improve and maintain trees in improving and maintaining the urban forest~~ in a manner consistent with adopted city policies. (Ord. M-2726 § 2, 1987)

SECTION 3. Definitions. Vancouver Municipal Code Section 12.02.020 as last amended by M-2726 is hereby amended as follows:

VMC 12.02.020 Definitions.

For the purpose of this chapter, certain terms are defined in this section. When not inconsistent with the context, words in the present tense include the future, words in the singular number include the plural, and words in the plural number include the singular; the masculine includes the feminine. The word "shall" is always mandatory and not merely directory. Other words and terms not herein defined shall have the meaning customarily assigned to them.

~~1.~~ "Arboriculture" means that part of horticulture which deals with the study and care of trees and other woody plants.

~~2.~~ "City" means the incorporated City of Vancouver, Clark County, Washington.

"City Forester" means the City's Urban Forester, or designee.

3. ~~"Commission" means the urban forestry commission.~~

4. ~~"Director" means the director of the department of Vancouver/Clark Parks and Recreation City's Director of Public Works, or designee.~~

5. ~~"Person" means any individual, firm, association, corporation, agency or organization of any kind.~~

6. ~~"Plan" means the tree planting and maintenance plan for streets, parks and public areas, also known as the "urban forestry plan."~~

7. ~~"Pruning" means the cutting or removing of any part of the branching structure of a plant in either the crown, trunk or root areas.~~

8. ~~"Removal" means the cutting or removing of fifty percent or more of the crown, trunk or root system of a plant.~~

9. ~~"Street" means any improved or unimproved public street, including the sidewalk, parking or planting strip, alley and right-of-way, and any pedestrian mall or other public area owned or leased by the city.~~

10. ~~"Director" means the director of Vancouver/Clark Parks and Recreation or the director's designee.~~

11. ~~"Tree" includes only those trees which are located on public property or which are otherwise subject to the jurisdiction of the city by virtue of an agreement, conditional use permit, or other similar provisions. means any self-supporting perennial woody plant, generally single-stemmed, that matures at a height of at least twenty feet and is recognized by the city as a tree.~~

12. ~~"Urban Forestry" means the field of study and practice which has as its objective the cultivation and management of trees and related plants for their present and potential contribution to the physiological, sociological and economical well-being of urban society. Inherent in this function is a comprehensive program designed to educate the urban populace on the role of trees and related plants in the urban environment. In its broadest sense, urban forestry embraces a multi-managerial system that includes watersheds within the city, wildlife habitats, outdoor recreation opportunities, landscape design, recycling of municipal wastes, and tree care in general. the cultivation and management of trees and related plants for their present and potential contribution to the physiological, sociological, environmental and economic well-being of urban society. Inherent in this function is a comprehensive program designed to educate the urban populace on the role of trees and related plants in the urban environment. In its broadest sense, urban forestry is one essential component of a multi-managerial system that includes watersheds within the City, wildlife habitats,~~

outdoor recreation opportunities, landscape design, repurposing of municipal vegetative wastes and tree care in general.

~~13. "Utility" means any public utility, public utility district, or regulated private utility which supplies electrical energy, gas, heat or steam, water, telephonic communications, sewage disposal or treatment, and other similar services but does not include transportation services, such as bus transportation, railroad operations or similar services. (Ord. M 2726 § 3, 1987)~~

“Urban Forest Management Plan (UFMP)” means a long range action plan that coordinates the management and administration of the urban forest. An UFMP is a roadmap that creates a shared vision for the future of the urban forest. It is a detailed plan that coordinates the roles and responsibilities to proactively and effectively manage the urban forest and provide for maximum, long-term benefits to the community.

SECTION 4. Commission – Membership, officers and meetings. Vancouver

Municipal Code Section 12.02.030 as last amended by M-3103 is hereby amended as follows:

VMC 12.02.030 Commission – Membership, officers and meetings.

