



PLEASE NOTE: This meeting will be held at City Hall, 920 SE Cedar Falls Way, North Bend, WA. Members of the public may choose to attend in person or by teleconference. As the in-person/teleconference hybrid meeting option is new technology to City Staff it is strongly encouraged that members of the public that are attending by teleconference provide comments in advance of the meeting. Please email comments on any agenda items prior to the meeting to the City Clerk at soppedal@northbendwa.gov. Please provide comments by 5 p.m., Tuesday, April 18, 2023 so a copy can be provided to the City Council prior to the meeting.

Members of the public that wish to attend by teleconference may do so by using the Zoom Meetings platform. Instructions on how to access the meeting and provide public comment are available at the following link: [April 18, 2023 City Council Meeting Calendar Item](#). You will be required to have a registered Zoom account and display your full name to be admitted to the online meeting.

Zoom Meeting Information:
To Sign Up for a Zoom Account: <https://zoom.us/join>
Meeting ID: 881 2610 1456
Password: 658184
Call In Phone Number: 1-253-215-8782

CITY COUNCIL MEETING

April 18, 2023 – Agenda

City Hall, 920 SE Cedar Falls Way, North Bend, Washington

7:00 P.M. – CALL TO ORDER, ROLL CALL, FLAG SALUTE

CONSENT AGENDA:

		Pg.#
1) Minutes	City Council Workstudy of February 28, 2023, City Council Workstudy of March 28, 2023 & City Council Meeting of April 4, 2023	1
2) Payroll	April 5, 2023 – 28624 through 28630, in the amount of \$330,533.73	
3) Checks	April 18, 2023 – 73880 through 73933, in the amount of \$942,740.21	
4) AB23-045	Motion – Authorizing Contract with iWorQ Systems, Inc.	Mr. Rigos 9

CITIZEN'S COMMENTS: (Please restrict comments to 3 minutes)

COMMISSION AND COMMITTEE REPORTS:

Planning Commission	Community & Economic Development – Councilmember Miller
Parks Commission	Finance & Administration – Councilmember Gothelf
Economic Development Commission	Public Health & Safety – Councilmember Rosen
Regional Committees	Transportation & Public Works – Councilmember Loudenback
	Mayor Pro Tem – Councilmember Koellen
	Eastside Fire & Rescue Board – Councilmember Gothelf

**MAIN AGENDA:**

5) AB23-046	Resolution – Authorizing Regional Coordination Framework Agreement	Mr. Rigos	19
6) AB23-047	Motion – Approving Economic Development Action Plan	Mr. Noll	39
7) AB23-048	Resolution – Adopting Procurement Policy & Procedures	Mr. Gould	85
8) AB23-049	Ordinance – Repealing NBMC 3.30 Purchasing	Mr. Miller	111
9) AB23-050	Resolution – Authorizing Agreement for Wholesale Supply of Water	Mr. Kenyon	115

MAYOR, COUNCIL & ADMINISTRATOR CONCERNS AND INITIATIVES: (Business and general information presented that may be deliberated upon by the Council. Formal action may be deferred until a subsequent meeting; immediate action may be taken upon a vote of a majority of all members of the Council.)

ADJOURNMENT:

CITY OF NORTH BEND
CITY COUNCIL WORKSTUDY NOTES
February 28, 2023 – 7:00 p.m.

City Hall, 920 SE Cedar Falls Way, North Bend, WA

Mayor Pro Tem Koellen called the meeting to order at 7:00 p.m.

Councilmembers Brenden Elwood (remote), Alan Gothelf, Heather Koellen, Ross Loudenback, Mary Miller and Jonathan Rosen (remote) were present. Councilmember Joselyn arrived at 7:27 p.m.

Staff Present: Mayor Rob McFarland, City Administrator David Miller, Community & Economic Development Director Rebecca Deming, Deputy Public Works Director Tom Mohr, Capital Projects & Grants Manager Dan Marcinko and City Clerk Susie Oppedal.

Guest Present: Senior Planner Fred Young and Senior Transportation Planner Errin Ellig of Parametrix

Complete Streets Plan (75% Check-In)

Fred Young and Errin Ellig of Parametrix provided a presentation on the proposed Complete Streets Plan which included the following:

- Introduction: Ordinance 1715 adopting NBMC 12.02 Complete Streets Policy
- North Bend Way Complete Streets: Project Goals (vision for North Bend Way – economic, livability, multimodal travel, safety and connectivity)
- Existing Conditions: Context and previous studies, speed and safety, multimodal connections, opportunities/challenges
- Alternatives: Approach to alternative development (existing design standards, improve safety and aesthetics) & evaluation methodology (safety, constructability, connectivity, environmental impact and order of magnitude)

They noted the North Bend Way Complete Streets Corridor Plan consists of the stretch of North Bend Way from the western City limits to 468th Avenue SE with the entire length broken up into five segments. Each of the following segments was reviewed noting its existing condition and several alternative streetscapes. The streetscape that scored the highest using an evaluation methodology encompassing safety, constructability, connectivity, environmental impact and order of magnitude is indicated in parentheses:

- Segment 1: West City Limits to South Fork Snoqualmie River (Alternative 1b – one lane in each direction, shared use path, large buffer between path and road, no median)

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- Segment 2: South Fork Snoqualmie River to Park Street (Alternative 2c – 2 lanes with parking on both sides, protected bicycle lanes on south side, sidewalks)
- Segment 3: Park Street to Cedar Falls Way Roundabout (Alternative 3a – 2 lanes, parking on one side, 12 ft. shared use path, undergrounding of utilities, wayfinding signs to connect parks)
- Segment 4: Cedar Falls Way Roundabout to SE 140th Street (Alternative 4c – 2 lanes, bike lanes, median with trees when possible, left turns limited, 12 ft. shared use path)
- Segment 5: SE 140th Street to 468th Ave. SE (Alternative 5c – 2 lanes, bike lanes, median with trees, left turns limited, 12 ft. shared use path)

Council commented it would be beneficial to have cost estimates on proposed alternatives per each segment and that next steps in the process be clearly delineated.

Mr. Young concluded by noting next steps may include moving forward with the preferred alternative, final concept design, cost estimated for the different segments, implementation strategy and identifying grant funding opportunities.

Adjournment

The workstudy closed at 8:44 p.m.

ATTEST:

Heather Koellen, Mayor Pro Tem

Susie Oppedal, City Clerk

CITY OF NORTH BEND
CITY COUNCIL WORKSTUDY NOTES
March 28, 2023 – 7:00 p.m.

City Hall, 920 SE Cedar Falls Way, North Bend, WA

Mayor Pro Tem Koellen called the meeting to order at 7:00 p.m.

Councilmembers Brenden Elwood, Alan Gothelf, Mark Joselyn, Heather Koellen, Ross Loudenback, Mary Miller and Jonathan Rosen (remote) were present.

Staff Present: Mayor Rob McFarland, Community & Economic Development Director Rebecca Deming, Principal Planner Mike McCarty and City Clerk Susie Oppedal.

Meadowbrook Farm Interlocal Agreement

Principal Planner McCarty explained the 1998 Interlocal Agreement (ILA) between the Cities of Snoqualmie and North Bend related to Meadowbrook Farm was expiring in May. He noted the City of North Bend, City of Snoqualmie and the Snoqualmie Tribe were in negotiations to form a new ILA concerning the management, operation, and governance of Meadowbrook Farm. Key components of the new ILA are as follows:

- **Snoqualmie, North Bend & Snoqualmie Tribe:** Governing body that approves budgets and plans, provides funding (1/3 each)
- **Si View Metropolitan Park District:** Maintenance and Management by contract
- **Meadowbrook Farm Preservation Association:** Docent, Educational & Interpretive Activities
- **Meadowbrook Policy Advisory Board:** Recommends updates to plans, major capital improvements, major policy and use issues

Council and staff discussed the following: prairie restoration, maintenance costs/cost offset, higher level of service, all parties' expectations of property, cohesion of Master Plan update, clear and concise expectations for governing members, and additional members to policy advisory board.

Mr. McCarty concluded by noting the proposed agreement may come forward to Council for consideration in about a month.

Adjournment

The workstudy closed at 7:47 p.m.

ATTEST:

Heather Koellen, Mayor Pro Tem

City Council Workstudy Notes – March 28, 2023

Susie Oppedal, City Clerk

NORTH BEND CITY COUNCIL MINUTES

April 4, 2023

City Hall, 920 SE Cedar Falls Way, North Bend, Washington

CALL TO ORDER, ROLL CALL:

Mayor McFarland called the regular meeting to order at 7:00 p.m.

Councilmembers Present: Elwood, Gothelf, Joselyn, Koellen, Loudenback, Miller and Rosen.

Councilmember Rosen requested AB23-039 – Motion Approving Comp Plan Docket List and Calendar Extension be moved from the Consent Agenda to the Main Agenda for discussion.

CONSENT AGENDA:

Minutes – Special Council Workstudy of February 14, 2023 & City Council Meeting of March 21, 2023

Payroll – **March 20, 2023** – 28617 through 28623, in the amount of **\$260,192.92**

Checks – **April 4, 2023** – 73815 through 73879, in the amount of **\$588,957.19**

AB23-040 – Motion Authorizing 1st Amendment to Parametrix Contract RE Complete Streets

AB23-041 – Resolution 2059 Accepting 109 Degrees (Cade Vu 2 & 3) Infrastructure Improvements

AB23-042 – Motion Authorizing Collective Bargaining Agreement for Office/Technical Employees

Councilmember Gothelf **MOVED**, seconded by Councilmember Miller to approve the consent agenda as amended. The motion **PASSED** 7-0.

CITIZEN'S COMMENTS:

Michael Thomas, 1231 LaForest Drive SE, expressed concern about the proposed Water Supply Agreement between Sallal Water Association and the City, water mitigation sources and requested the City revisit their Water System Plan. Additionally, he thanked various tribes for their testimony against SB 5517 related to water resource mitigation.

ANNOUNCEMENTS, PRESENTATIONS, APPOINTMENTS:

Presentation – Recognition of Ron Crouch

Audio: 6:02

Mayor McFarland presented Ron Crouch with a Certificate of Service for his lifetime commitment to the preservation of local agriculture and open spaces in the Snoqualmie

DRAFT

Valley through his work at Meadowbrook Farm, Tollgate Farm and tenure on the Meadowbrook Farm Preservation Association Board.

MAIN AGENDA:

AB23-043 – Motion Authorizing Contract for Solid Waste & Recycling Services **Audio: 18:02**

Deputy City Administrator/Public Works Director Rigos provided the staff report.

The following individuals commented on the agenda item:

Steve Brum, Regional Vice-President, Recology, 801 S Fidalgo St., Seattle

Anthony Brocato, General Manager, Recology, 801 S Fidalgo St., Seattle

Logan Harvey, Government Relations and Sustainability Manager, Recology, 801 S Fidalgo St., Seattle

Councilmember Loudenback **MOVED**, seconded by Councilmember Koellen to approve AB23-043, authorizing the Mayor to enter into and execute a 12-year Comprehensive Garbage, Recyclables, and Compostables Collection Services Contract with Recology King County, Inc. for the period of April 1, 2024, through March 31, 2036, in a form and content approved by the City Attorney, as a final reading. The motion **PASSED** 5-2 (Gothelf, Loudenback).

AB23-044 – Ordinance 1793 Adopting NBMC Section 9.190.020 Vehicle Trespass **Audio: 32:40**

Police Captain Lynch provided the staff report.

Councilmember Rosen **MOVED**, seconded by Councilmember Gothelf to approve AB23-044, an ordinance adopting North Bend Municipal Code Section 9.190.020 Vehicle Trespass, as a first and final reading. The motion **PASSED** 7-0.

AB23-039 – Motion Approving Comp Plan Docket List and Calendar Extension **Audio: 52:43**

Community & Economic Development Director Deming provided the staff report.

Councilmember Miller **MOVED**, seconded by Councilmember Rosen to approve AB23-039, approving Docket for Initiation of 2023 Code Amendments and 2024 Comprehensive Plan Update and extension for completion of docketed items until December 31, 2024. The motion **PASSED** 6-1 (Gothelf).

DRAFT

MAYOR, COUNCIL, AND ADMINISTRATOR CONCERNS AND INITIATIVES:

Councilmember Gothelf encouraged all to practice caution when driving in areas where pedestrians or children at play were present.

Councilmember Miller noted Harold Erland with the Upper Snoqualmie Valley Elk Management Group would be speaking this Friday, April 7th at 7 p.m. at Meadowbrook Farm Interpretive Center. Additionally, she wished everyone a "Happy Easter".

Councilmember Elwood reported the production of "Picasso at the Lapine Agile" would be playing at Valley Center Stage in April.

Councilmember Joselyn thanked all involved in the presentation for Ron Crouch tonight.

Councilmember Rosen thanked citizens for their communication and input on issues discussed at tonight's meeting.

Mayor McFarland spoke regarding the following items:

- CERT Training – April 15th – May 6th 9 a.m. – 3 p.m. @ Snoqualmie Fire Station
- Special Recycling Event – April 29th 9 a.m. – 3 p.m. @ Snoqualmie Middle School
- North Bend Jazz Walk – April 22nd 6 p.m. @ Downtown
- Beautification Days – April 21st & 22nd
- I-90 Lane Restrictions beginning April 10th

ADJOURNMENT:

Councilmember Gothelf **MOVED** to adjourn, seconded by Councilmember Loudenback. The motion **PASSED** 7-0.

The meeting adjourned at 8:18 p.m.

ATTEST:

Rob McFarland, Mayor

Susie Oppedal, City Clerk



City Council Agenda Bill

SUBJECT:	Agenda Date: April 18, 2023	AB23-045
Motion Authorizing an Agreement with iWorQ Systems, Inc. for Asset Management Software	Department/Committee/Individual	
	Mayor Rob McFarland	
	City Administrator – David Miller	
	City Attorney – Lisa Marshall	
	City Clerk – Susie Oppedal	
	Administrative Services – Lisa Escobar	
	Comm. & Economic Development – Rebecca Deming	
	Finance – Richard Gould	
Cost Impact: \$10,000 Annually \$17,000 First Year	Public Works – Mark Rigos, P.E.	X
Fund Source: Split amongst Water, Sewer, Streets, and Storm Drainage Operating Funds		
Timeline: Immediate		
Attachments: Exhibit A (Work Scope)		

SUMMARY STATEMENT:

The City of North Bend owns and maintains many types of infrastructure, which includes drinking water, mitigation water, wastewater, stormwater, streets, parks, and various other facilities. Asset information for all of these systems is currently tracked in a Geographic Information System (GIS) that is managed in-house. Maintenance of these assets is currently tracked by a combination of paper and Excel (spreadsheet) files, making it difficult and time-consuming for City staff to plan and record maintenance activities. Using the current files to plan for replacement of facilities or infrastructure is becoming very difficult as the information is often stored in several different paper or electronic files, and the amount of infrastructure is growing.

iWorQ is a cloud-based asset management solution that can integrate with our existing GIS system to provide asset and maintenance tracking and reporting. The software can be used on a desktop or mobile device and provides several useful features, including, but not limited to the following:

- Real-time mapping on desktop and mobile devices
- Work order creation, scheduling, and tracking
- Ability to create recurring schedules for regular maintenance work
- Asset condition tracking
- Remaining Service Life reporting
- Citizen engagement package

Implementation of this software package would increase both efficiency and production for the City's maintenance and engineering staff. For maintenance staff, a daily report could be pulled showing all maintenance and repair work that needs to be completed that day. Once completed, staff would check it off the list on their mobile device as well as adding any condition information or notes that would be useful in the future. Engineering staff could use the software to find problem areas, using data to develop projects where they are most needed versus the current method of using staff memory or digging through many paper and electronic files to make the same determination.

Finally, the citizen engagement package would provide a centralized location for staff and citizens to voice concerns or alert staff to problems that they've found. Citizens could follow a link on the City website to the citizen engagement page where they could enter some basic information about their concern (i.e. water bubbling up from the ground) to alert staff of potential issues. This information would automatically create a work order for maintenance staff, once vetted by the department lead, for them to act upon to troubleshoot and repair the issue.

City Council Agenda Bill

In closing, this software package provides a centralized, easily managed and accessible location to track all city-owned assets as well as their condition and maintenance history. Maintenance and engineering staff are excited to launch and use this product and recommend approval of this agreement. This contract covers 1 year.

APPLICABLE BRAND GUIDELINES: Consistent delivery of quality basic services including transportation and traffic management.

COMMITTEE REVIEW AND RECOMMENDATION: This item was discussed at the Transportation and Public Works Committee meeting on March 28, 2023 and was recommended for approval and placement on the Consent Agenda.

