



**EDUCATIONAL  
SERVICE  
DISTRICT 112**

**RENEWING INTERLOCAL AGREEMENT  
FISCAL YEAR 2016-2017**

**EDUCATIONAL SERVICE DISTRICT NO. 112  
2500 NE 65th Avenue  
Vancouver, WA 98661-6812**

**Parties to the Contract:**

Educational Service District No. 112, hereinafter referred to as "ESD112", and Bethel School District No. 403, 516 176<sup>th</sup> Street East, Spanaway, WA 98387 hereinafter referred to as the "District".

<b>Summary Statement-Contract Purpose</b>	
<b>FINANCIAL ADVISORY SERVICES</b>	
To provide independent financial advisory services intended to assist the District with obtaining efficient funding for the District's capital facilities.	
<b>Contract Number:</b> 17124-31	<b>CFDA:</b> # N/A
<b>Contract Period</b>	<b>Financial Terms:</b> Payments under this contract shall be \$2,500.00 per quarter (Section 4.1)
Initial Term Start: September 1, 2016	<i>September 1, December 1, March 1, June 1</i>
Initial Term End Date: August 31, 2017	<i>(Starting with the Effective Date)</i>
Nonrenewal Notification: June 1, 2017	

<b>Attachments:</b> This Agreement consists of this signature page and the following exhibits, which constitute the entire understanding of the parties
<b>Exhibit A: Terms &amp; Conditions</b>
<b>Exhibit B: Agreement Contact Information</b>

Signed versions of this Agreement transmitted by facsimile copy or electronic mail shall be the equivalent of original signatures on original versions.	
IN WITNESS WHEREOF, the District and ESD112 have executed this Agreement on the date and year indicated below.	
<b>BETHEL SCHOOL DISTRICT NO 403</b>	
AUTHORIZED SIGNATURE:	DATE:
<b>EDUCATIONAL SERVICE DISTRICT NO 112</b>	
AUTHORIZED SIGNATURE:	DATE:

<u>ESD INFORMATION</u>	
REV ACCT NO:	8985 81 710 0121 0000
DEPT APPROVAL	M. Prussing
BUDGET APPROVAL	W. Niehaus

**SIGN DATE & RETURN TO:**  
Internal Accounting  
Educational Service District No. 112  
2500 NE 65<sup>th</sup> Avenue, Vancouver WA 98661  
or  
Email: [districtcontracts@esd112.org](mailto:districtcontracts@esd112.org)

**EXHIBIT A  
TERMS & CONDITIONS**

**1. Purpose.**

- 1.1** This Agreement between Educational Service District No. 112 (ESD112) and Bethel School District No. 403, (the District), is entered into in accordance with the authority granted in the Interlocal Cooperation Act, RCW 39.34.030 and provisions that authorize educational service districts and school districts to contract with each other for services, specifically 28A.310.010, 28A.310.180, 28A.310.200, 28A.320.080 and 28A.320.035.
- 1.2** ESD112 and the District are entering into this Agreement for the purpose of providing independent financial advisory services to the District as described in Section 5 of this Agreement. Financial Advisory Services are intended to assist the District with obtaining efficient funding for the District's capital facilities. The provision of educational, instructional or specialized services in accordance with this Agreement will improve student learning or achievement.
- 1.3** A separate legal entity is not being created. ESD112 shall administer the joint undertaking described in the terms of this Agreement.

**2. Term.**

- 2.1 Initial Term and Effective Date.** The Initial Term for the Agreement shall be from September 1, 2016 (Effective Date) to August 31, 2017.
- 2.2 Renewal Terms.** This Agreement shall automatically be renewed for an additional one year term (the Renewal Term) unless the District notifies ESD112 in writing prior to June 1<sup>st</sup> that it is not renewing the Agreement. If the District fails to provide written notice before June 1<sup>st</sup>, the District is required to pay the fees owed under this Agreement for the upcoming Renewal Term, as detailed in Section 4 below. Changes to the services ESD112 is obligated to provide or the fees the District is obligated to pay will be addressed in Amendments to this Agreement.

- 3. Organization and Governance.** The parties agree ESD112 will serve as the administrator for this cooperative undertaking and as such will govern and direct the qualified business manager/fiscal analyst services provided, as mutually deemed acceptable. A separate legal or administrative entity is not being formed. As the Administrator, ESD112 shall act in accordance with the terms of this Agreement and ESD112's adopted policies and procedures.

**4. Finance, Budget and Property.**

- 4.1** The District shall pay ESD112 \$2,500.00 per quarter for services under the Agreement, to be billed on September 1, December 1, March 1 and June 1 beginning on the Effective Date as described in Section 2.