- a. The urban forestry commission shall consist of seven members who have demonstrated an interest ~~in urban forestry and~~ in the preservation of trees and enhancement of the urban forest and the beautification of Vancouver. Members shall be appointed by ~~the mayor~~ city council, subject to confirmation by the Mayor and city council, and shall serve for a term of four years. Members of the commission may be reappointed to serve two full terms.
- b. At least one member of the commission shall have experience and/or expertise in arboriculture, landscape architecture, or urban forestry.
- ~~c. At least one member of the commission shall also be a member of the Vancouver/Clark Parks and Recreation Commission.~~
- ~~d c.~~ The commission shall elect its own chairperson and vice-chairperson. The commission shall promulgate rules of procedure consistent with this chapter for the conduct of its meetings and ~~for the hearings of appeals within its jurisdiction.~~
- d. The commission shall organize itself, establish committees or subcommittees, and delegate duties for the performance of its work.

e. The commission shall hold ~~regular quarterly meetings~~ at least 10 meetings per year. Such other regular or special meetings may be called as are necessary or desirable and in accordance with law.

f. ~~All seven members of the Commission on or about February 15, 1994 shall draw lots and as a result of such drawing, two members shall have four years to serve, two member shall have three years to serve, and three members shall have one year to serve on the Commission from February 15, 1994. Thereafter, all appointments to the commission shall be for four years. Meetings of the commission, the minutes of its proceedings and its findings and recommendations shall be open to the public. Meeting notifications, agendas, minutes, annual report and other related materials shall be available to the public.~~ (Ord. M-3103 § 1, 1993; Ord. M-2994 § 1, 1992; Ord. M-2726 § 4, 1987)

g. All actions of the commission shall be determined by a majority vote in a meeting at which a quorum is present. A majority of total appointed membership of the commission shall constitute a quorum.

SECTION 5. Commission powers and duties. Vancouver Municipal Code Section

12.02.040 as last amended by M-2726 is hereby amended as follows:

VMC 12.02.040 Commission powers and duties.

The urban forestry commission shall have the following powers and duties:

1. The commission shall develop, renew and update periodically the urban forestry ~~master management~~ plan for the city of Vancouver, and shall submit the same to the city council for the council's approval and adoption.
2. The commission shall have authority to review city plans, ~~and policies and projects~~ which contain matters relating to urban forestry and arboriculture and provide advice and guidance to City Council, commissions, and city departments.
3. The commission shall have authority to provide the city manager with its analysis of the contents of the biennial forestry budget request.
4. The commission shall prepare an annual report on it activities and submit the report to ~~the Vancouver/Clark Parks and Recreation Commission and to the City Council.~~
5. The commission shall ~~consider the development and implementation of a city street tree permit system and make recommendations to the city council on the advisability of adopting such a system.~~

engage and involve the public in preserving and enhancing Vancouver's urban forest through vigorous outreach and education programs on the benefits of trees and urban forestry matters.

6. The commission shall ~~consider the development and implementation of a program for identifying and maintaining trees in the city which have significant historical, cultural, environmental or public significance and shall make recommendations to the city council on the advisability of adopting such a program~~ administer the city's Heritage Tree Program, VMC 20.770.120.

7. The commission shall be responsible for coordinating outreach programs including but not limited to the city's Arbor Day event programs, Old Apple Tree Festival, Gordon & Sylvia MacWilliams Award, and the Silva-Bolds Whitfield Award.

8. The commission shall develop and recommend to the City Council for its adoption ordinances and policies for the planting, care and protection of trees throughout the City and to make amendments as required.

89. The commission shall have such other and further powers and duties as may be provided by ordinance or resolution. (Ord. M-2726 § 5, 1987)

SECTION 6. Commission support – Conflicts of Interest. Vancouver Municipal

Code 12.02.050 as last amended by M-2726 is hereby amended as follows:

VMC 12.02.050 Commission Support – Conflicts of interest.