RECOMMENDED ACTION: **MOTION to approve AB23-045, authorizing the Mayor to execute an agreement with iWorQ Systems, Inc. for Asset Management Software, in a form and content approved by the City Attorney, in an amount not to exceed \$17,000.**

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
April 18, 2023		

IWORQ SERVICE AGREEMENT

For iWorQ applications and services

North Bend here after known as ("Customer"), enters into THIS SERVICE AGREEMENT ("Agreement") with iWorQ Systems Inc. ("iWorQ") with its principal place of business 1125 West 400 North, Suite 102, Logan, Utah 84321.

1. SOFTWARE AS A SERVICE (SaaS) TERMS OF ACCESS:

iWorQ grants Customer a non-exclusive, non-transferable limited access to use iWorQ service(s), application(s) on iWorQ's authorized website for the fee(s) and terms listed in Appendix A. This agreement will govern all application(s) and service(s) listed in the Appendix A.

2. CUSTOMER RESPONSIBILITY:

Customer acknowledges that they are receiving only a limited subscription to use the application(s), service(s), and related documentation, if any, and shall obtain no titles, ownership nor any rights in or to the application(s), service(s), and related documentation, all of which title and rights shall remain with iWorQ. Customer shall not permit any user to reproduce, copy, or reverse engineer any of the application(s), service(s) and related documentation.

iWorQ is not responsible for the content entered into iWorQ's database or uploaded as a document or image. Access to iWorQ cannot be used to record personal or confidential information such as driver license numbers, social security numbers, financial data, credit card information or upload any images or documents considered personal or confidential.

3. TRAINING AND IMPLEMENTATION:

Customer agrees to provide the time, resources, and personnel to implement iWorQ's service(s) and application(s). iWorQ will assign a senior account manager and an account management team to implement service(s) and application(s). Typical implementation will take less than 60 days. iWorQ account managers will call twice per week, provide remote training once per week, and send weekly summary emails to the customer implementation team. iWorQ can provide project management and implementation documents upon request. iWorQ will do ONE import of the Customer's data. This import consists of importing data, sent by the Customer, in an electronic relational database format.

Customer must have clear ownership of all forms, letters, inspections, checklists, and data sent to iWorQ.

Data upload and storage is provided to every Customer. This includes uploading files up to 3MB and 10 GB of managed data storage on AWS GovCloud. Additional upload file sizes and managed data storage sizes can be provided based on the application(s) and service(s) listed in Appendix A.

4. CUSTOMER DATA:

Customer data will be stored on AWS GovCloud. iWorQ will use commercially reasonable efforts to backup, store and manage Customer data. iWorQ does backups twice per week and offsite backups twice per week. The subscription will renew each year on the anniversary date of this Agreement unless terminated (see 7. TERMINATION).

Customer can run reports and export data from iWorQ application(s) at any time.

Customer can pay iWorQ for additional data management service(s), onsite backups, application(s) and other service(s).

Data upload and storage is provided to every Customer. This includes uploading files up to 3MB and 10 GB of managed data storage on AWS GovCloud. Additional upload file sizes and managed data storage sizes can be provided based on the application(s) and service(s) listed in Appendix A.

5. CUSTOMER SUPPORT:

Customer support and training are FREE and available Monday-Friday, from 6:00 A.M. to 5:00 P.M. MST, for any authorized user with a login. iWorQ provides unlimited remote Customer training (through webinars), phone support, help files, and documentation. Basic support request is typically handled the same day. iWorQ provides "Service NOT Software".

6. BILLING:

iWorQ will invoice Customer on an annual basis. iWorQ will send invoice by mail and by email to the address(s) listed in Appendix A. Terms of the invoice are net 30 days. Any billing changes will require that a new Service(s) Agreement be signed by Customer.

Any additional costs imposed by the Customer including business licenses, fees, or taxes will be added to the Customer's invoice yearly. Support and services fees may increase in subsequent years, but will increase no more than 5% per year.

7. TERMINATION:

Either party may terminate this agreement, after the initial 3-YEAR TERM, without cause if the terminating party gives the other party sixty (60) days written notice. Should Customer terminate any application(s) and or service(s) the remaining balance will immediately

become due. Should Customer terminate any part of the application(s) and or service(s) a new Service(s) Agreement will need to be signed.

Upon termination (7. TERMINATION), iWorQ will discontinue all application(s) and or service(s) under this Agreement; iWorQ will provide customer with an electronic copy of all of Customer's data, if requested by the Customer (within 3-5 business days).

During the term of the Agreement, the Customer may request a copy of all of Customer's data for a cost of no more than \$2,500; and all provisions of this Agreement will continue.

8. ACCEPTABLE USE:

Customer represents and warrants that the application(s) and service(s) will only be used for lawful purposes, in a manner allowed by law, and in accordance with reasonable operating rules, and policies, terms and procedures. iWorQ may restrict access to users upon misuse of application(s) and service(s).

9. MISCELLANEOUS PROVISIONS:

This Agreement will be governed by and construed in accordance with the laws of the State of Utah.

10. CUSTOMER IMPLEMENTATION INFORMATION:

Primary Implementation Contact _____ Title _____

Office Phone _____ Cell _____

Email _____

Secondary Implementation Contact _____ Title _____

Office Phone _____ Cell _____

Email _____

Portal Setup Contact (if applicable) _____ Title _____

Office Phone _____ Cell _____

Email _____ Signature _____

(This person is responsible for placing the iWorQ Portal Link being placed on the agency's website within 90 days of the agreement signature. The iWorQ Portal Link will remain on agencies website for the entire Term of the agreement. If the iWorQ Portal Link is not placed on the city website within 90 days, the Agency agrees to pay an additional \$1,000 dollars towards setup costs (this is to cover iWorQ's time).

11. CUSTOMER BILLING INFORMATION:

Billing Contact _____ Title _____

Billing Address: _____

Office Phone _____ Cell _____

Email _____

PO# _____ (if required) Tax Exempt ID # _____

12. ACCEPTANCE:

The effective date of this Agreement is listed below. Authorized representative of Customer and iWorQ have read the Agreement and agree and accept all the terms.

Signature _____ Effective Date: _____

Printed Name _____

Title _____

Office Number _____

Cell Number _____

iWorQ Service(s) Agreement

APPENDIX A

iWorQ Price Proposal

North Bend	Population- 7,695
211 Main Avenue North, North Bend, WA 98045	Prepared by: Devin Vogelsberg

Annual Subscription Fees

<u>Application(s) and Service(s)</u>	<u>Package Price</u>	<u>Billing</u>
Public Works Package (Infrastructure) Package includes: * Work Management * Sign Management * Pavement Management * Water Management * Sewer Management - Track and manage work by location using OpenStreetMap - Work order scheduling and templates - Track labor, inventory, parts, and material - Track work completed and maintenance history - Set maintenance, inspection, and work order schedules - Track sign location, MUTCD, condition, reflectivity, work orders etc. - Remaining service life (RSL), next treatment, 5-year budget etc. - 3 scheduled reports - Road layer on OpenStreetMap with color by lookup - Sign layer displayed on OpenStreetMap - Water Asset layers on OpenStreetMap (Hydrants, Lines, Valves.) - Sewer Asset layers on OpenStreetMap (Lines, Manholes, Pumps.) GIS RestServices Public Works - iWorQ will publish your agency's WMS layers in iWorQ Public Works applications via Rest Services. iWorQ will update asset attribute data monthly: Water Management Includes: hydrants, valves, and lines Sewer Management Includes: manholes, pumps, and lines Additional attribute data for each capital asset is \$500 annually. *Note: If configuration changes (i.e. FTP location, name format, field changes, or interval for published updates) iWorQ will charge a minimum fee of \$500 with each additional hour. \$250 to	\$7,000	Annual

accommodate new configuration changes.		
<ul style="list-style-type: none"> * Available on any computer, tablet, or mobile device using Chrome browser * OpenStreetMap - Ability to track point and line layers * Quarterly GIS Updates * Configurable dashboard, fields, and reports * Premium Data Package - 25MB File Upload Size & 100GB Total Storage 		
Citizen Engagement Package Package includes: *Citizen Engagement <ul style="list-style-type: none"> - Drive citizen satisfaction, streamline communication and reduce overhead costs with a public portal and a mobile application for Android and iOS. - Allow citizens & employees to submit problems, including photos and locations, links to agency website, and seamlessly access those items in the iWorQ software through the Online Portal. - Includes premium data package (25mb file upload size and 100gb total storage). 	\$3,000	Annual
Subscription Fee Total (This amount will be invoiced each year)	\$10,000	Annual

One-Time Setup, GIS integration, and Data Conversion Fees

<u>Service(s)</u>	<u>Full Price Cost</u>	<u>Package Price</u>	<u>Billing</u>
Implementation and Setup cost year 1	\$7,000	\$7,000	Year One
Up to 5 hours of GIS integration and data conversion	\$1,000	Included	Year One
Data Conversion	\$4,900	Included	Year One
One-Time Setup Total (This amount will be added year 1)	\$12,900	\$7,000	Year One
Grand Total Due Year 1	\$22,900	\$17,000	Year One

NOTES AND SERVICE DESCRIPTION

- I. Invoice for the (Annual Subscription Fee Total + One-Time Total) will be sent out 2 weeks after signature and Effective Date
- II. This subscription Fee and Agreement have been provided at the Customer's request and is valid for 25 days
- III. This cost proposal cannot be disclosed or used to compete with other companies.



City Council Agenda Bill

SUBJECT:	Agenda Date: April 18, 2023	AB23-046
Resolution Authorizing an Agreement for Participation in the Regional Coordination Framework	Department/Committee/Individual Mayor Rob McFarland City Administrator – David Miller City Attorney – Lisa Marshall City Clerk – Susie Oppedal Administrative Services – Lisa Escobar Comm. & Economic Development – Rebecca Deming Finance – Richard Gould Public Works – Mark Rigos, P.E.	
Cost Impact: N/A		
Fund Source: N/A		X
Timeline: Immediate		
Attachments: Resolution, Exhibit A - Agreement		
SUMMARY STATEMENT:		
City of North Bend staff recommend executing the King County Regional Coordination Framework Agreement which focuses on resource requests in the event of an emergency.		
During a major disaster, it may be necessary to prioritize emergency response and recovery efforts to save lives and minimize long-term impacts to our region. The Regional Coordination Framework (RCF) and the associated agreement provide a decision-making process for minimizing competition for resources and conflict of efforts.		
The RCF describes how emergency management, first responder, and related organizations collaborate in King County. An accompanying mutual aid agreement is solely focused on sharing resources. Signing on to the agreement allows jurisdictions, and private and non-profit organizations to lend or receive resources during emergencies or planned events; it also provides the legal basis for expense reimbursement, liability and indemnification, and authority.		
Signing on to the agreement precludes the need for a stand-alone contract to share resources among partner organizations in the circumstances of an emergency. This contract augments any existing state and local mutual aid agreements and does not infringe upon or replace those agreements.		
As of March 2023, 26 cities in King County are signatories to the RCF agreement. This includes:		
<ul style="list-style-type: none">• Zone 1: Bellevue, Bothell, Clyde Hill, Duvall, Issaquah, Lake Forest Park, Medina, Mercer Island, Redmond, Sammamish, Shoreline, Skykomish, Snoqualmie, and Woodinville• Zone 3: Algona, Auburn, Covington, Enumclaw, Federal Way, Kent, Normandy Park, Pacific, Renton, SeaTac, and Tukwila• Zone 5: Seattle		
In conclusion, the Regional Coordination Framework Agreement is a valuable resource for the City to ensure mutual aid can be offered or received in a timely manner from jurisdictions that are participating in it. A copy of the RCF agreement is attached for reference. City staff recommend approval.		
APPLICABLE BRAND GUIDELINES: Consistent delivery of quality basic services		
COMMITTEE REVIEW AND RECOMMENDATION: This item was discussed at the April 4 th , 2023 Public Health and Safety Committee Meeting and was recommended for approval and placement on the Main Agenda.		

City Council Agenda Bill

RECOMMENDED ACTION: **MOTION to approve AB23-046, a resolution authorizing an agreement for participation in the Regional Coordination Framework.**

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
April 18, 2023		

RESOLUTION

A RESOLUTION OF THE CITY OF NORTH BEND, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT FOR ORGANIZATIONS PARTICIPATING IN THE REGIONAL COORDINATION FRAMEWORK FOR DISASTERS AND PLANNED EVENTS FOR PUBLIC AND PRIVATE ORGANIZATIONS IN KING COUNTY, WASHINGTON

WHEREAS, the Signatory Partners have expressed a mutual interest in the establishment of an Agreement to facilitate and encourage Emergency Assistance among participants; and

WHEREAS, the Signatory Partners do not intend for this agreement to replace or infringe on the authority granted by any federal, state, or local governments, statutes, ordinances, or regulations; and

WHEREAS, in the event of an emergency, a Signatory Partner may need Emergency Assistance in the form of supplemental personnel, equipment, materials or other support; and

WHEREAS, each Signatory Partner may own and maintain equipment, stocks materials, and employs trained personnel for a variety of services and is willing, under certain conditions, to provide its supplies, equipment, and services to other Signatory Partners in the event of an emergency;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND,
WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. The Mayor is authorized to execute the Agreement for Organizations Participating in the Regional Coordination Framework for Disasters and Planned Events for Public and Private Organizations in King County, Washington, including any attachments, in the form attached hereto as Exhibit A or in a substantially similar form, in a final form acceptable to the City Attorney.

**PASSED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON,
AT A REGULAR MEETING THEREOF, THIS 18TH DAY OF APRIL, 2023.**

CITY OF NORTH BEND:

APPROVED AS TO FORM:

Rob McFarland, Mayor

Lisa Marshall, City Attorney

Effective:
Posted:

ATTEST/AUTHENTICATED:

Susie Oppedal, City Clerk



AGREEMENT

Regional Coordination Framework for Disasters and Planned Events

for Public and Private Organizations
in King County, Washington

February 2014

EXHIBIT A

Updating Process of former “Omnibus Legal and Financial Agreement”

As the development of the ‘Regional Disaster Plan’ began in 1999, there was also a need to create a ‘mechanism to share resources.’ The Plan focused on establishing a cooperative and voluntary platform linking private businesses, nonprofit organizations, government agencies, and special purpose districts. A legal document was needed to address emergency assistance covering the legal and financial obligations of partners sharing personnel, equipment materials and/or support during a disaster.

Back in 1999 to 2001, legal advisors from King County Prosecuting Attorney’s Office and several other public and private entities worked together to frame the appropriate legal and liability language forming the ‘Omnibus Legal and Financial Agreement.’ The Agreement withstood the legal review and approval of many public, private and nonprofit organizations that thereafter signed onto the Plan and Omnibus.

As the Plan transitioned and evolved into the ‘Framework,’ the time was also appropriate to revisit the Omnibus. Over the twelve year tenure of the Omnibus, mutual aid methodology and practices had evolved at the regional, State and Federal levels; as well as alterations in the Federal Emergency Management Agency (FEMA) public assistance arena.

In 2012 a subcommittee of the Regional Disaster Planning Work Group began the process to revisit the Omnibus language. The subcommittee existed of legal advisors from King County, City of Auburn and City of Seattle and emergency managers from King County, Seattle, Bellevue, Zone 1, Zone 3 and Washington State. Through several meetings leveraging the guidance and expertise of the legal and mutual aid subject matter experts involved, the subcommittee finalized the current draft of the ‘*AGREEMENT for Organizations Participating in the Regional Coordination Framework for Disasters and Planned Event for Public and Private Organizations in King County, Washington*.’ A large percentage of the original language has stayed the same with a few language and terminology updates. The key areas of adjustment include:

New Changes
Document re-titled to ‘Agreement’ – simpler title; Replaced ‘Omnibus Legal and Financial Agreement’
Replaced ‘Plan’ wording throughout document with ‘Framework’
Replaced ‘Omnibus’ wording throughout document with ‘Agreement’
Terminology changes made by replacing ‘borrower’ and ‘lender’ with ‘requester’ and ‘responder’
Adjusted language in ‘Article I – Applicability’ to say “...located in King County.”; Replaced “...in and bordering geographic King County.”
Updated verbiage in ‘Article II – Definitions’ on ‘Basic Plan’ and ‘Package’ since it is now a ‘Framework’
Cleaned-up language in ‘Article II – Definitions’ on ‘Emergency’

Council Packet April 18, 2023

Regional Coordination Framework AGREEMENT

Cleaned-up language in 'Article II – Definitions' on 'Emergency Contact Points'
Updated respective sections with correct King County Office of Emergency Management address; Former '7300 Perimeter Road' address
Updated verbiage in 'Article IV – Role of Emergency Contact Point for Signatory Partners'
Renaming to and cleaned-up language in 'Article VI – Payment and Billing'; Formerly titled 'Article VI – Payment for Services and Assistance'
Cleaned-up language in 'Article VIII – Requests for Emergency Assistance'
Removed section 'IX – General Nature of Emergency Assistance'; Repetitive of existing language
Renaming to 'Article IX – Provision of Equipment'; Formerly 'Article X – Loans of Equipment'
Renaming to 'Article X – Provision of Materials and Supplies'; Formerly 'Article XI – Exchange of Materials and Supplies'
Renaming to 'Article XI – Provision of Personnel'; Formerly 'Article XII – Loans of Personnel'
Renaming to and cleaned-up language 'Article XII – Record Keeping'; Formerly 'Article XIII – Record keeping'
Renaming to and cleaned-up language 'Article XIII – Indemnification, Limitation of Liability, and Dispute Resolution'; Formerly 'Article XIV – Indemnification and Limitation of Liability'
Articles following have been renumbered and renamed appropriately

AGREEMENT

*for organizations participating in the
Regional Coordination Framework for Disasters and Planned Events
for Public and Private Organizations in King County, Washington*

This AGREEMENT (“Agreement”) is entered into by the public and private organizations who become signatories hereto (“Signatory Partners”) to facilitate the provision of Emergency Assistance to each other during times of emergency.