- 4.2 The District shall receive a 40% discount on any Bond Issuance Services provided and invoiced by ESD112 under separate service agreement as described in 5.1.4 below.
  - 4.3 A separate budget for Financial Advisory Services is not necessary and therefore is not being prepared. Expenses and revenues will be addressed in the District's and ESD112's budget.
  - 4.4 All personal property and assets acquired or received in connection with the obligations under this Agreement, including but not limited to equipment, materials, supplies and funds, shall be owned and retained by ESD112, both during the term of this Agreement and after the Agreement is terminated, partially or completely. Real property will not be acquired.
5. **Parties Obligations.** The parties agree to fulfill the following obligations:
- 5.1 **Responsibilities of the ESD.** ESD shall:
    - 5.1.1 Employ and compensate qualified personnel to provide Financial Advisory Services.
    - 5.1.2 Provide ongoing Financial Advisory Services, which may include:
      - 5.1.2.1 Service as the District's independent financial advisor, in a fiduciary capacity to provide advice and recommendations which are solely in the interests of the District
      - 5.1.2.2 Participation in meetings and/or making presentations to District staff, committees and board of directors and/or rating agencies on subjects related to municipal finance markets such as financing alternatives, tax rate analysis and recommended financial strategies.
      - 5.1.2.3 Assistance with planning and analysis for operating levies, capital levies, technology levies and bond issues
      - 5.1.2.4 Evaluation of refunding opportunities
      - 5.1.2.5 Ongoing assistance for bond related matters as requested by the District.
    - 5.1.3 Provide other financial consulting on special projects and advisory services, as mutually agreed upon. The scope of such services, fees and billing for such services shall be negotiated prior to undertaking the services and executed under amendment to this Agreement, in accordance with Section 5.3.6.
    - 5.1.4 Include Bond Issuance Fee Discount terms (Section 4.2 above) in any agreements for Bond Issuance Services during the term for which Financial Advisory Services are provided under this Agreement.

**5.1.5** Invoice the District in accordance with Section 4.1.

**5.2 Responsibilities of the District.** The District shall:

**5.2.1** Provide information as requested by ESD112 Financial Advisory Services staff and as may be necessary to keep ESD112 apprised of financial and bond-related issues.

**5.2.2** Assume full responsibility for, and pay all costs incurred or charged by the District's underwriter, bond counsel or others that are providing services to the District, associated with district financing or projects.

**5.2.3** Pay out-of-pocket expenses incurred by ESD112 Financial Advisory Services staff for items such as travel, postage, copying, and telephone, if separately identified and agreed to by the District.

**5.2.4** Pay the costs for any necessary legal review or advice, as agreed to by the District

**5.2.5** Discuss any additional services that are needed that are beyond the scope of the Agreement and execute mutually agreed upon amendments to this Agreement to address additional services and related costs, in accordance with Section 5.3.6 .

**5.2.6** Pay ESD112 in accordance with Section 4.1.

**5.3 Responsibilities of Both Parties.** ESD112 and the District shall:

**5.3.1** Conduct background checks on any officials, employees, volunteers or agents who may perform obligations under this Agreement and who may have access to children. No party/person who has plead guilty to, or been convicted of, a felony crime specified in RCW 28A.400.330 will have access to children. Failure to comply with this provision is grounds for immediate termination.

**5.3.2** Comply with federal, state, and local laws in performing obligations under this Agreement, and any policies or regulations adopted by the parties' boards of directors.

**5.3.3** Obtain and maintain commercial general liability insurance and automobile insurance in an amount not less than \$1,000,000 per occurrence. The parties shall, upon request, provide each other suitable evidence of insurance coverage required.

**5.3.4** Obtain any licenses or permits that are required to perform their respective obligations under the Agreement.

**5.3.5** Maintain books, records, documents, data and other materials compiled and related to the performance of obligations under this Agreement for the time period required under law or any applicable grant agreement. Both parties agree to provide access to and copies of any such books, records, documents, data or other materials to the other party upon request.

**5.3.6 Amendment.** Changes to the services ESD112 is obligated to provide or fees the District is obligated to pay will be addressed in signed

amendments to this Agreement, provided forty-five (45) days before the amendment is to take effect, unless otherwise mutually agreed.

6. **Assignment.** Neither this Agreement nor any interest therein may be assigned by either party without the prior written consent of the other party.
7. **Mutual Termination.** This Agreement may be terminated by mutual agreement by the parties.
8. **Early Unilateral Termination.**
  - 8.1 **Definition.** An “early unilateral termination” is termination of the Agreement by either party prior to the expiration of the Initial or Renewal Term, termination by the District without providing the written notice that is required in Section 2.2, or termination by a non-breaching party because of a breach by the other party. Early termination is likely to result in material adverse financial consequences. Accordingly the District and ESD112 agree to pay the damages set forth below, which is a reasonable reflection and estimate of the amount of damages the performing party will incur as a result of the unilateral early termination by the non-performing party.
  - 8.2 **Damages Paid by the District.** The District shall pay ESD112:
    - 8.2.1 The balance of the fee that is owed under Section 4.1 above for remainder of the existing term, plus the fees owed for the upcoming Renewal Term if the District did not provide written notice before May 1<sup>st</sup>; and
    - 8.2.2 The costs ESD112 incurs as a result of the District’s early termination, to the extent the costs exceed the amount the District is obligated to pay under 8.2.2. The costs ESD112 incurs include, but are not limited to, compensation, benefits and other employment costs for ESD112 employees who provide services under this Agreement and indirect costs incurred to address the District’s early termination.
  - 8.3 **Damages Paid by the ESD112.** ESD112 shall pay the District the costs the District incurs to obtain the services ESD112 was obligated to provide from a third party, but only to the extent the costs exceed what the District would have paid ESD112 and the fees the District is paying the third party must be based on reasonable market rates.
  - 8.4 **Payment.** The damages that are owed under this section shall be paid in full within thirty (30) days of receipt of an invoice.
9. **Employment Representation.** During the term of this contract, an employee(s) of ESD112 may have contact with public school children. Therefore, ESD112 is prohibited from employing any person who has pled guilty or been convicted of any felony crime involving the physical neglect, injury, death or sexual abuse or exploitation of a minor.