- a. The ~~director~~ City Forester is that person designated by the Director who shall assist the commission in the discharge of its duties and the city may contract for services on behalf of the commission.
- b. The city shall not retain the services, directly or indirectly, of any person serving as a member of the commission. (Ord. M-2726 § 6, 1987)

SECTION 7 Planning – Approved plantings. Vancouver Municipal Code 12.02.060

as last amended by M-2726 is deleted in its entirety.

SECTION 8. Public Duty Created. Vancouver Municipal Code 12.02.070 as last

amended by M-2726 is hereby amended to read as follows:

VMC 12.02.07060 Public duty created.

The provisions of this title are intended by the city council of the city of Vancouver to create only a duty to the public in general and not to create any duty to individuals or to any particular class of individuals. Further, these provisions are not intended to be enforced for the protection of any person or class of persons. (Ord. M-2726 § 8, 1987)

SECTION 9. Savings. Those sections of the ordinances amended by this ordinance shall remain in full force and effect until the effective date of this ordinance.

SECTION 10. Severability. If any provision of this Ordinance is held invalid, the validity of this Ordinance as a whole, or any portion thereof, shall not be affected.

SECTION 11. Ratification. Acts taken in conformity with this Ordinance prior to its effective date are hereby ratified and affirmed.

SECTION 12. Effective Date. The provisions of this ordinance shall become effective thirty (30) days following the date of final adoption.

Read first time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read second time:

PASSED BY THE FOLLOWING VOTE:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

SIGNED this _____ day of _____, 2019.

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

E. Bronson Potter, City Attorney

SUMMARY

ORDINANCE NO. _____

AN ORDINANCE amending Vancouver Municipal Code (VMC) Chapter 12.02 relating to the Urban Forestry Commission establishment, definitions and commission structure and providing for savings and an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).

The background of the slide features a photograph of Vancouver City Hall, a modern building with a curved glass facade and brick accents. The words "VANCOUVER CITY HALL" are visible on the building's exterior. In the foreground, there is a large, vibrant basket of pink and purple flowers, likely petunias, which are slightly out of focus compared to the building.

Proposed Code Revision

Urban Forestry Commission | VMC 12.02

July 15, 2019

Vancouver City Council

Charles Ray, Urban Forester



Presentation Overview

Vancouver Municipal Code Revision (VMC) 12.02

- History & Background
- Overview
- Proposed revisions



VMC 12.02 Code Revision- 2

History & Background VMC 12.02

- Adopted in 1987
- Established the Urban Forestry Commission
- Tree City USA in 1989
- Revision reviewed other jurisdictions code



Officers Row, Heritage Tree Grove

VMC 12.02 Code Revision-3

Overview of Current VMC 12.02

- Formative ordinance
- Assigned to Parks Director
- Requires 1 mutual Parks Advisory (PRAC) member
- Quarterly meetings
- Sets for required update of Urban Forestry Master Plan



VMC 12.02 Code Revision-4

Proposed VMC 12.02 Revisions

- Updates purpose statement
- Cleans up definitions and duties assigned to City Forester
- Sets 7 advisory commission members appointed by Council
- Requires at least 10 meetings annually per Tree City Program



VMC 12.02 Code Revision-5

Proposed VMC 12.02 Revisions

- Reflects current operating procedures
- Updates the Urban Forestry Management Plan
- Adjusts language from formative to fitting existing programs
- Adds UF commission recommendations for tree policies and code changes to City Council



Old Apple Tree, Heritage Tree

VMC 12.02 Code Revision-6

In Closing ...