WHEREAS, the Signatory Partners have expressed a mutual interest in the establishment of an Agreement to facilitate and encourage Emergency Assistance among participants; and

WHEREAS, the Signatory Partners do not intend for this Agreement to replace or infringe on the authority granted by any federal, state, or local governments, statutes, ordinances, or regulations; and

WHEREAS, in the event of an emergency, a Signatory Partner may need Emergency Assistance in the form of supplemental personnel, equipment, materials or other support; and

WHEREAS, each Signatory Partner may own and maintain equipment, stocks materials, and employs trained personnel for a variety of services and is willing, under certain conditions, to provide its supplies, equipment and services to other Signatory Partners in the event of an emergency; and

WHEREAS, the proximity of the Signatory Partners to each other enables them to provide Emergency Assistance to each other in emergency situations.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, each Signatory Partner agrees as follows:

Article I - APPLICABILITY.

A private or public organization located in King County, Washington, may become a Signatory Partner by signing this Agreement and becoming bound thereby. This Agreement may be executed in multiple counterparts.

Article II - DEFINITIONS.

- A. 'Assistance Costs' means any direct material costs, equipment costs, equipment rental fees, fuel, and the labor costs that are incurred by the Responder in providing any asset, service, or assistance requested.
- B. 'Emergency' means an event or set of circumstances that qualifies as an emergency under any applicable statute, ordinance, or regulation.
- C. 'Emergency Assistance' means employees, services, equipment, materials, or supplies provided by a Responder in response to a request from a Requester.
- D. 'Emergency Contact Points' means persons designated by each Signatory Partner who will have (or can quickly get) the authority to commit available equipment, services, and personnel for their organization.
- E. 'King County Emergency Management Advisory Committee ("EMAC")' is the Committee established in King County Code 2.36.055.
- F. 'Regional Coordination Framework for Disasters and Planned Events for Public and Private Organizations in King County' ("Framework") means an all hazards architecture for collaboration and coordination among jurisdictional, organizational, and business entities during emergencies in King County.
- G. 'Requester' means a Signatory Partner that has made a request for Emergency Assistance.
- H. 'Responder' means a Signatory Partner providing or intending to provide Emergency Assistance to a Requester.
- I. 'Signatory Partner' means any public or private organization in King County, WA, that enters into this Agreement by signature of a person authorized to sign.
- J. 'Termination Date' is the date upon which this agreement terminates pursuant to Article V.

Article III - PARTICIPATION.

Participation in this Agreement, and the provision of personnel or resources, is purely voluntary and at the sole discretion of the requested Responder. Signatory Partners that execute the Agreement are expected to:

- A. Identify and furnish to all other Signatory Partners a list of the Organization's current Emergency Contact Points together with all contact information; and .
- B. Participate in scheduled meetings to coordinate operational and implementation issues to the maximum extent possible.

Article IV - ROLE OF EMERGENCY CONTACT POINT FOR SIGNATORY PARTNERS.

Signatory Partners agree that their Emergency Contact Points or their designees can serve as representatives of the Signatory Partner in any meeting to work out the language or implementation issues of this Agreement.

The Emergency Contact Points of a Signatory Partner shall:

- A. Act as a single point of contact for information about the availability of resources when other Signatory Partners seek assistance.
- B. Maintain a manual containing the Framework, including a master copy of this Agreement (as amended), and a list of Signatory Partners who have executed this Agreement.
- C. Each Signatory Partner will submit its Emergency Contact Information Form to the King County Office of Emergency Management ("KCOEM"). KCOEM will maintain a list showing the succession in all the Signatory Partners. This list will include names, addresses, and 24-hour phone numbers of the Emergency contact points (2-3 deep) of each Signatory Partner. Note: the phone number of a dispatch office staffed 24 hours a day that is capable of contacting the Emergency contact point(s) is acceptable.

Article V - TERM AND TERMINATION.

- A. This Agreement is effective upon execution by a Signatory Partner.

B. A Signatory Partner may terminate its participation in this Agreement by providing written termination notification to the EMAC, care of the KCOEM, 3211 NE 2nd Street, Renton WA 98056, or by Fax at 206-205-4056. Notice of termination becomes effective upon receipt by EMAC which shall, in turn, notify all Signatory Partners. Any terminating Signatory Partner shall remain liable for all obligations incurred during its period of participation, until the obligation is satisfied.

Article VI - PAYMENT AND BILLING.

- a. Requester shall pay to Responder all valid and invoiced Assistance Costs within 60 days of receipt of Responder's invoice, for the Emergency Assistance services provided by Responder. Invoices shall include, as applicable, specific details regarding labor costs, including but not limited to the base rate, fringe benefits rate, overhead, and the basis for each element; equipment usage detail and, material cost breakdown.
- b. In the event Responder provides supplies or parts, Responder shall have the option to accept payment of cash or in-kind for the supplies or parts provided.
- c. Reimbursement for use of equipment requested under the terms of this Agreement, such as construction equipment, road barricades, vehicles, and tools, shall be at the rate mutually agreed between Requester and Responder. The rate may reflect the rate approved and adopted by the Responder, a rate set forth in an industry standard publication, or other rate.

Article VII - INDEPENDENT CONTRACTOR.

Responder shall be and operate as an independent contractor of Requester in the performance of any Emergency Assistance. Employees of Responder shall at all times while performing Emergency Assistance continue to be employees of Responder and shall not be deemed employees of Requester for any purpose. Wages, hours, and other terms and conditions of employment of Responder shall remain applicable to all of its employees who perform Emergency Assistance. Responder shall be solely responsible for payment of its employees' wages, any required payroll taxes and any benefits or other compensation. Requester shall not be responsible for paying any wages, benefits, taxes, or other compensation directly to the Responder's employees. The costs associated with requested personnel are subject to the reimbursement process outlined in Article XI. In no event shall Responder or its officers, employees, agents, or representatives be authorized (or

represent that they are authorized) to make any representation, enter into any agreement, waive any right or incur any obligation in the name of, on behalf of or as agent for Requester under or by virtue of this Agreement.

Article VIII - REQUESTS FOR EMERGENCY ASSISTANCE.

Requests for Emergency Assistance shall be made by a person authorized by the Requester to make such requests and approved by a person authorized by Responder to approve such requests. If this request is verbal, it must be confirmed in writing within thirty days after the date of the request.

Article IX - PROVISION OF EQUIPMENT.

Provision of equipment and tools loans is subject to the following conditions:

1. At the option of Responder, equipment may be provided with an operator. See Article XI for terms and conditions applicable to use of personnel.
2. Provided equipment shall be returned to Responder upon release by Requester, or immediately upon Requester's receipt of an oral or written notice from Responder for the return of the equipment. When notified to return equipment to Responder, Requester shall make every effort to return the equipment to Responder's possession within 24 hours following notification. Equipment shall be returned in the same condition as when it was provided to Requester.
3. During the time the equipment has been provided, Requester shall, at its own expense, supply all fuel, lubrication and maintenance for Responder's equipment. Requester shall take proper precaution in its operation, storage and maintenance of Responder's equipment. Equipment shall be used only by properly trained and supervised operators. Responder shall endeavor to provide equipment in good working order. All equipment is provided "as is", with no representations or warranties as to its condition, fitness for a particular purpose, or merchantability.
4. Responder's cost related to the transportation, handling, and loading/unloading of equipment shall be chargeable to Requester. Responder shall submit copies of invoices from outside sources that perform such services and shall provide accounting of time and hourly costs for Responder's employees who perform such services.

5. Without prejudice to Responder's right to indemnification under Article XIII herein, in the event equipment is lost, stolen or damaged from the point the Requestor has the beneficial use of the equipment, or while in the custody and use of Requester, or until the Requestor no longer has the beneficial use of the equipment, Requester shall reimburse Responder for the reasonable cost of repairing or replacing said damaged equipment. If the equipment cannot be repaired within a time period required by Responder, then Requester shall reimburse Responder for the cost of replacing such equipment with equipment which is of equal condition and capability. Any determinations of what constitutes "equal condition and capability" shall be at the discretion of Responder. If Responder must lease or rent a piece of equipment while Responder's equipment is being repaired or replaced, Requester shall reimburse Responder for such costs. Requester shall have the right of subrogation for all claims against persons other than parties to this Agreement that may be responsible in whole or in part for damage to the equipment. Requester shall not be liable for damage caused by the sole negligence of Responder's operator(s).

Article X - PROVISION OF MATERIALS AND SUPPLIES.

Requester shall reimburse Responder in kind or at Responder's actual replacement cost, plus handling charges, for use of partially consumed, fully consumed, or non-returnable materials and supplies, as mutually agreed between Requester and Responder. Other reusable materials and supplies which are returned to Responder in clean, damage-free condition shall not be charged to the Requester and no rental fee will be charged. Responder shall determine whether returned materials and supplies are "clean and damage-free" and shall treat material and supplies as "partially consumed" or "non-returnable" if found to be damaged.

Article XI - PROVISION OF PERSONNEL.

Responder may, at its option, make such employees as are willing to participate available to Requester at Requester's expense equal to Responder's full cost, including employee's salary or hourly wages, call back or overtime costs, benefits and overhead, and consistent with Responder's personnel union contracts, if any, or other conditions of employment. Costs to feed and house Responder's personnel, if necessary, shall be chargeable to and paid by Requester. Requester is responsible for assuring such arrangements as may be necessary for the safety, housing, meals, and transportation to and from job sites/housing sites (if necessary) for Responder's personnel. Responder shall bill all costs to Requester, who is responsible for paying

all billed costs. Responder may require that its personnel providing Emergency Assistance shall be under the control of their regular leaders, but the organizational units will come under the operational control of the command structure of Requester. Responder's employees may decline to perform any assigned tasks if said employees judge such task to be unsafe. A request for Responder's personnel to direct the activities of others during a particular response operation does not relieve Requester of any responsibility or create any liability on the part of Responder for decisions and/or consequences of the response operation. Responder's personnel may refuse to direct the activities of others. Responder's personnel holding a license, certificate, or other permit evidencing qualification in a professional, mechanical, or other skill, issued by the state of Washington or a political subdivision thereof, is deemed to be licensed, certified, or permitted in any Signatory Partner's jurisdiction for the duration of the emergency, subject to any limitations and conditions the chief executive officer and/or elected and appointed officials of the applicable Signatory Partners jurisdiction may prescribe in writing. When notified to return personnel to Responder, Requester shall make every effort to return the personnel to Responder promptly after notification.

Article XII - RECORD KEEPING.

Time sheets and/or daily logs showing hours worked and equipment and materials used or provided by Responder will be recorded on a shift-by-shift basis by the Responder and will be submitted to Requester as needed. If no personnel are provided, Responder will submit shipping records for materials and equipment, and Requester is responsible for any required documentation of use of material and equipment for state or federal reimbursement. Under all circumstances, Requester remains responsible for ensuring that the amount and quality of all documentation is adequate to enable reimbursement.

Article XIII – INDEMNIFICATION, LIMITATION OF LIABILITY, AND DISPUTE RESOLUTION.

A. INDEMNIFICATION. Except as provided in section B., to the fullest extent permitted by applicable law, Requester releases and shall indemnify, hold harmless and defend each Responder, its officers, employees and agents from and against any and all costs, including costs of defense, claims, judgments or awards of damages asserted or arising directly or indirectly from, on account of, or in connection with providing, or declining to provide, or not being asked to provide, Emergency Assistance to Requester, whether arising before, during, or after performance of the Emergency Assistance and whether suffered by any of the Signatory Partners or any other person or entity.

Requester agrees that its obligation under this section extends to any claim, demand and/or cause of action brought by or on behalf of any of its employees, or agents. For this purpose, Requester, by mutual negotiation, hereby waives, as respects any indemnitee only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW of the State of Washington and similar laws of other states.

B. ACTIVITIES IN BAD FAITH OR BEYOND SCOPE. Any Signatory Partner shall not be required under this Agreement to indemnify, hold harmless and defend any other Signatory Partner from any claim, loss, harm, liability, damage, cost or expense caused by or resulting from the activities of any Signatory Partners' officers, employees, or agents acting in bad faith or performing activities beyond the scope of their duties.

C. LIABILITY FOR PARTICIPATION. In the event of any liability, claim, demand, action or proceeding, of whatever kind or nature arising out of rendering of Emergency Assistance through this Agreement, Requester agrees to indemnify, hold harmless, and defend, to the fullest extent of the law, each Signatory Partner, whose only involvement in the transaction or occurrence which is the subject of such claim, action, demand, or other proceeding, is the execution and approval of this Agreement.

D. DELAY/FAILURE TO RESPOND. No Signatory Partner shall be liable to another Signatory Partner for, or be considered to be in breach of or default under, this Agreement on account of any delay in or failure to perform any obligation under this Agreement, except to make payment as specified in this Agreement.

E. MEDIATION AND ARBITRATION. If a dispute arises under the terms of this Agreement, the Signatory Partners involved in the dispute shall first attempt to resolve the matter by direct negotiation. If the dispute cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by mediation. Thereafter, any unresolved controversy or claim arising out of or relating to this Contract, or breach thereof, may be settled by arbitration, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

F. SIGNATORY PARTNERS LITIGATION PROCEDURES. Each Signatory Partner seeking to be released, indemnified, held harmless or defended under this Article with respect to any claim shall promptly notify Requester of such claim and shall not settle such claim without the prior consent of Requester. Such Signatory Partners shall have the right to

participate in the defense of said claim to the extent of its own interest. Signatory Partners' personnel shall cooperate and participate in legal proceedings if so requested by Requester, and/or required by a court of competent jurisdiction.

Article XIV - SUBROGATION.

A. REQUESTER'S WAIVER. Requester expressly waives any rights of subrogation against Responder, which it may have on account of, or in connection with, Responder providing Emergency Assistance to Requester under this Agreement.

B. RESPONDER'S RESERVATION AND WAIVER. Responder expressly reserves its right to subrogation against Requester to the extent Responder incurs any self-insured, self-insured retention or deductible loss. Responder expressly waives its rights to subrogation for all insured losses only to the extent Responder's insurance policies, then in force, permit such waiver.

Article XV - WORKER'S COMPENSATION AND EMPLOYEE CLAIMS.

Responder's employees, officers or agents, made available to Requester, shall remain the general employees of Responder while engaged in carrying out duties, functions or activities pursuant to this Agreement, and each Signatory Partner shall remain fully responsible as employer for all taxes, assessments, fees, premiums, wages, withholdings, workers' compensation, and other direct and indirect compensation, benefits, and related obligations with respect to its own employees. Likewise, each Signatory Partner shall provide worker's compensation in compliance with statutory requirements of the state of residency.

Article XVI - MODIFICATIONS.

Modifications to this Agreement must be in writing and will become effective upon approval by a two-thirds affirmative vote of the Signatory Partners. Modifications must be signed by an authorized representative of each Signatory Partner. EMAC will be the coordinating body for facilitating modifications of this Agreement.

Article XVII- NON-EXCLUSIVENESS AND PRIOR AGREEMENTS.

This Agreement shall not supersede any existing mutual aid agreement or agreements between two or more governmental agencies, and as to assistance requested by a party to such mutual aid agreement within the scope of the mutual aid agreement, such assistance shall be governed by the terms of the mutual aid agreement and not by this Agreement. This Agreement shall, however, apply to all requests for assistance beyond the scope of any mutual aid agreement or agreements in place prior to the event.