Failure of ESD112 to comply with this section shall be grounds for immediate termination of this contract.

10. **Indemnification.**

**10.1 ESD112.** ESD112 agrees to protect, defend, indemnify and hold the District, its officers, agents and employees harmless from any and all claims and losses for bodily injury, including death, and/or property damage to the extent such claims or losses arise or result from ESD112's negligent performance under this Agreement.

**10.2 The District.** The District agrees to protect, defend, indemnify and hold ESD112, its officers, agents and employees harmless from any and all claims and losses for bodily injury, including death, and/or property damage to the extent such claims or losses arise or result from the District's negligent performance under this Agreement.

11. **Force Majeure.** ESD112 and District shall not be liable for any failure to perform its obligations in this Agreement, and shall not be liable for the damages in Section 8, if the failure to perform or action that gave rise to damages is a result of any act of God, riot, war, civil unrest, flood, earthquake, or other cause beyond such party's reasonable control, such as changes to federal, state or local laws, but excluding failure caused by a party's financial condition or negligence.

12. **Waiver.** No provision of this Agreement, or the right to receive reasonable performance of any act called for by its terms shall be deemed waived by a party's failure to enforce the provision or rights to performance in a particular transaction or occurrence. Any and all waivers shall be in writing and signed by the party waiving the provision or its rights to performance. Any waiver that is not in writing shall not be binding or effective.

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

14. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Washington and any action or litigation undertaken to enforce the terms of this Agreement shall be conducted in Clark County, Washington.

15. **Whole Agreement.** The parties agree that this Agreement, together with all appendices, if any, constitute the entire agreement between the parties and supersedes all prior or existing written or oral agreements between the parties and may not be amended other than in writing signed by the parties.

16. **Attorneys Fees and Costs.** In the event litigation arises out of this Agreement, each party shall bear its own attorney's fees and costs.

17. **Captions.** Paragraph headings have been included for the convenience of the parties and shall not be considered a part of this Agreement for any purpose relating to construction or interpretation of the terms of this Agreement.
18. **Opportunity Without Discrimination.** Per the requirements of state, local and federal laws, including 13 CFR 145, ESD112 and the District agree not to discriminate on the basis of race, creed, religion, color, national origin, age, families with children, sex, gender expression or identity, honorably discharged veteran or military status, marital status, sexual orientation, or non-job-related physical, sensory, or mental disabilities, or use of a trained guide dog or service animal. Inquiries regarding compliance and/or grievance procedures for ESD112 may be directed to ESD112 at its address above.
19. **Exclusion, Debarment and Suspension Certification.** Per the requirements of Executive Order 12-549, ESD112 and the District certify that neither they, nor their officers, directors, general managers or persons having primary management or supervisory responsibilities, are on the Excluded Parties List Report (web address: <http://www.sam.gov>) and that they are not presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded for the award of contracts by any Federal governmental agency or department. ESD112 and the District shall provide immediate written notice to each other if, at any time during the term of this Agreement, including any renewals hereof, they learn that this certification has become erroneous by reason of changed circumstances.
20. **Authority.** The terms and conditions of this Agreement to which the parties agree are being entered into by appropriate resolutions or delegation of authority by the respective boards of directors of ESD112 and the District.

**EXHIBIT B  
 AGREEMENT CONTACT INFORMATION**

<b>PROGRAM CONTACTS</b>	
<b><u>THE DISTRICT</u></b>	<b><u>ESD</u></b>
Name: Bang Parkinson	Name: Mark Prussing
Position Title: Chief Financial Officer	Position Title: Executive Director
Phone: 253.683.6061	Phone: 360.713.3355
Email: bparkinson@bethelsd.org	Email: mark.prussing@esd112.org

<b>FISCAL / BUDGET CONTACTS</b>	
<b><u>THE DISTRICT</u></b>	<b><u>ESD</u></b>
Name: Wendy Howard	Name: Mark Prussing
Name: Bang Parkinson	Position Title: see above
Position Title: Chief Financial Officer	Phone:
Phone: 253.683.6061	Email:
Email: bparkinson@bethelsd.org	

<b>ACCOUNTING / BILLING CONTACTS</b>	
<b><u>THE DISTRICT</u></b>	<b><u>ESD</u></b>
Name:	Name: Christy Stalcup
Name: Wendy Howard	Position Title: AR Specialist
Position Title: Director, Accounting & Purchasing	Phone: 360.952.3490
Phone: 253.683.6063	Email: christy.stalcup@esd112.org
Email: whoward@bethelsd.org	