- Reviewed other jurisdictions' code for advisory commissions
- Updated 1987 code
- Moved from formative to actual program areas
- Reflected current organizational structure



VMC 12.02 Code Revision-7

Questions and Discussion

Charles Ray, Urban Forester
(360) 487-8328
charles.ray@cityofvancouver.us



VMC 12.02 Code Revision-8



Staff Report 074-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 7/15/2019

SUBJECT Street vacation of approximately 2,960 square feet of unimproved street right-of-way associated with NE 88th Street, located east of NE Andresen Road

Key Points

- Right-of-way vacation of approximately 2,960 square feet of improved street right-of-way
- There are existing utilities within the proposed vacation area
- Eliminates excess and unused right-of-way
- Staff recommends no compensation be required for the vacated right-of-way

Strategic Plan Alignment

N/A

Present Situation

Staff has received a request from Jabberwock, Ltd. to vacate a portion of NE 88th Street right-of-way located east of NE Andresen Road. The right-of-way is specifically located within the Northeast and Southeast Quarters of Section 6, Township 2 North, Range 2 East, Willamette Meridian.

The right-of-way to be vacated contains no public street improvements. Rather, it currently contains a driveway approach that provides secondary access solely to the applicant's property; no other adjacent private properties have access through this right-of-way. Staff has reviewed the City's Transportation Systems Plan and determined there is no future need for this right-of-way to accommodate public travel. Therefore, vacation of this right-of-way will have no adverse impact on the City's transportation assets.

Staff has contacted all utility owners with facilities potentially located within the subject area. The City of Vancouver has utilities within the area of the proposed vacation, specifically a domestic water main. Clark Public Utilities has electrical lines running through a portion of the subject area, and CenturyLink also has facilities within the proposed vacation area. Therefore, the City will retain a public utility easement under and over the entire vacated area for the construction, repair and

maintenance of all public utilities and services.

Pursuant to VMC 11.05.130, the property associated with a vacated street shall belong to the abutting property owners, one-half to each. Two parcels adjoin the right-of-way to be vacated. The parcel adjoining the south and east sides is owned by the applicant, and the parcel on the north side is owned by the Duane and Elsie Trust (Duane R. Kennedy and Elsie R. Kennedy, trustees). The applicant has contacted the neighboring property owner and they have agreed to release all interest in the subject right-of-way, allowing the applicant to obtain the entirety of the area to be vacated. A letter from Elsie R. Kennedy, Trustee, is attached.

RCW 35.79.030 provides for, but does not require, the City to collect compensation for the value of public right-of-way that is vacated. Further, VMC 11.05.120 stipulates provisions for the City to calculate and collect compensation for vacated public right-of-way. The applicant provided an appraisal of the subject right-of-way, which concluded a fair market value equal to \$8,900. Records indicate that the subject area of right-of-way was dedicated by previous landowners as part of various subdivisions and land-use actions; the City incurred no cost in obtaining the right-of-way. Further, the City has not constructed any street improvements within the subject right-of-way, does not intend to construct any future improvements, and has historically performed no maintenance of this right-of-way area, which was transferred to the City as a part of the Vancouver Mall North Annexation area. And as previously noted, the City will require a public utility easement over the vacated right-of-way, which will significantly limit any further development of the property. Based on these circumstances and pursuant to the provisions of VMC 11.05.120(D), staff recommends that no compensation be required for the vacated right-of-way.

Advantage(s)

1. Allows the vacated property to be placed on the tax rolls.
2. Allows the applicant to maximize use of the abutting property.
3. Relieves the City of maintenance obligations for the property.

Disadvantage(s)

No known disadvantages.

Budget Impact

None

Prior Council Review

None

Action Requested

On July 15, 2019, subject to second reading and public hearing, approve ordinance to vacate a portion of public right-of-way associated with NE 88th Street located within the Northeast and Southeast Quarters of Section 6, Township 2 North, Range 2 East, Willamette Meridian, setting the date of second reading and public hearing for Monday, July 15, 2019.