Article XVIII - GOVERNMENTAL AUTHORITY.

This Agreement is subject to laws, rules, regulations, orders, and other requirements, now or hereafter in effect, of all governmental authorities having jurisdiction over the emergencies covered by this Agreement or the Signatory Partner. Provided that a governmental authority may alter its obligations under this Agreement only as to future obligations, not obligations already incurred.

Article XIX - NO DEDICATION OF FACILITIES.

No undertaking by one Signatory Partner to the other Signatory Partners under any provision of this Agreement shall constitute a dedication of the facilities or assets of such Signatory Partners, or any portion thereof, to the public or to the other Signatory Partners. Nothing in this Agreement shall be construed to give a Signatory Partner any right of ownership, possession, use or control of the facilities or assets of the other Signatory Partners.

Article XX - NO PARTNERSHIP.

This Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Signatory Partners or to impose any partnership obligation or liability upon any Signatory Partner. Further, no Signatory Partner shall have any undertaking for or on behalf of, or to act as or be an agent or representative of, or to otherwise bind any other Signatory Partner.

Article XXI - NO THIRD PARTY BENEFICIARY.

Nothing in this Agreement shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party. This Agreement shall not confer any right, or remedy upon any person other than the Signatory Partners. This Agreement shall not release or discharge any obligation or liability of any third party to any Signatory Partners.

Article XXII - ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement and supersedes any and all prior agreements of the Parties, with respect to the subject matters hereof.

Article XXIII - SUCCESSORS AND ASSIGNS.

This Agreement is not transferable or assignable, in whole or in part, and any Signatory Partner may terminate its participation in this Agreement subject to Article V.

Article XXIV - GOVERNING LAW.

This Agreement shall be interpreted, construed, and enforced in accordance with the laws of Washington State.

Article XXV - VENUE.

Any action which may arise out of this Agreement shall be brought in Washington State and King County. Provided, that any action against a participating County may be brought in accordance with RCW 36.01.050.

Article XXVI - TORT CLAIMS.

It is not the intention of this Agreement to remove from any of the Signatory Partners any protection provided by any applicable Tort Claims Act. However, between Requester and Responder, Requester retains full liability to Responder for any claims brought against Responder as described in other provisions of this agreement.

Article XXVII - WAIVER OF RIGHTS.

Any waiver at any time by any Signatory Partner of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay short of the statutory period of limitations, in asserting or enforcing any right, shall not constitute or be deemed a waiver.

Article XXVIII - INVALID PROVISION.

The invalidity or unenforceability of any provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Article XXIX - NOTICES.

Any notice, demand, information, report, or item otherwise required, authorized, or provided for in this Agreement shall be conveyed and facilitated by EMAC, care of the KCOEM, 3511 NE 2nd Street, Renton WA 98056, Phone: 206-296-3830, Fax: 206-205-4056. Such notices, given in writing, and shall be deemed properly given if (i) delivered personally, (ii) transmitted and received by telephone facsimile device and confirmed by telephone, (iii) transmitted by electronic mail, or (iv) sent by United States Mail, postage prepaid, to the EMAC.

Signatory Documentation Sheet

The Regional Coordination Framework for Disasters and Planned Events for Public and Private Organizations in King County, Washington is intended to be adopted as the framework for participating organizations, within King County, to assist each other in disaster situations when their response capabilities have been overloaded. Components, as of January 2014, are the following:

- Regional Coordination Framework for Disasters and Planned Events for Public and Private Organizations in King County
- Agreement (legal and financial)

IN WITNESS WHEREOF, the Signatory Partner hereto has caused this Regional Coordination Framework for Disasters and Planned Events to be executed by duly authorized representatives as of the date of their signature:

ORGANIZATION:

ADDRESS:

AUTHORIZED SIGNATURE:

DATE: _____

Please submit this form to the King County Office of Emergency Management
3511 NE 2nd Street
Renton, WA 98056



City Council Agenda Bill

SUBJECT:	Agenda Date: April 18, 2023	AB23-047
Motion Approving Economic Development Action Plan	Department/Committee/Individual Mayor Rob McFarland City Administrator – David Miller City Attorney – Lisa Marshall City Clerk – Susie Oppedal Administrative Services – Lisa Escobar Comm. & Economic Development – Rebecca Deming Finance – Richard Gould Public Works – Mark Rigos Economic Development Manager – Mark Noll	
Cost Impact: \$0		
Fund Source: N/A		
Timeline: Immediate		X

Attachments: Overview Slide of Planning Process; Economic Development Action Plan

SUMMARY STATEMENT:

In 2020 City Council directed staff and the Economic Development Commission (EDC) to develop a citywide economic development strategy. In response, the EDC developed a vision and high-level goals for economic development consistent with the City's comprehensive plan and Branding Guidelines. The EDC also completed a SWOT (strengths, weaknesses, opportunities, threats) analysis outlining many of the primary issues and opportunities relevant to economic development in North Bend. These items were presented to Council by the previous chair of the EDC, Coreen Wilson, in April 2022.

On June 7, 2022, Council approved a contract with Place + Main Advisors to assist the City in developing an economic development action plan. As a result of extensive stakeholder outreach and data analysis, including updates to demographic and retail leakage data collected in the 2018 Economic Profile, Place + Main identified primary economic development challenges and opportunities in North Bend and developed a list of actionable strategies that 1) align with the Plan's visions and goals, 2) address challenges identified throughout the planning process, and 3) pursue long-term fiscal strength.

On November 29, 2022, Place + Main presented the preliminary data analysis at a joint City Council/EDC Workstudy meeting. The draft plan was then presented to City Council at a subsequent Workstudy meeting on February 14, 2023. Following updates to the plan based on Council feedback, the draft plan was shared with community stakeholders and the public for review and comment beginning on March 13. On March 28, the EDC recommended the City Council approve the Economic Development Action Plan.

Following approval, staff will work in partnership with key stakeholders and implementation partners to update the Economic Development Element of the Comprehensive Plan and pursue work programs and resources that align with the recommendations identified in the Economic Development Action Plan.

APPLICABLE BRAND GUIDELINES: Economic Viability / Balanced Budget

COMMITTEE REVIEW AND RECOMMENDATION: The Economic Development Action Plan went to Council Workstudy on November 29, 2022 and February 14, 2023 for review and direction. The Community & Economic Development Council Committee Chair agreed that it would be appropriate to take this item to the City Council on the Main Agenda for discussion.

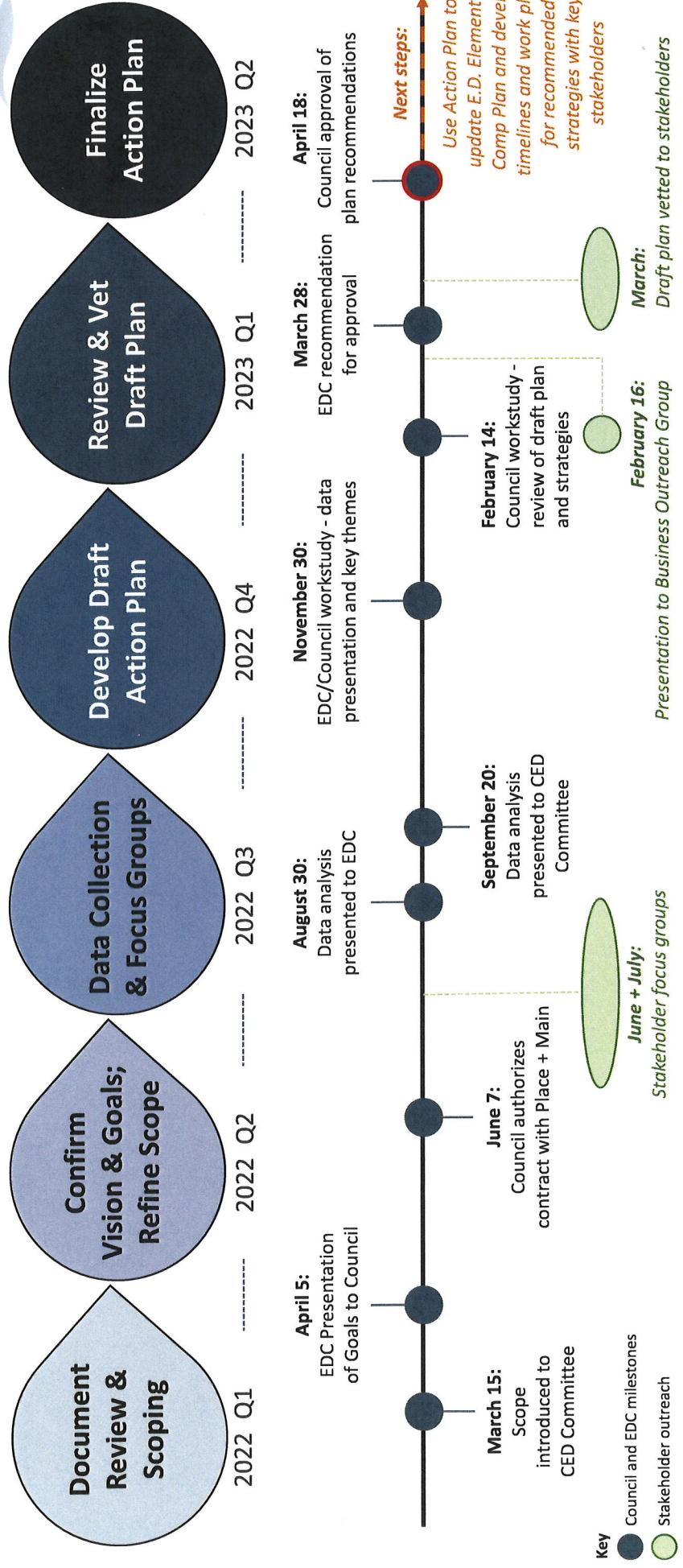
RECOMMENDED ACTION: MOTION to approve AB23-047, approving the Economic Development Action Plan.

RECORD OF COUNCIL ACTION

Meeting Date	Action	Vote
April 18, 2023		



Economic Development Action Plan Timeline



City of North Bend | Easy to Reach... Hard to Leave

1



2023 ECONOMIC DEVELOPMENT ACTION PLAN



2023 ECONOMIC DEVELOPMENT ACTION PLAN

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STATEMENT FROM MAYOR MCFARLAND

It is my honor and privilege to share with you the City of North Bend's Economic Development Action Plan. This plan is the culmination of an eight-month process and is one of several interconnected plans that seek to improve the quality of life and advance the economic conditions of the city and our residents.

This Action Plan will serve as a roadmap for the City and its partners in the implementation of strategies that create opportunities for residents, businesses, and the City while addressing the unique challenges our community faces. These challenges include the growing unaffordability of housing for existing and potential residents, the lack of needed infrastructure that will allow for more housing and jobs within the city's urban growth boundary, enticing visitors to stay and spend more money in our community, and to provide long-term stability for the City's finances.

These challenges are daunting. But we are prepared to do the hard work necessary to create an environment that protects our community's character, respects our planet, and provides ample opportunities for our residents and businesses to improve their economic condition.

Background and Purpose

The gateway to countless recreational adventures and outdoor experiences in the Washington Cascades and Snoqualmie Valley, at the foot of prominent Mt. Si and just 30 miles east of Seattle, North Bend is experiencing a period of unprecedented interest as a place to live, work, shop, and play.

As the Puget Sound region continues to thrive, and quality of life becomes a chief factor in residential and business decisions, development pressure in North Bend is accelerating and will continue to do so for the foreseeable future. This critical period of growth presents both challenges and opportunities for North Bend that merit attention and understanding to inform decisions and direct growth in a way that best meets the needs and desires of the community.

The city of North Bend is located within a designated Urban Growth Area and required to meet population growth targets as established under the Washington State Growth Management Act. Following a development moratorium in the early 2000s,



North Bend has experienced rapid residential growth since 2010 that has greatly increased demand for commercial goods and services, employment opportunities, and quality of life amenities such as parks, safe streets, pathways, and gathering places.

In response to this growing list of needs, City Council directed staff to create an economic development strategy to inform and guide decision making related to the city's recent,

ongoing, and anticipated growth and ensure balanced and sustainable revenue sources to meet the needs of a growing community.

This Action Plan is the culmination of this directive and is intended to serve as a living document that guides economic development decisions into the future and tracks progress toward stated goals and objectives.

URBAN GROWTH AREA

The City of North Bend exists in an Urban Growth Area (UGA) within King County. UGAs were created by the Washington State Legislature as a way to focus growth and protect undeveloped natural areas from sprawl and development unfriendly to the environment. Under RCW 36.70A.110, designated counties must identify areas where growth will be focused.

These areas are the only places where large scale development is allowed to occur. Furthermore, in order to meet demand, these areas also have growth targets they must meet to remain in compliance with state law. The purpose of these growth targets is to allow communities to meet development demand without artificially increasing costs due to the limiting geography.

Planning Process and Timeline

Following City Council's directive in 2020 to develop an economic development strategy, City staff worked alongside the Economic Development Commission through 2021 to develop an economic development vision and high-level set of goals that would guide the direction of the city's economic development strategy.

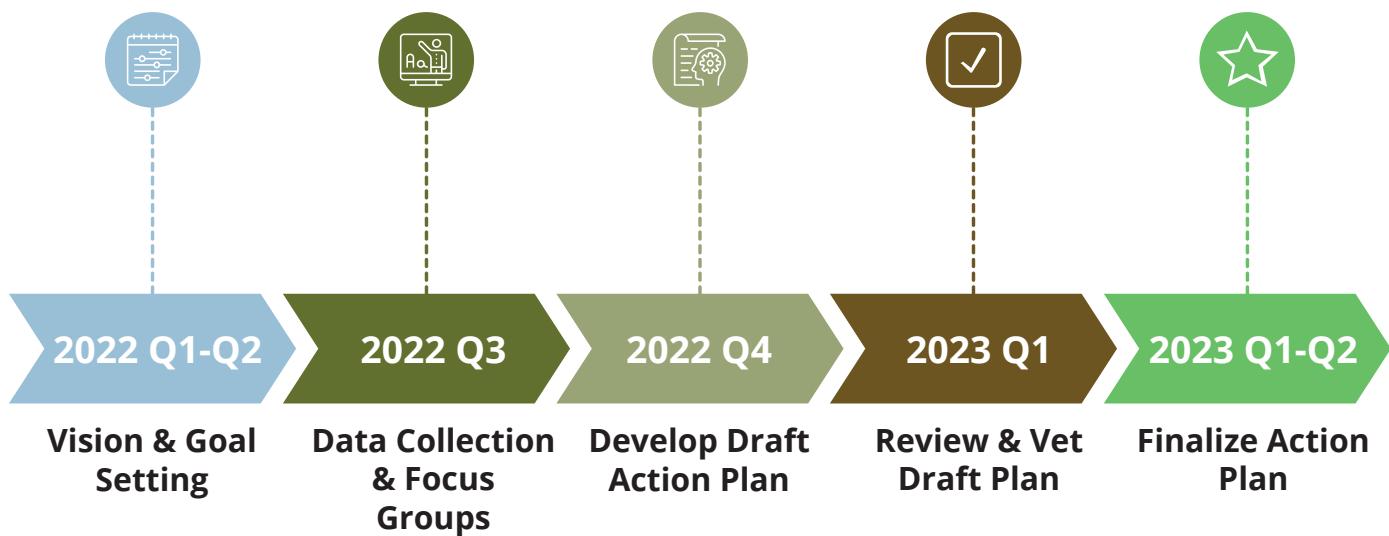
In June 2022, City Council approved a contract with Place + Main Advisors to expand upon these goals and assist in the development of an Economic Development Action Plan. The process for developing this Action Plan has included extensive stakeholder outreach including multiple focus groups, meetings, and individual interviews with

local business owners, property owners and developers, City staff, members of City Council and Commissions, and key local and regional partners. This outreach resulted in a deep understanding of existing issues and challenges as well as needs and opportunities that help inform the strategies within this Action Plan.

In addition, this Action Plan takes into account findings from extensive data analysis that highlight key trends in demographics, housing, employment, and retail and commercial activity since completion of the City 2018 Economic Profile. A snapshot of key findings are included in the

following Existing Conditions section and complete results are included in the Appendix. Finally, the planning process for this Action Plan included an inventory and review of previously proposed recommendations and strategies in existing documents, including the 2008 Downtown Master Plan, 2015 Economic Development Element of the Comprehensive Plan, 2018 Brand Implementation Guidelines, and 2018 Economic Profile. Many of the themes and recommendations in these documents remain relevant. The strategies within this Action Plan align with and build upon many of these earlier recommendations.

Economic Development Action Plan Timeline



VISION

An economically diverse and sustainable community reflecting North Bend's unique identity as a highly livable town and outdoor recreation destination

GOALS

1

Healthy, Thriving Businesses

Businesses are successful in North Bend and can access City services with predictability and consistency

2

Fiscal Sustainability

The City of North Bend is able to meet its financial obligations, promotes efficient development, and creates the conditions for development to be successful

3

Increase Housing Opportunity

There is a variety of housing types and price ranges to make North Bend more livable

4

Leverage Tourism, Arts & Culture, & Recreation Opportunities

Using the area's natural resources, arts & cultural assets, and recreation system to attract both visitors and potential residents

5

Increase Walkability of Downtown, Commercial Districts, & Neighborhoods

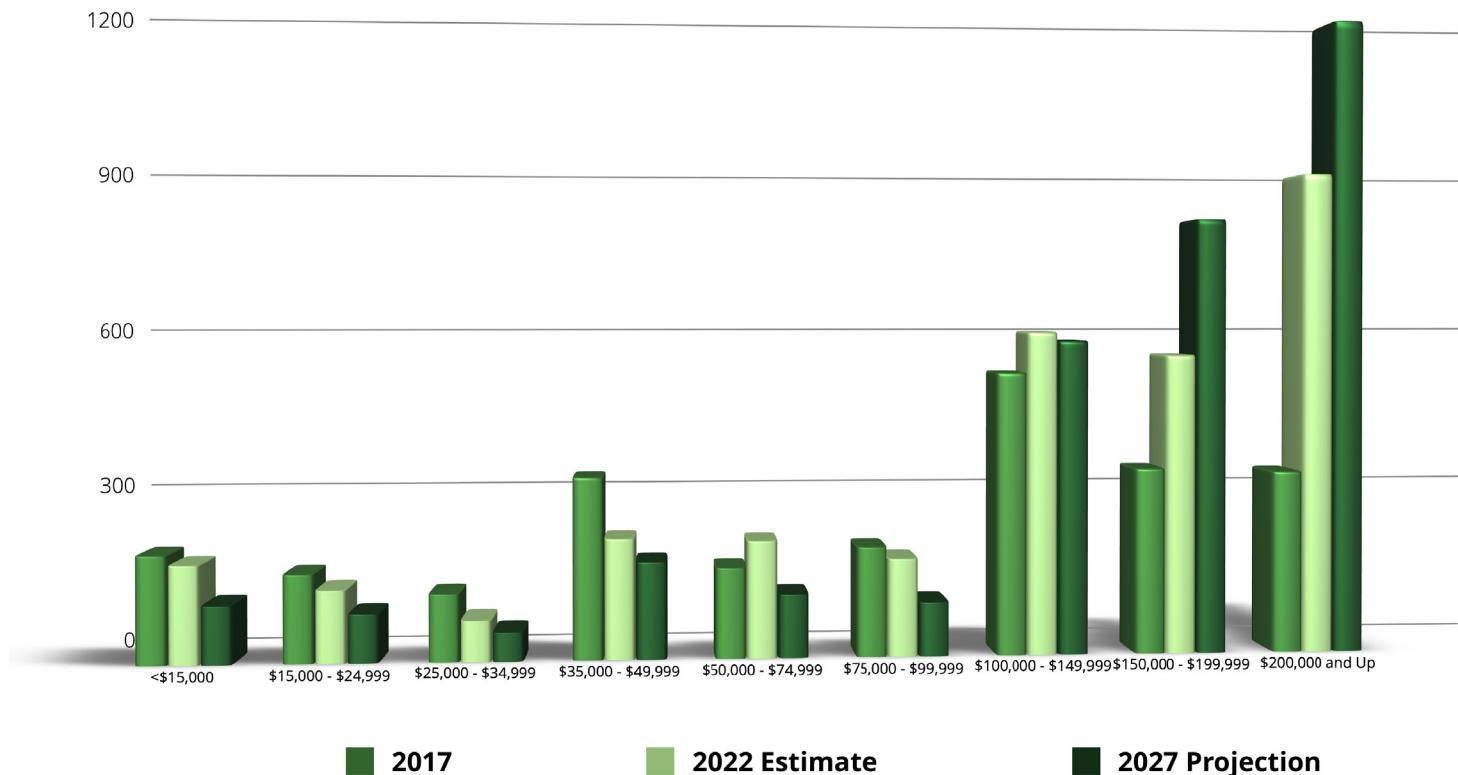
Make the community safe for pedestrians of all ages and abilities to traverse the community on foot or bicycle

Existing Conditions

An assessment of existing conditions based on many stakeholder conversations and in-depth data analysis provide an up-to-date snapshot of North Bend. Key takeaways from the demographic analysis are shown below and the complete Economic Profile is included as an Appendix beginning on page 21.

Key Data Points- Household Income Detail

Source: US Census, ESRI 2022

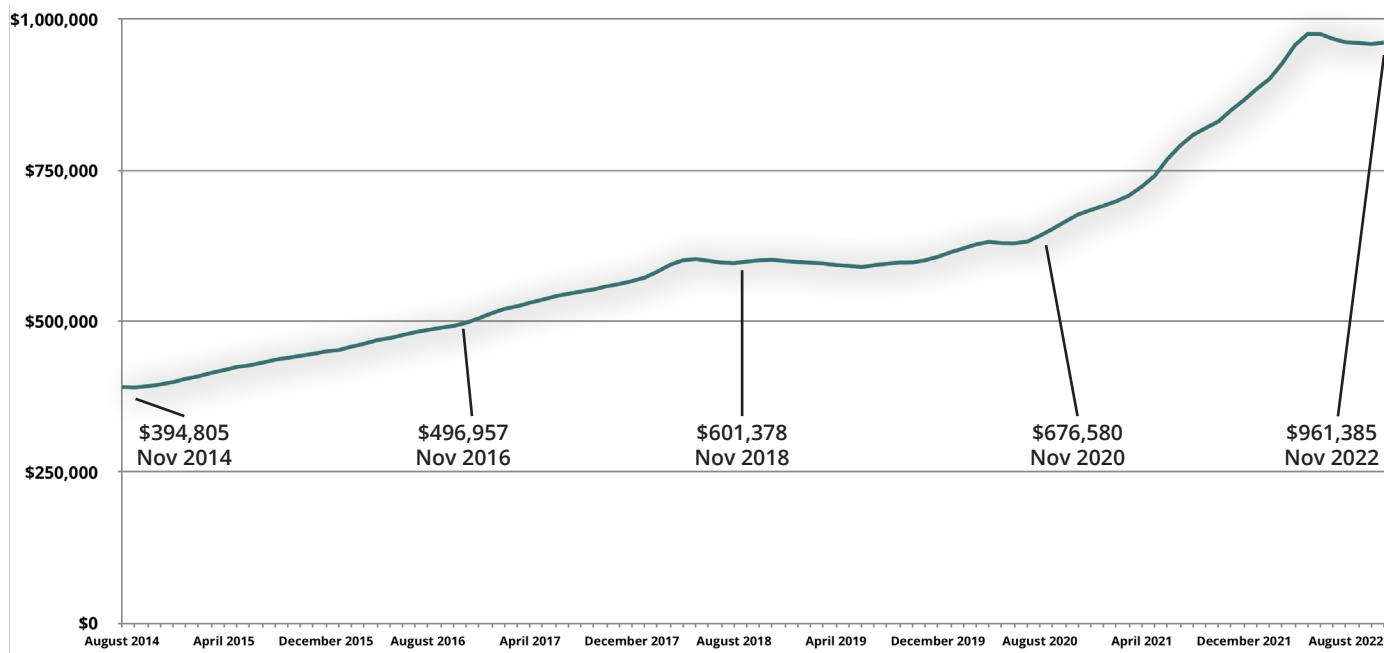


The graph (above) and chart (right) show the current estimates and future projections for the breakdown in household income among all households in the city. There are a significant number of households above \$100,000, and those above \$150,000 are expected to grow by 2027. However, the households below \$100,000 are expected to shrink, meaning the city's more affluent residents will continue to grow in affluence and those who are struggling financially will do the opposite.

	2017	2022 Estimate	2027 Projection
<\$15,000	198	180	107
\$15,000 - \$24,999	162	133	89
\$25,000 - \$34,999	124	75	53
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\$50,000 - \$74,999	167	216	117
\$75,000 - \$99,999	203	181	100
\$100,000 - \$149,999	523	598	582
\$150,000 - \$199,999	344	555	808
\$200,000 and Up	337	893	1,179

Existing Conditions

Key Data Points- Average Home Sale Price

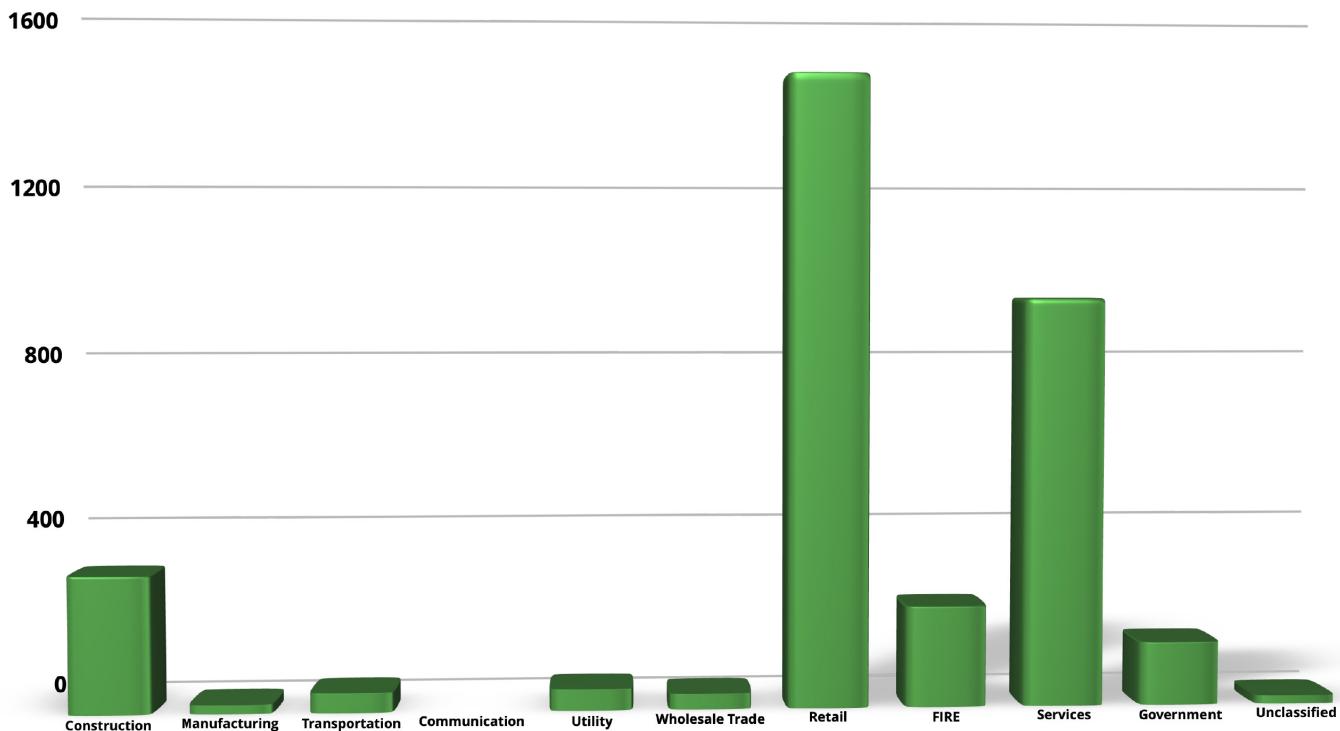


Source: ZILLOW, 2022

The graph (above) shows the increase in average home sales in the city from August 2014 through November of 2022. During the last eight years, home prices have more than doubled. While North Bend is hardly alone in the Puget Sound region facing this challenge, it is still a formidable challenge to those seeking to remain in the community or move to it. This sales data combined with Household Income trends shows that home ownership, the single biggest financial asset most Americans have, is out of reach for a significant portion of the community.

Existing Conditions

Key Data Points- Employment in North Bend



Source: ESRI 2022

As the chart (right) and graph (above) demonstrate, the diversity of jobs available in the city are not as balanced as those jobs held by residents. The city's local economy has a heavy reliance on retail and service-based businesses and reflect that in employment data. These two sectors often have lower paying wages and, combined with increasing housing costs, likely contribute to why workers live outside the city and commute in.

A diversity of employment opportunities as well as a diversity in housing opportunities would bring more balance to the community.

Business Type	Employees
Agriculture & Mining	22
Construction	313
Manufacturing	21
Transportation	45
Communication	0
Utility	49
Wholesale Trade	36
Retail Trade Summary	1,445
Finance, Insurance, Real Estate Summary	232
Services Summary	935
Government	145
Unclassified Establishments	19

Existing Conditions

Key Data Points- Business District Property Tax Revenue Comparison



Source: City of North Bend, WA, 2021, 2022

The graphs above shows a comparison of the three major commercial districts in the city. The top graph show a comparison of the three districts based on property tax revenue per acre in 2022, while the graph below shows the total property tax revenue from the three districts over the past four years. Both of these graphs demonstrate how much more productive the Downtown district is in terms of property tax revenue.

Existing Conditions

Key Data Points- Vacancy Rates

Vacancy rates for retail, office, industrial space and multi-family residential units are below national averages suggesting a need for additional development of these uses. A breakdown of these sectors is below:

Retail

Retail vacancy rate fluctuated from 5% to 3% in the last 5 years, and as of November 2022, it stood at 3.9%. The US average for the same period was 4.3%. Despite some notable vacancies in the Outlet Mall and downtown, a 4% vacancy rate is considered almost fully occupied.

Office

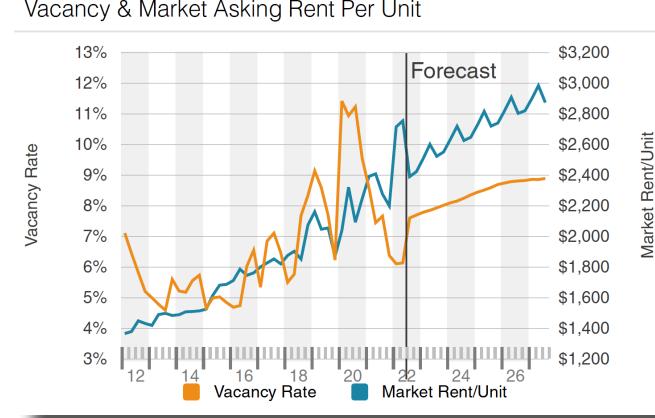
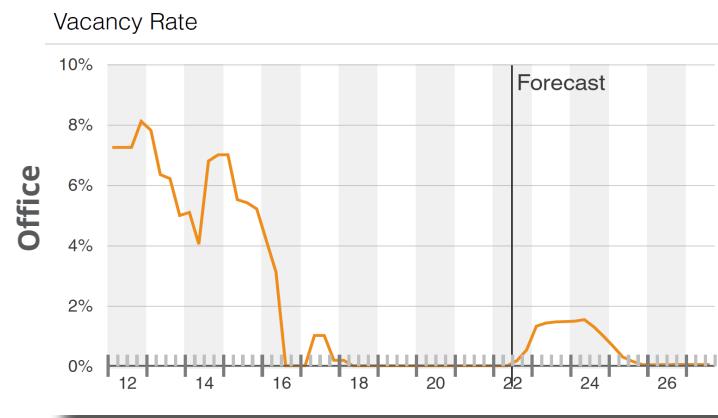
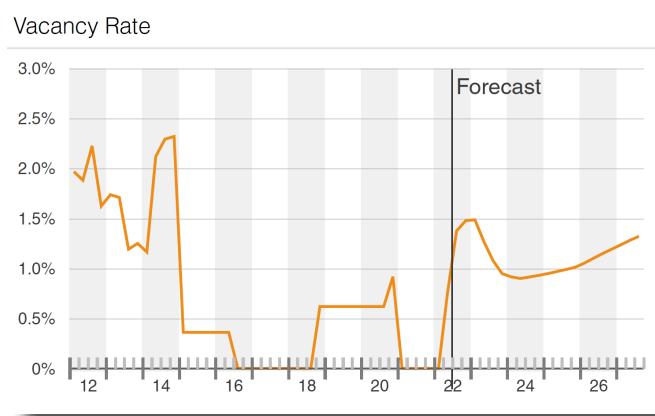
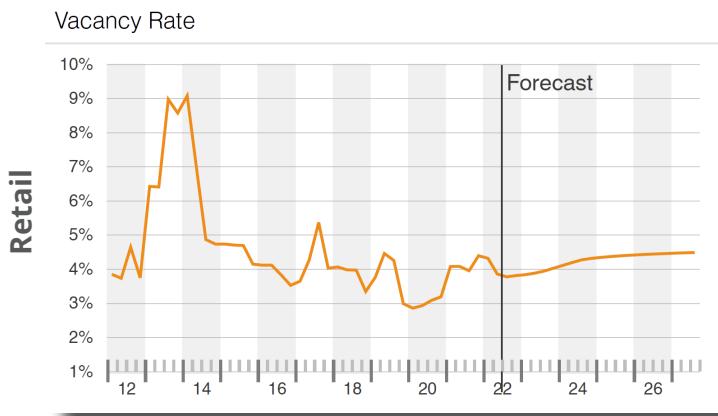
North Bend's Office sector is robust, with a 0% vacancy rate since 2016, and all available space occupied as of November 2022. Although limited, there is a market to support more office real estate in the city, as the US average for Office vacancy during the same period was 12.4%.