Ryan Lopossa, Streets & Transportation Manager, 487-7706; Eric Hahn, Senior Civil Engineer, 487-7702

ATTACHMENTS:

- ▣ Resolution of intent
- ▣ Ordinance
- ▣ Exhibit A - Legal Description
- ▣ Exhibit B - Site Map
- ▣ Exhibit C - Overall Vicinity Map

06/17/19

RESOLUTION NO. M-4008

A RESOLUTION fixing July 15, 2019, as the date for a public hearing on a proposal to vacate a portion of NE 88th Street right-of-way located east of NE Andresen Road. The right-of-way is located within the Northeast and Southeast Quarters of Section 6, Township 2 North, Range 2 East, Willamette Meridian.

BE IT RESOLVED BY THE CITY OF VANCOUVER:

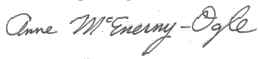
Section 1. As recommended in SR- 074-19, City Council, pursuant to VMC 11.05.040 and RCW 35.79.010, hereby initiates procedures to vacate a portion of the right-of-way of NE 88th Street.

Section 2. The legal description and Map Exhibit of the street area proposed to be vacated are attached hereto and incorporated herein as Exhibits "A" and "B".

Section 3. July 15, 2019, at the hour of 6:30 p.m. in the Council Chambers in City Hall, 415 West 6th Street, Vancouver, Washington, is fixed as the time and place for public hearing on said proposed street vacation.

Section 4. The City Clerk shall give notice of the pendency of said proposal and time and place of hearing, as required by VMC 11.05.060 and RCW 35.79.020.

ADOPTED at regular session of the Council of the City of Vancouver, this 17th day of June, 2019.

DocuSigned by:

58CB15C0632F403...
Anne McEnerny-Ogle, Mayor

Attest:

DocuSigned by:
Natasha Ramras
BCF6734E40E94AE...

Natasha Ramras, City Clerk

Approved as to form:

DocuSigned by:
E. Bronson Potter
AAC4766B6D2D446...

E. Bronson Potter, City Attorney

6/17/19
7/15/19

ORDINANCE NO. _____

AN ORDINANCE vacating a portion of public right-of-way associated with NE 88th Street located east of NE Andresen Road. The right-of-way is located within the Northeast and Southeast Quarters of Section 6, Township 2 North, Range 2 East, Willamette Meridian, City of Vancouver, Clark County, Washington; providing for an effective date.

WHEREAS, under Vancouver Municipal Code (“VMC”) 11.05.040, property owners petitioned City Council to vacate portions of public right-of-way associated with NE 88th Street located east of NE Andresen Road, within the Northeast and Southeast Quarters of Section 6, Township 2 North, Range 2 East, Willamette Meridian, City of Vancouver, Clark County, Washington; and

WHEREAS, the subject right-of-way consists of approximately 2,960 square feet; and

WHEREAS, the City has not constructed any street improvements within the subject right-of-way; and

WHEREAS, having determined the petition was sufficient under VMC 11.05.040(D), the Director brought the petition to vacate before City Council, which adopted Resolution M-_____, setting the date of public hearing on the proposed right-of-way vacation for July 15, 2019, at 6:30 p.m.; and

WHEREAS, the City Clerk provided notice of the public hearing in accordance with VMC 11.05.060; and

ORDINANCE - 1

WHEREAS, on July 15, 2019, the hearing was held and City Council considered the reports and information provided at the public hearing; and

WHEREAS, City Council considered all factors under VMC 11.05.110 and found that: (1) vacation of the right-of-way will better serve the public; (2) the right-of-way is not currently needed for public access and changes are not likely to occur in the future requiring the need for the right of way; and (3) there are no objections to the vacation sufficient to deny its approval; and

WHEREAS, the subject right-of-way was not acquired at City expense and has not been improved by the City; and

WHEREAS, public utility easements should be preserved because there are public domestic water lines, private electrical lines, private communication lines, and associated appurtenances within the area of right-of-way to be vacated;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. The right-of-way described in the legal description and map exhibit attached hereto and incorporated herein as Exhibits “A” and “B” is hereby vacated.