Industrial

Arguably as strong of a market as Office, the city's Industrial space has a very strong ten year history. It's "high" point was 2.3% and is currently near 1%. There is opportunity for additional Industrial space, preferably for businesses that dovetail with the community's values.

Multi-Family

The city's Multi-Family sector has high demand but also the highest vacancy rate due to expensive housing production and unaffordability for potential residents. Rent prices have doubled in the last decade and are predicted to rise by 21% in the next five years, as shown in the graph (bottom right).



Primary Challenges

This analysis of existing conditions, along with comments from stakeholders, reveal the following primary challenges that point toward areas of need and opportunity as North Bend proceeds through its existing evolution of growth.

Primary Challenges
1. A lack of housing options stemming from dramatically rising home prices and rents is a growing challenge for much of the city's workforce and longer-term residents
2. Development is perceived as burdensome and expensive by small-scale developers and business owners looking to develop or expand in North Bend
3. Lack of basic infrastructure is limiting economic potential of commercial and industrial zoned properties
4. Lack of non-motorized connectivity, and general awareness between commercial areas and major destinations, is reducing "secondary stops", meaning less time and money spent in North Bend
5. Underutilized properties and abundance of auto-oriented uses in downtown reduce walkability, vibrancy, and sense of place
6. Current utilization of space at Trucktown (Exit 34) leads to unsafe semi-truck parking and is limiting development potential at the eastern gateway to North Bend
7. Vacancies and abundant surface parking at the outlet mall are limiting revenue and have significant redevelopment potential
8. Lack of proactive community marketing may be limiting North Bend as a place to locate a business
9. Shortage of celebrated public gathering spaces and organizational capacity of downtown business community is limiting vibrancy of historic business district
10. Absence of a full-service hotel limits overnight visitors and tourism-related revenue
11. Limited inventory of commercial buildings is reducing opportunities for businesses and leading to significant North Bend resident spending that is "leaking" to other communities

Economic Development Objectives

Based on findings from the data analysis and the primary challenges identified above, this Action Plan identifies the following objectives that align with North Bend's economic development goals. Each objective includes a set of potential metrics the City may baseline and track to help measure success and monitor trends.

Objective	Possible Metrics
A. Strengthen & Diversify Economic Base Increase the number and type of businesses located within the city to better match demand for services <ul style="list-style-type: none"> - Increase information and resources to facilitate (re) development of priority vacant or underused properties within existing infrastructure footprint - Extend, acquire, or upgrade infrastructure needed to develop vacant or underutilized parcels in appropriately zoned areas 	<ul style="list-style-type: none"> • Jobs/housing ratio • Commercial acres readily developable • Property tax revenue by geographic area or by zone type • B&O and/or sales tax receipts • Retail/commercial vacancy rate • Number of active business licenses
B. Increase & Diversify Housing Increase the number and typology of housing units to provide housing opportunities for an economically diverse population <ul style="list-style-type: none"> - Pursue recommendations included in the Housing Needs Action Plan (expected completion: June 2023) - Develop partnerships with County and State that will provide funding for workforce housing 	<ul style="list-style-type: none"> • Number of residential units that are not detached, single family homes • Number of residential units offered below market rate or with max income restrictions
C. Invest in Quality of Life Infrastructure and Activities Increase community connectivity and vibrancy to foster a strong sense of place and build upon North Bend's brand as a highly livable town and outdoor recreation destination <ul style="list-style-type: none"> - Improve physical connections throughout the city, including non-motorized mobility options - Celebrate and expand upon cultural and historic resources through events, marketing, and art 	<ul style="list-style-type: none"> • Miles of sidewalk and pathways • Number of attractions or events
D. Make North Bend a Desirable Place to Do Business Pursue actions that entice and support businesses and build upon North Bend's brand and identity <ul style="list-style-type: none"> - Improve development services for prospective businesses & small-scale developers, especially those within the recreation, technology, and medical/health care economies - Improve resources for, and communication with, existing businesses owners that will strengthen their operations 	<ul style="list-style-type: none"> • Time to achieve building and occupancy permits • Number of sector-specific incentives provided • Number of existing businesses receiving support services

Actions to Address Challenges

This section outlines strategies the City plans to pursue that 1) respond to one or more of the Primary Challenges outlined above and 2) align with the City's Economic Development Goals and Objectives. Each Strategy is followed by a brief description, the City's role, key partners, priority rating, estimated timeline, and summary of resource needs.

Strategies are ordered roughly based on priority, though all strategies listed are considered important. The tier system ranks the respective strategies based on the level of complexity required for their execution. The tier rating and timeline may change pending new information, unforeseen opportunities, availability of funding, and coordination with implementation partners. Strategies will be further refined and incorporated into workplans based on further research and conversations with key stakeholders.

Tier 1	Tier 2	Tier 3
Projects in this tier will likely require significant action by the City Council as well as coordination with other entities.	Projects in this tier may need coordination with other entities, but can be executed at the administration level.	Projects in this tier can be executed by front-line staff along with administration support.

Action I. Create a Development Guide and Dedicated Support Services for Small Businesses and Developers to Encourage Targeted Development

To encourage incremental development, the creation of an easy-to-understand guide and designated staff support will help facilitate the development review process for smaller developers and businesses.

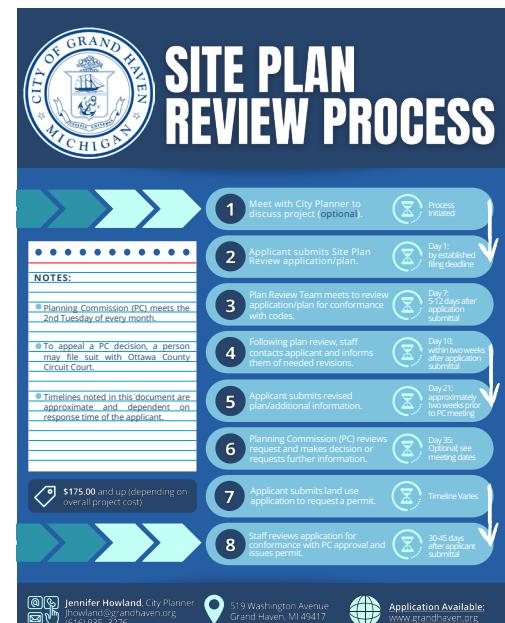
City Role: Lead

Key Partner(s): Local Developers

Tier: 2

Timeline: 1-2 years

Resources: Low-cost internal initiative



Creating a process map that shows a simple outline of the steps needed would help small developers understand the development process the City uses.

Actions to Address Challenges

Action II. Continue Addressing Critical Infrastructure Needs Including Water, Sewer, and Streets

Addressing critical infrastructure needs will encourage development that matches current zoning expectations within the Urban Growth Area. Three main areas of focus include:

- Continue pursuing the recently formed Utility Local Improvement District (ULID) and build out of sewer infrastructure in the Meadowbrook area west of downtown
- Ensuring appropriate water allocation to all commercial properties on East North Bend Way to mitigate the impact of Sallal Water's moratorium
- Continue pursuing funding and implementation strategies for improvements to North Bend Way identified in the concurrent North Bend Way Complete Streets Plan

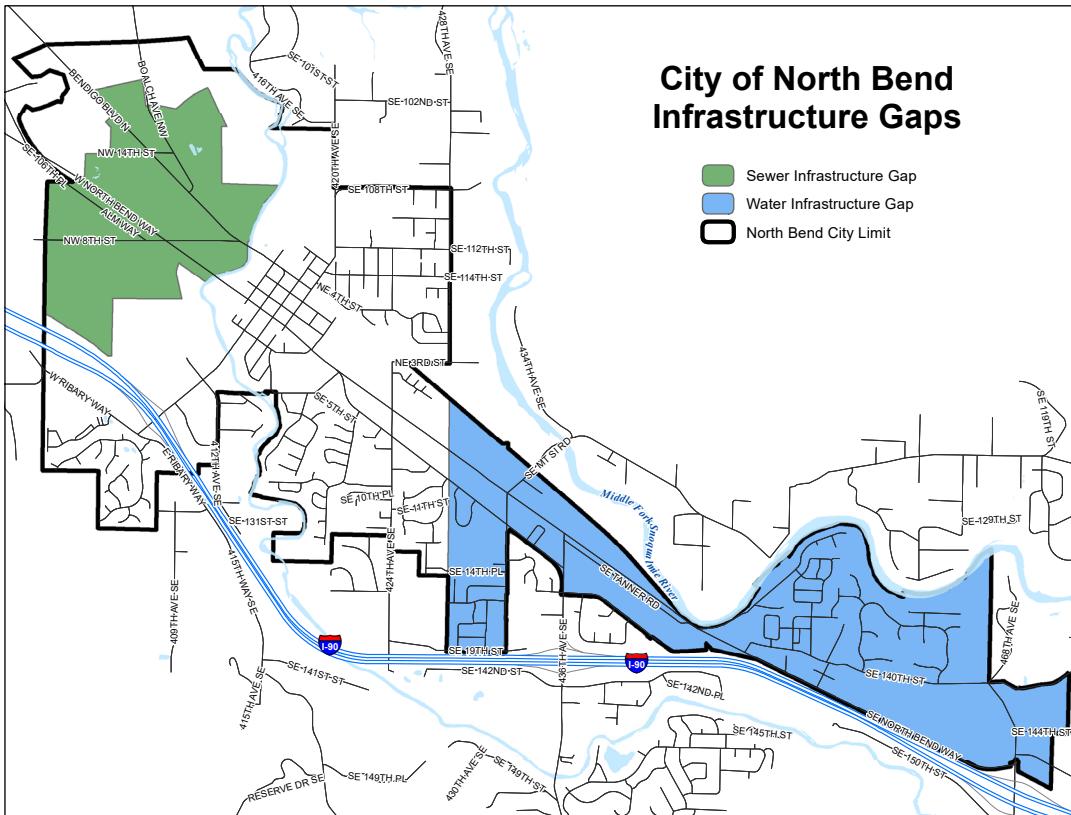
City Role: Lead

Key Partner(s): Sallal Water Association

Tier: 1

Timeline: 2-10 years

Resources: Significant capital project; complex financing; design, engineering, and construction



Actions to Address Challenges

Action III. Partner With Public, Private, and Nonprofit Sectors to Assist in Solving Housing Challenges Related to Workforce and Affordability

Pursuing partnership and funding opportunities to create attainable and affordable housing opportunities in North Bend is vital to making sure those who work in the city can afford to live in the city. The City's concurrent Housing Action Plan and Needs Assessment (expected completion in mid-2023) will look to address this issue and create new housing options for all segments of the city.

City Role: Partner

Key Partner(s): State, County

Tier: 1

Timeline: Ongoing

Resources: TBD

Action IV. Enhance Presence of Marketing Materials to Attract Prospective Businesses

Creating marketing materials will help "tell the story" of North Bend and attract targeted sectors such as light manufacturing, technology, incubator space, and/or health care. This may include sharing the available inventory of properties suitable for businesses, demographic trends, and retail leakage data through one-page summaries, robust marketing packets, or a targeted website.

City Role: Lead

Key Partner(s): TBD

Tier: 3

Timeline: 1-3 years

Resources: Relatively low; staff time

Action V. Advocate for Improved Transit to Better Connect North Bend to the Region

Ensuring the availability of transit to and from North Bend to surrounding communities will help improve safe, affordable, and convenient mobility options for both residents and workers. The City should continue building partnerships with local, regional, and state agencies to improve transit convenience and connectivity.

City Role: Partner

Key Partner(s): Snoqualmie Valley Transportation, King County Metro;

WDOT

Tier: 2

Timeline: Ongoing

Resources: Low cost; Staff time



Existing transit options are limited for North Bend residents and employees. Further investment in reliable and convenient transit options will improve North Bend's connection to the region and increase access between homes and jobs.

Actions to Address Challenges

Action VI. Inventory the Current Network of Sidewalks and Pathways and Identify Key Gaps

Walking and biking are key elements of increasing vitality and quality of life. An inventory of sidewalks, trails, and pathways throughout North Bend will allow for identification of key gaps that should be prioritized for design and construction funding.

City Role: Lead

Key Partner(s): Si View Metro Parks

Tier: 2

Timeline: 1-3 years

Resources: Mid cost; Some consultant support

Action VII. Partner with Business and Nonprofit Community to Enhance Marketing Strategies to Attract Tourists and Outdoor Enthusiasts

Creating or supporting sustained marketing materials to showcase the city and its surrounding outdoor, historic, and cultural assets will attract more visitors and businesses to the community and encourage visitors to spend more time in North Bend.

City Role: Partner

Key Partner(s): SnoValley Chamber, North Bend Downtown Foundation

Tier: 3

Timeline: Ongoing

Resources: Relatively low cost; financial support for partners

Action VIII. Partner with Developers and Property Owners to Complete Hotel at Outlet Mall and Consider Additional Hotel Sites to Encourage Longer Stays in North Bend

Working with key property owners and developers to bring full-service hotels to the community will further increase the community's ability to attract visitors to the city and increase support of local businesses. A developer has submitted plans for a hotel at the Outlet Mall and the project is currently under review by city staff.

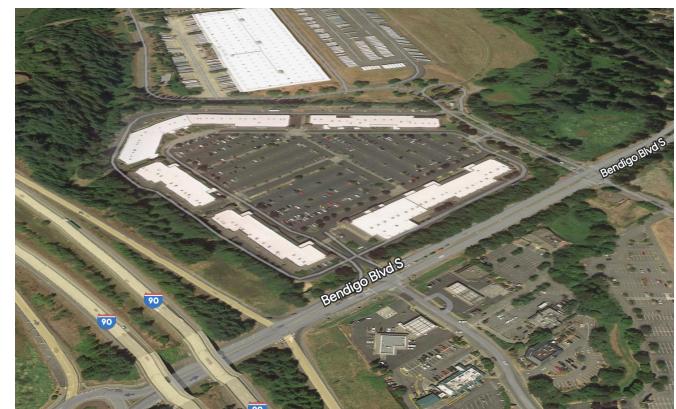
City Role: Partner

Key Partner(s): Hotel Developers, Simon Properties

Tier: 2

Timeline: 1-2 years

Resources: Low cost; staff time



The Outlet Mall is a prime site for a new hotel.

Actions to Address Challenges

Action IX. Develop and Market a Prioritized Inventory of Redevelopment Opportunities in the Downtown Core

Creating an inventory of vacant and underutilized parcels that are prime for redevelopment will help the city define priority locations for redevelopment and create additional commercial, office, or housing opportunities. The City may also consider additional incentives to accelerate desirable redevelopment process for targeted areas.

City Role: Lead

Key Partner(s): North Bend Downtown Foundation

Tier: 2

Timeline: 1-3 years

Resources: Mid cost; staff time, consultant support may be needed

Action X. Convene a Team of Stakeholders and Create a Redevelopment Strategy for Trucktown and Surrounding Properties at Exit 34

Convening a team of private and public stakeholders will allow for a coordinated plan to improve the functionality of the truck stop and enhance the appearance of North Bend's eastern gateway and launch point into the Cascades.

City Role: Partner

Key Partner(s): Port of Seattle, WSDOT, Travel Centers of America, King County

Tier: 1

Timeline: 2-5 years

Resources: Mid cost; staff time; consultant support may be needed

Action XI. Partner with Downtown Business Community to Identify and Pursue Projects and Programs Aimed at Enhancing Downtown as a Destination

Pursuing designation as a Main Street Community will bring added awareness to the city and its downtown and build organizational capacity to pursue programs that will increase economic vitality and sense of place in and around downtown.

City Role: Partner

Key Partner(s): North Bend Downtown Foundation; SnoValley Chamber

Tier: 2

Timeline: 1-3 years

Resources: Mid cost; financial support of partners may be needed



The area around Trucktown is in need of a re-envisioning process to improve functionality of the area and prevent congestion along the freeway.

Actions to Address Challenges

Action XII. Partner with Property Owner(s) to Develop a Master Plan for the Outlet Mall
Coordinating with the property owners of the outlet mall to pursue a shared vision will facilitate increased utilization of the land, enhance economic activity, and improve connectivity between the property and the remainder of the city.

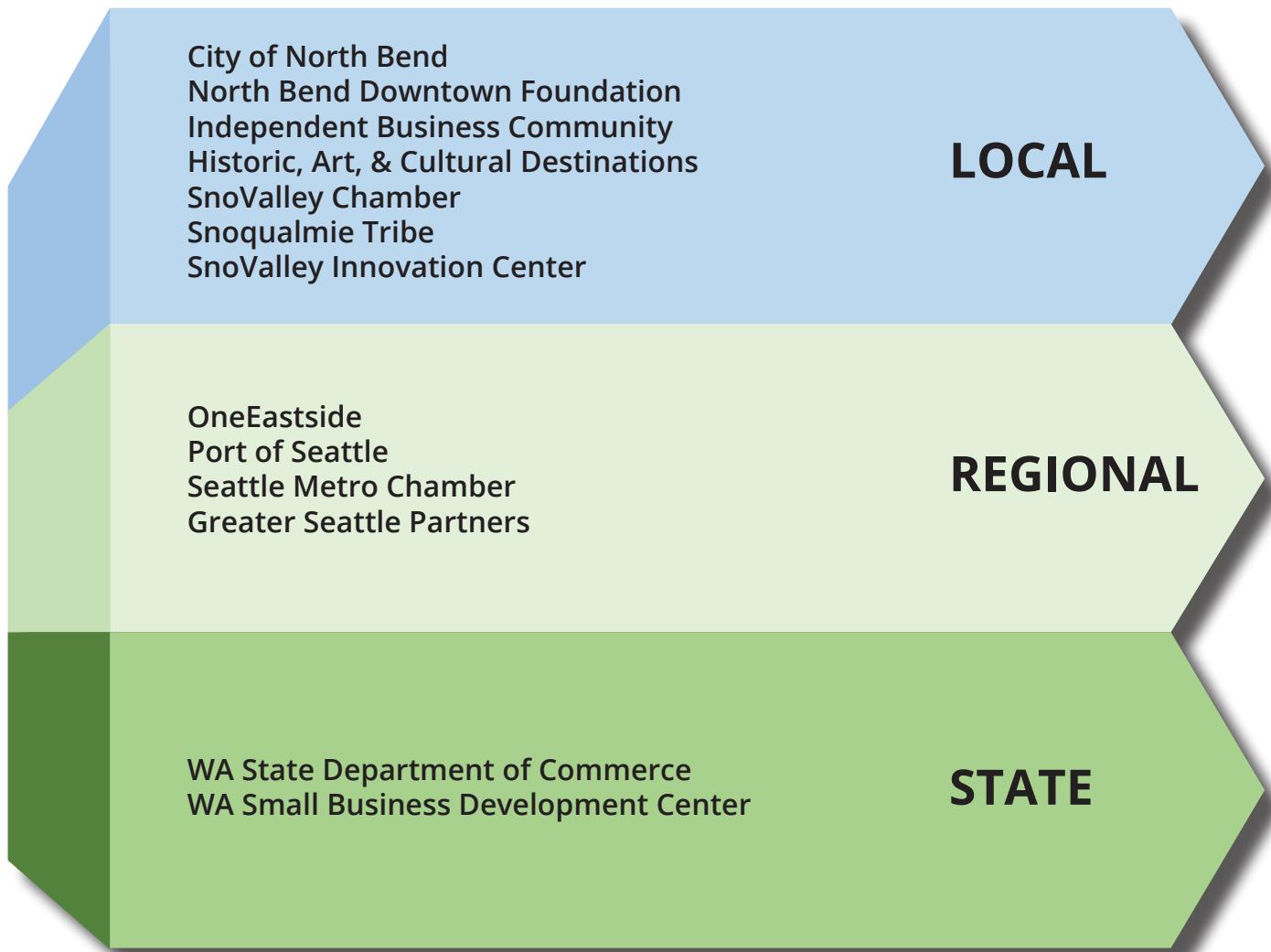
City Role: Partner
Key Partner(s): Simon Properties
Tier: 2
Timeline: 2-5 years
Resources: Mid cost; staff time; consultant support



The Outlet Mall, built in 1990, and surrounding area needs a Master Plan in order to explore options to increase utilization of the property.

Economic Development Partners

The creation of a successful economic development ecosystem in North Bend requires the involvement, commitment, and coordination of multiple entities that span local, regional, and state levels. While not an exhaustive list, the chart below outlines many of the key partners that help support North Bend's economic development ecosystem.



Economic Development Partners

At the local level, there is near constant communication and coordination to move initiatives forward. This is particularly true between the City, North Bend Downtown Foundation, and SnoValley Chamber of Commerce. While there is always some level of overlap between activities, the chart below offers an overview of the primary roles and strengths of each organization to help facilitate implementation of the recommended strategies and actions.



Appendix

Economic Profile

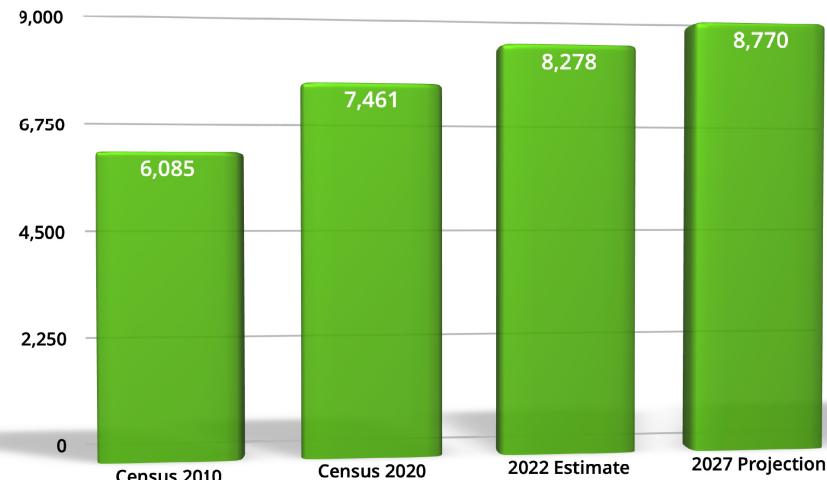
Key Data Points- Population and Household Trends

North Bend's population and households have grown steadily since the 2010 Census where the City's population was 6,085 people. In the 2020 Census, North Bend registered 7,461 residents, an average increase of 2.2% a year over the previous Census. By 2027, this number is expected to be 8,770 residents, reflecting an average annual increase of 2.5% over 2020 Census numbers.

The number of Households in the city shows a similar trend, growing an average of 2% per year between 2010 and 2020. By 2027, Household growth should average about 2.5% a year over 2020 Census numbers. This follows much of the same trends for King County and the Puget Sound region.

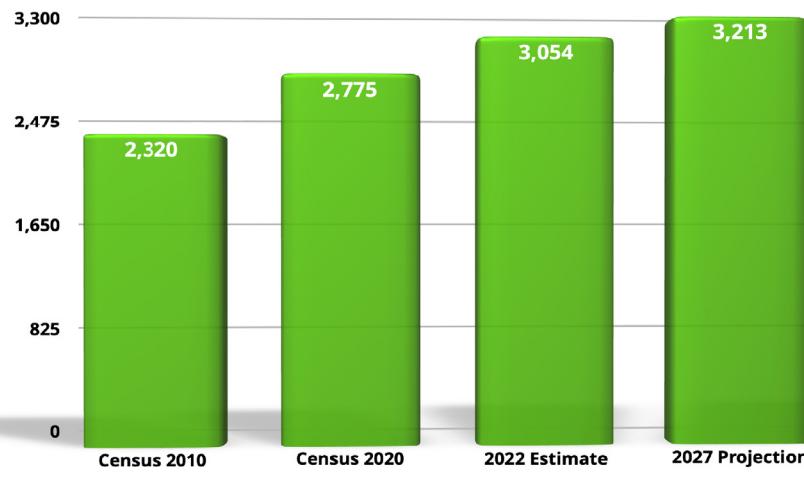
As a designated Urban Growth Area for King County, this trend should continue with development focused in the city and its neighboring communities. This growth provides both economic opportunity for residents and local businesses, but also offers challenges to the City as its infrastructure will need to continue accommodate future growth.

Population 2010-2027



Source: ESRI forecasts for 2022 and 2027

Households 2010-2027



Source: ESRI forecasts for 2022 and 2027

Economic Profile

Key Data Points- Household Income

Household and Per Capita income are expected to continue to rise for city residents.

Average Household Income is the total amount of income for all residents divided by the number of households. Median Household Income removes large outliers and is often regarded as a more accurate reflection of income. Per Capita income is the total amount of income divided by the number of residents

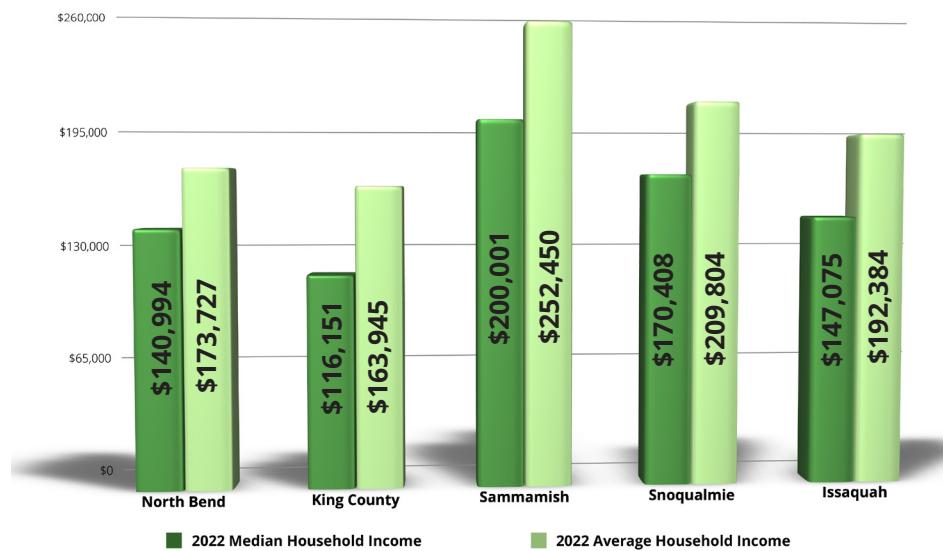
Household Income 2017 vs 2022 vs 2027



Source: US Census, ESRI forecasts for 2022 and 2027

Comparing North Bend's Household Incomes with that of neighboring communities and the King County average, the City has respectable Median and Average Household Incomes. It is below the Median and Averages of Sammamish, Snoqualmie, and Issaquah, but above the average for the County.