Section 2. The City retains a public utility easement under and over the vacated area for the construction, repair and maintenance of all public utilities and services.

Section 3. No compensation for vacation is required.

Section 4. Effective date. This ordinance shall go into effect five days after its recording.

ORDINANCE - 2

Read first time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read second time:

PASSED by the following vote:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

SIGNED this _____ day of _____, 2019.

Anne McEnerny-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

E. Bronson Potter, City Attorney

ORDINANCE - 3

SUMMARY

ORDINANCE NO. _____

AN ORDINANCE vacating a portion of public right-of-way associated with NE 88th Street located east of NE Andresen Road. The right-of-way is located within the Northeast and Southeast Quarters of Section 6, Township 2 North, Range 2 East, Willamette Meridian, City of Vancouver, Clark County, Washington; providing for an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).

Exhibit A – Legal Description



LAND SURVEYORS
ENGINEERS

(360) 695-1385
222 E. Evergreen Blvd.
Vancouver, WA
98660

LEGAL DESCRIPTION FOR JABBERWOCK LTD. NE 88TH STREET ROAD VACATION AREA

February 22, 2018

A parcel of property is located in the Northeast and Southeast quarters of Section 6, Township 2 North, Range 2 East, of the Willamette Meridian in Clark County, Washington described as follows:

COMMENCING the Northeast corner of said Southeast quarter of Section 6;

THENCE North 88° 51' 12" West along the North line of said Southeast quarter 219.69 feet;

THENCE North 01° 08' 48" East 20.00 feet to the most Northerly corner of that tract conveyed by deed to Aries, Inc. recorded under Auditor's File No. 3630577, records of Clark County and the TRUE POINT OF BEGINNING;

THENCE South 30° 21' 49" West along the North line of said tract 83.57 feet to a point on a non-tangent 445.00 foot radius curve to the left with the radial bearing being South 30° 21' 49" West at said point;

THENCE along the said North line and around said 445.00 foot radius curve to the left 22.29 feet to a point on a non-tangent 20.00 foot radius curve to the left with the radial bearing being South 27° 29' 35" West at said point;

THENCE along said North line and around said 20.00 foot radius curve to the left 11.09 feet to a point on a non-tangent 53.00 foot radius curve to the left with the radial bearing being North 41° 22' 04" West at said point;

THENCE leaving said North line, around said 53.00 foot radius curve to the left 90.77 feet to a point on the South line of that tract conveyed by deed to Duane Kennedy recorded under Auditor's File No. 7810120216, records of Clark County, said point on a non-tangent 515.00 foot radius curve to the right with the radial bearing being South 22° 08' 32" West at said point;

(360) 695-1385
222 E. Evergreen Blvd.
Vancouver, WA
98660

THENCE along said South line and around said 515.00 foot radius curve to the right 48.50 feet to an angle point in the South line of said Kennedy tract;

THENCE South $88^{\circ} 51' 12''$ East along said South line 29.09 feet to the TRUE POINT OF BEGINNING.

Containing 2960 square feet approximately.



Exhibit B – Site Map

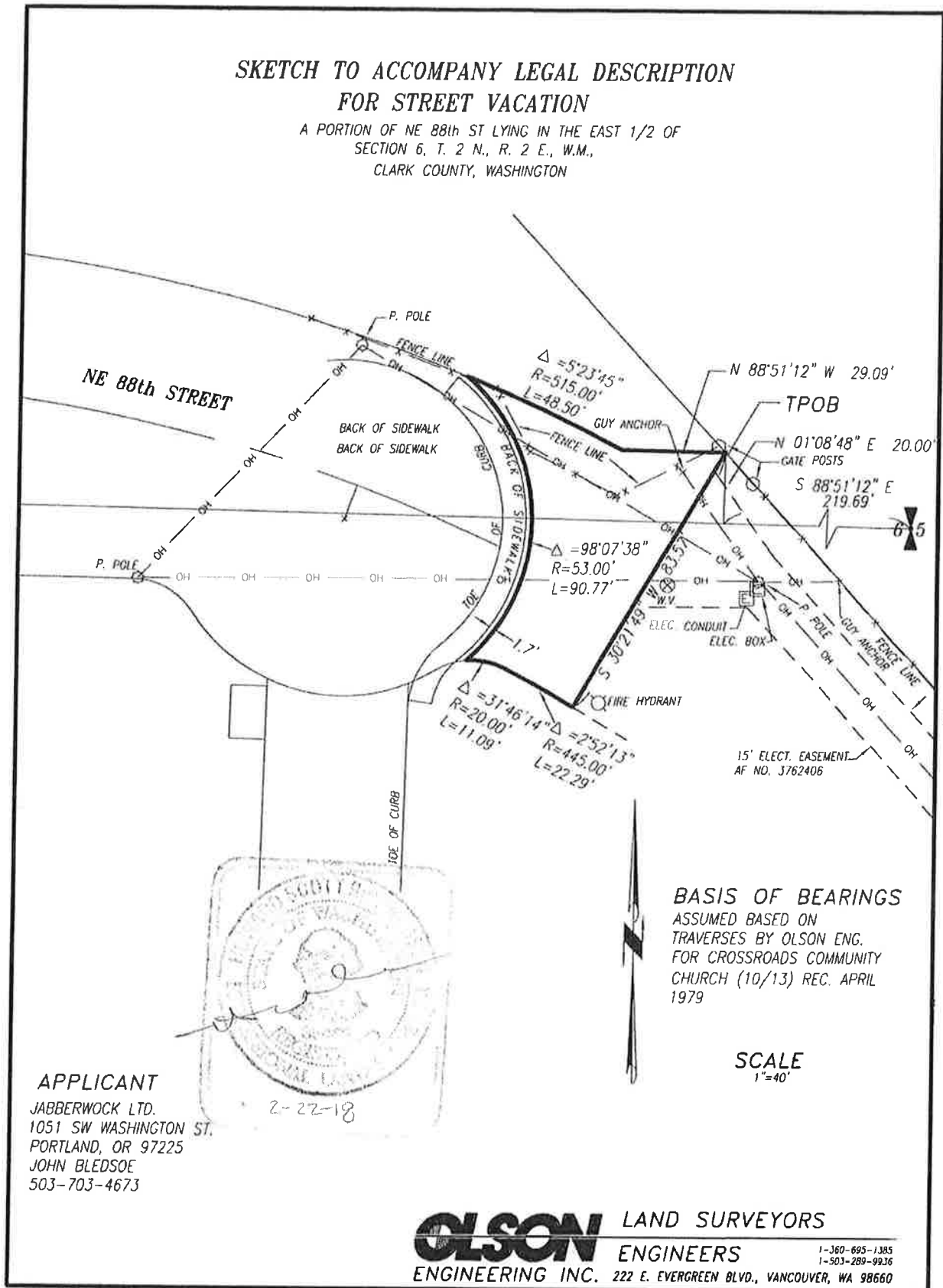
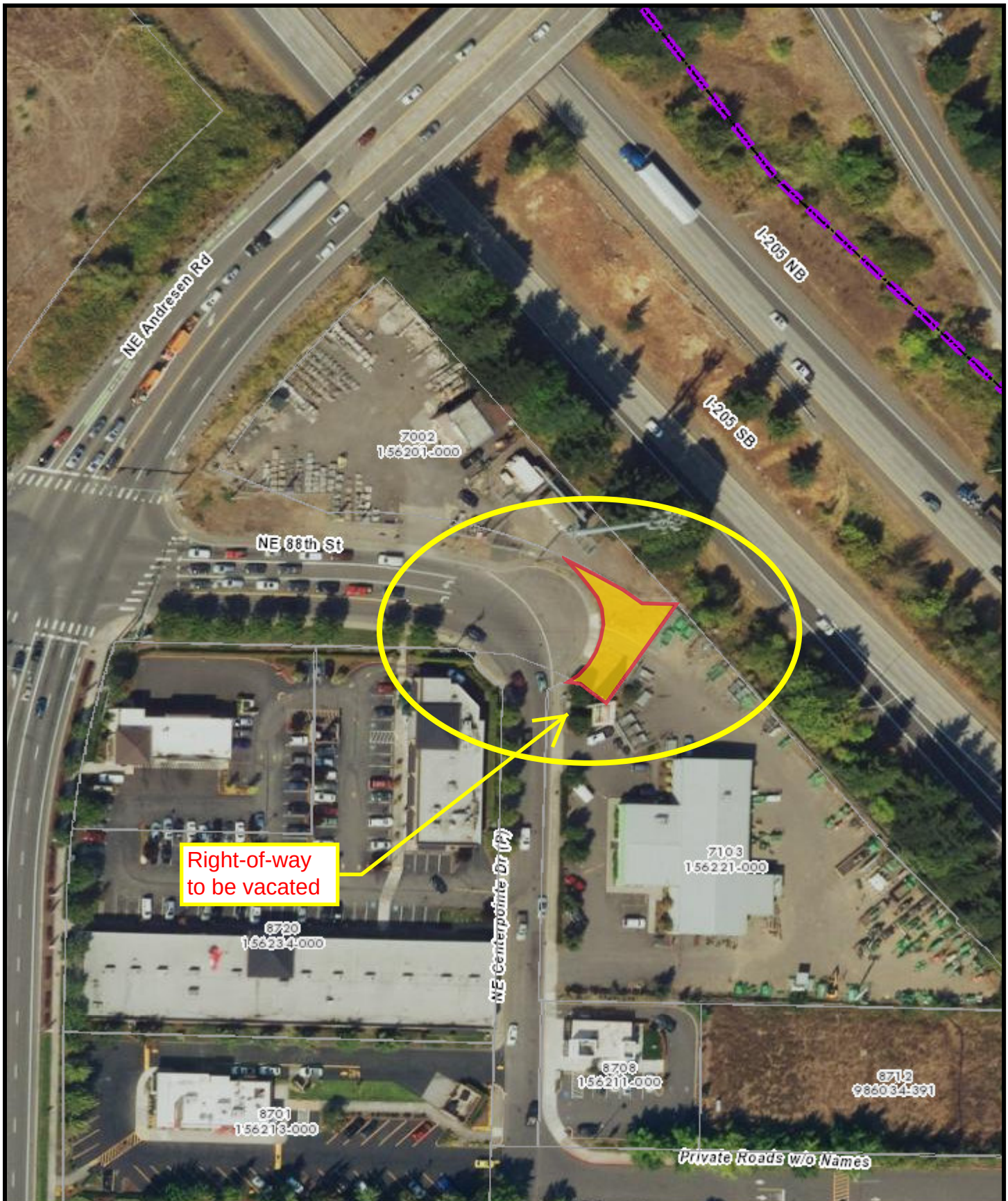


Exhibit C - Overall Vicinity Map



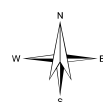
System Utility Map



RUS / PAC

Taxlot #:

1 inch = 100 feet



THE UTILITY INFORMATION SHOWN ON THIS MAP DOES NOT INDICATE OR IMPLY AVAILABILITY. CONTACT THE ENGINEERING COUNTER STAFF AT THE CDD PERMITS CENTER AT (360) 487-7804 OR 415 W. 6TH ST. FOR AVAILABILITY OF SERVICE.

THIS INFORMATION IS COMPILED FROM A VARIETY OF SOURCES. THE CITY OF VANCOUVER ASSUMES NO RESPONSIBILITY FOR MAP ACCURACY.