Household Income Comparisons

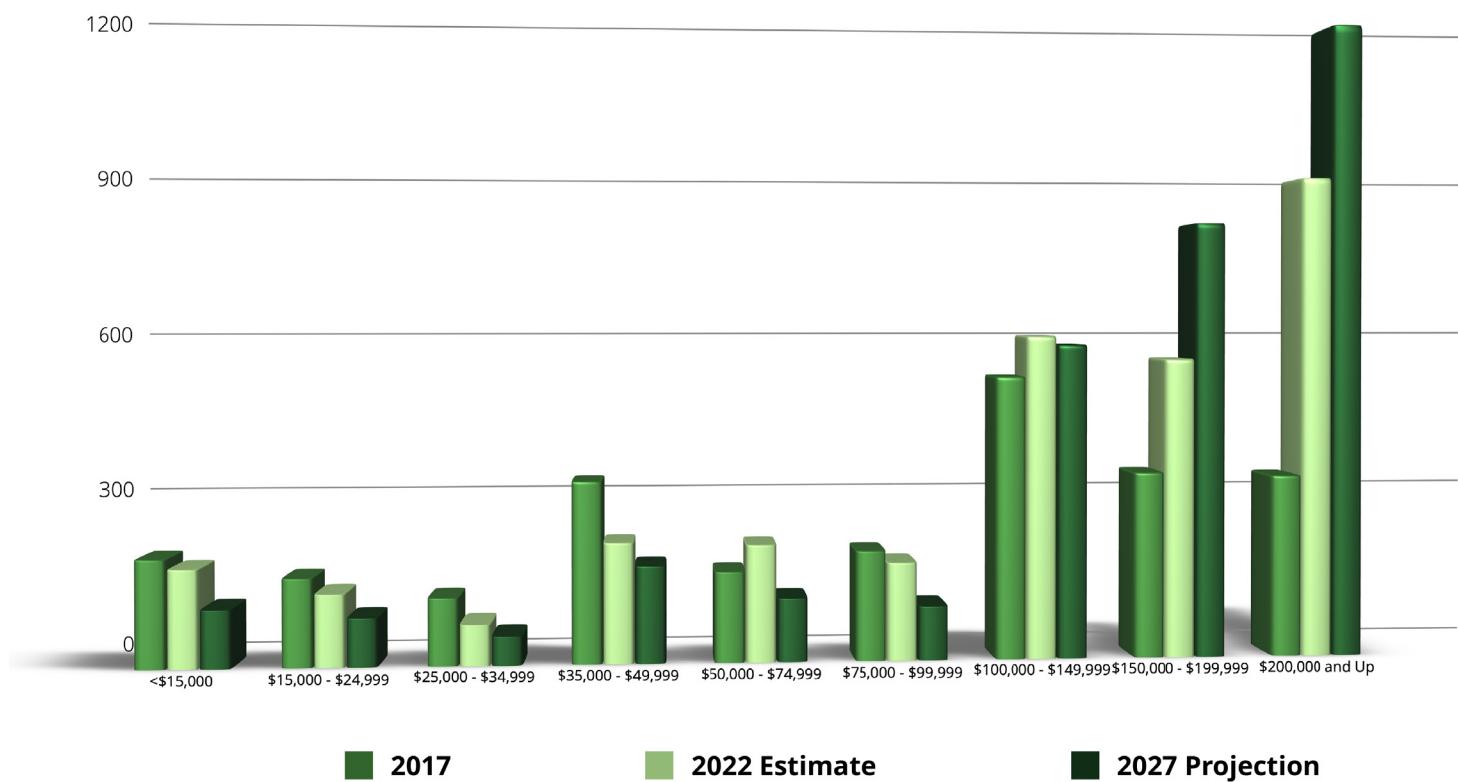


Source: ESRI forecasts for 2022 and 2027

Economic Profile

Key Data Points- Household Income Detail

Source: US Census, ESRI 2022

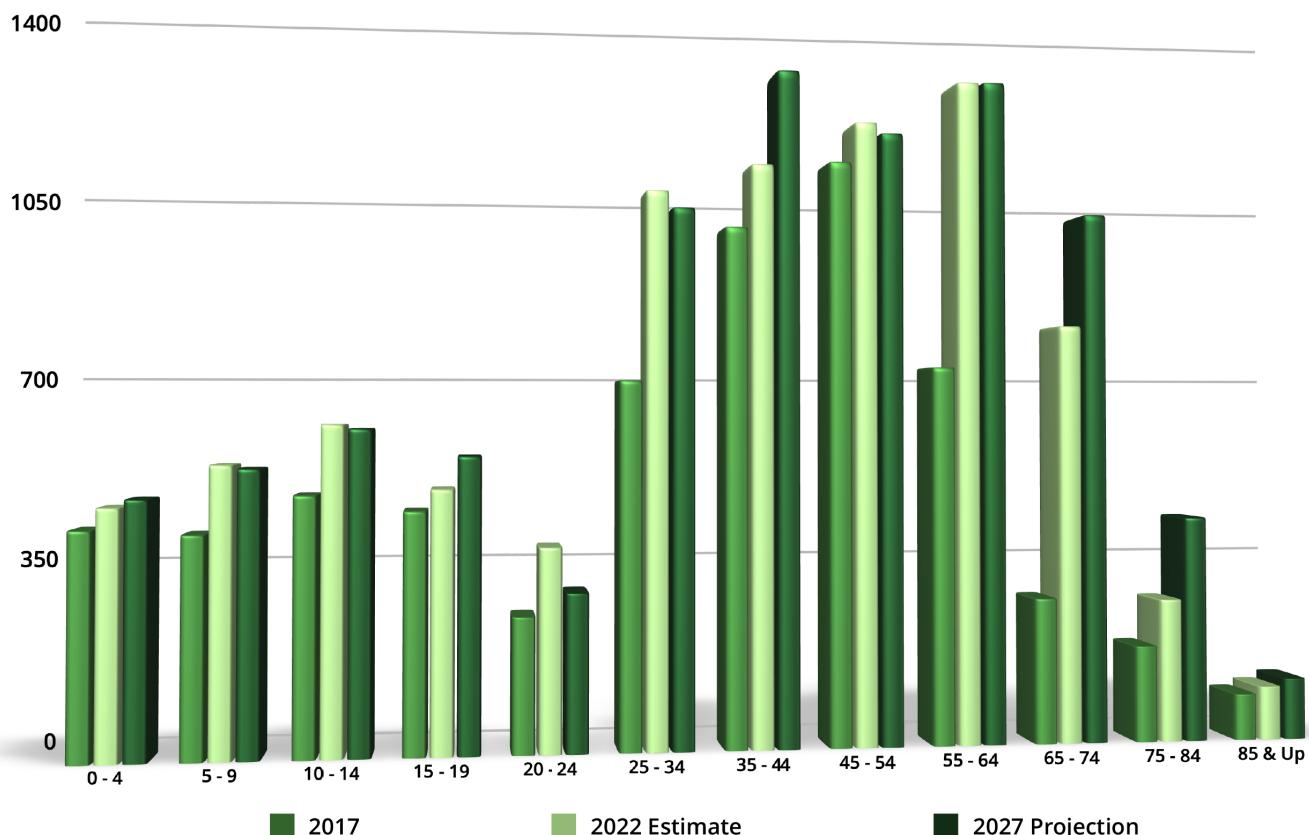


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Economic Profile

Key Data Points- Age Trends



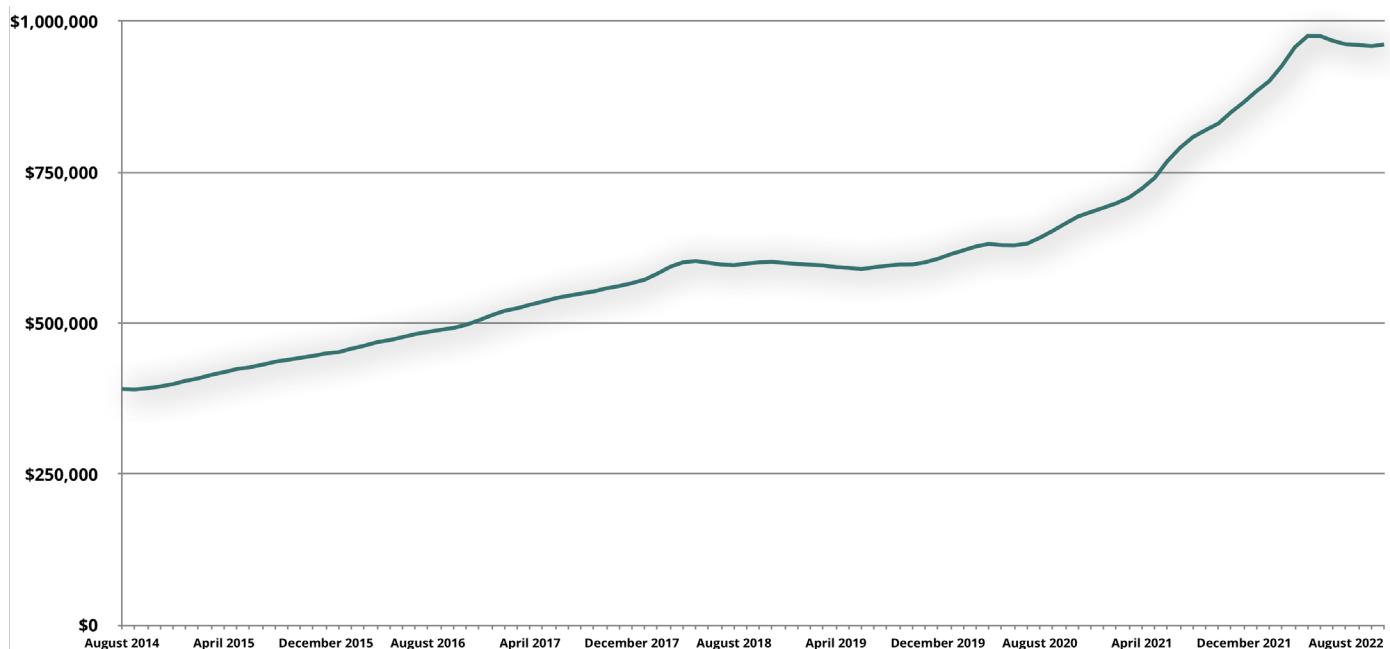
Source: US Census, ESRI forecasts for 2022 and 2027

Population by Age	2017	2022 Estimate	2027 Projection
0 - 4	421	462	477
5 - 9	412	539	532
10 - 14	483	613	605
15 - 19	453	493	554
20 - 24	256	384	299
25 - 34	695	1,052	1,020
35 - 44	985	1,104	1,284
45 - 54	1,111	1,187	1,167
55 - 64	721	1,269	1,269
65 - 74	278	801	1,016
75 - 84	184	273	431
85 & Up	88	102	117

The graph (above) and chart (left) show 2017 estimates, 2022 estimates, and future projections for the breakdown in age of the population in the city. Most age groups are expected to either remain relatively steady or increase with the exception of two notable categories: 20-24 year olds and 25-34 year olds. These two age groups are significant as they qualify as "young professionals." While not at an alarming rate, it is still important to note.

Economic Profile

Key Data Points- Average Home Sale Price



Source: ZILLOW, 2022

The graph (above) shows the increase in average home sales in the city from August 2014 through November of 2022. During the last eight years, home prices have nearly doubled. While North Bend is hardly alone in the Puget Sound region facing this challenge, it is still a formidable challenge to those seeking to remain in the community or move to it. This sales data combined with Household Income trends shows that home ownership, the single biggest financial asset most Americans have, is out of reach for a significant portion of the community.

Economic Profile

Key Data Points- Pre-Covid Commute Patterns

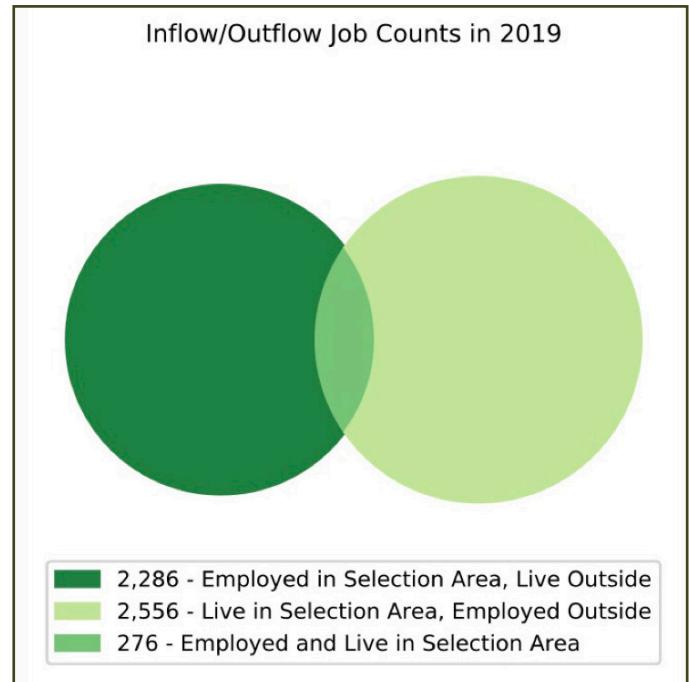
The Covid Pandemic had an incredible impact on the lives of every American and saw a seismic shift in how companies conducted their business. In a matter of weeks, millions of jobs across the United States, and thousands in the metro Seattle region, went “work from home” for most of their corporate and non-public facing (retail or service-based) positions. Most major employers in the region, including Amazon, Boeing, Microsoft, T-Mobile, Nordstrom, and Starbucks have continued to allow many of their corporate employees to at least work part-time from home on a hybrid basis, needing to go into their office location a few times a week. Of the major employers, the most notable exception is Costco, which is requiring its employees to return to the office full-time.

U.S. Census estimates on commute patterns lag significantly from real-time, with the most recent data coming from 2019. Furthermore, prior to 2020, the hybrid office-work from home job was not common and not reflected in commute patterns as commutes were typically five days a week. It is unclear how the Census will reflect this new job dynamic in future reports.

The existing pre-pandemic commute patterns though do reveal the huge inflow/outflow of workers (by percentage) demonstrating the 2,832 employed residents in the city, only 276 lived and worked inside the city, compared to the 2,556 who lived in the city and commuted elsewhere.

This new, and increasingly more common, hybrid approach for employees presents opportunity for North Bend. As a community that has more recently been viewed as a “bedroom” community, it now has the opportunity to be a premiere “work from home” destination.

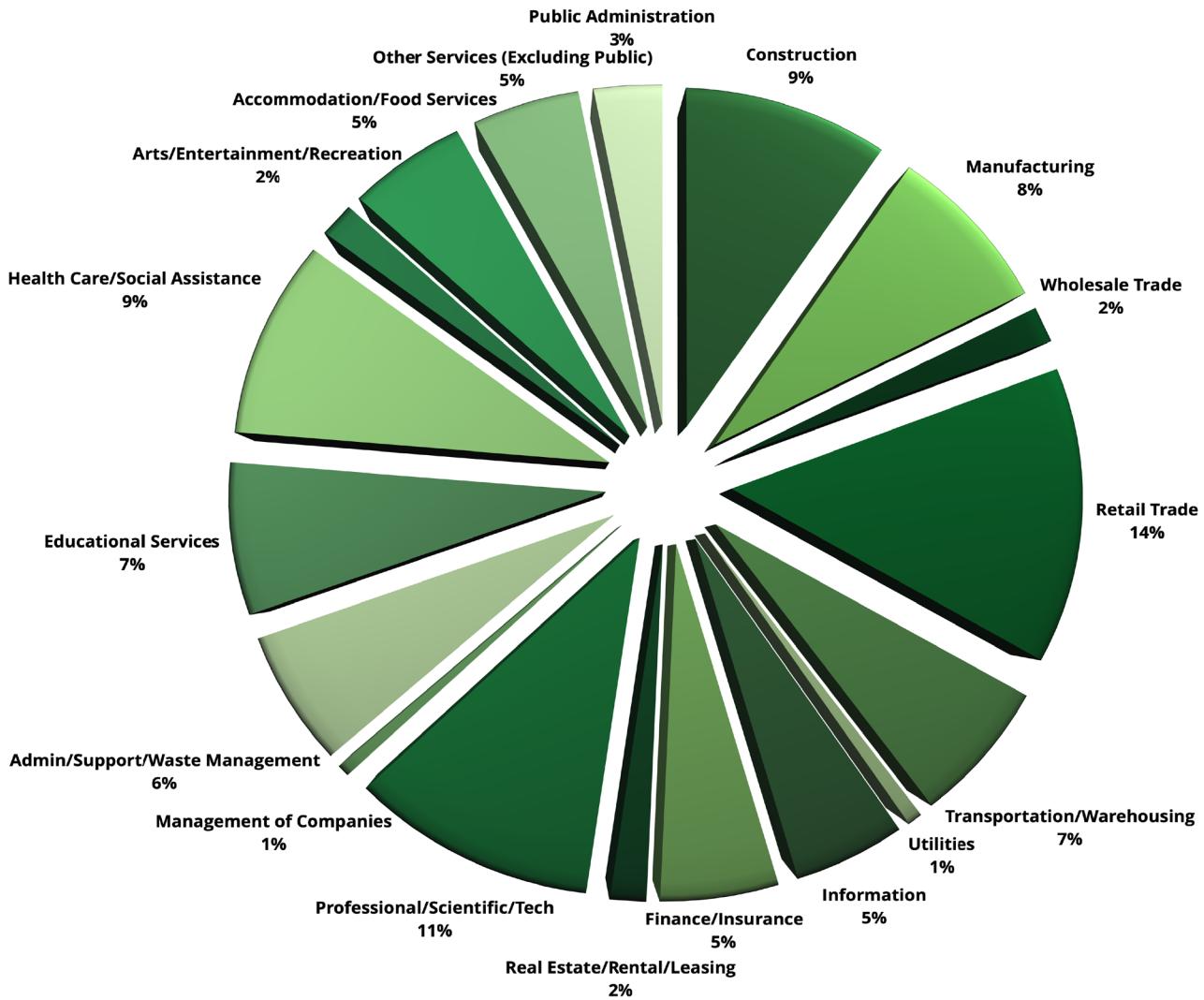
Furthermore, commute data shows of the 2,562 jobs located inside the city, 2,286 of those employees lived outside the city limits. This data suggests that housing has become unaffordable or unattainable for the majority of the people who work in North Bend on a daily basis.



Source: U.S. Census Bureau, 2019

Economic Profile

Key Data Points- Resident Employment Sectors



Source: ESRI 2022

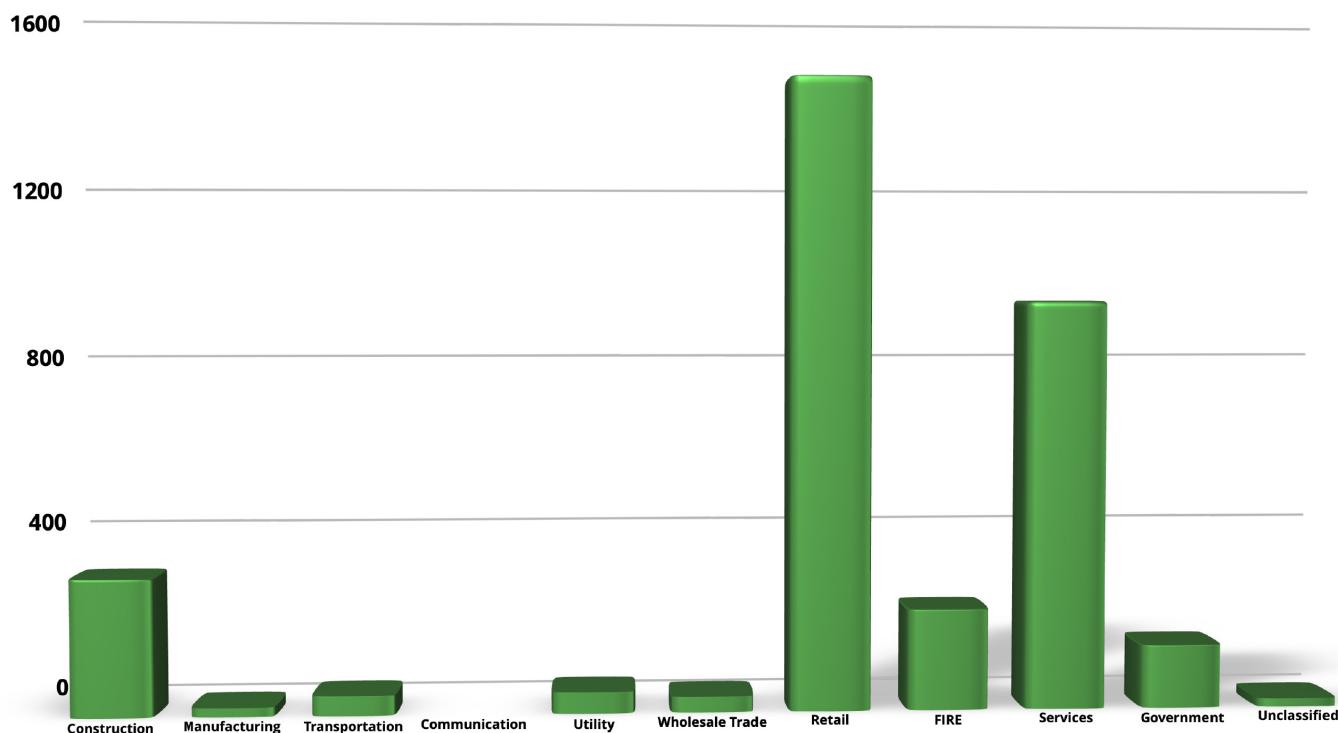
The pie chart (above) shows the breakdown of the various sectors of employment where city residents work. As pre-pandemic commute patterns showed earlier, approximately 90% of residents work outside the city limits. The sectors shown above demonstrate a very balanced employment base for residents. This means there is a significant amount of resilience for the community. Should one sector experience significant disruption, the impact among families, neighborhoods, and local businesses would not be as great as if employment were

concentrated in a particular sector, like mining or manufacturing for example, both have had major upheavals in the latter half of the last century.

As subsequent data will show, the base of jobs within the city are not as diversified and present a separate set of challenges.

Economic Profile

Key Data Points- Employment in North Bend



Source: ESRI 2022

As the chart (right) and graph (above) demonstrate, the diversity of jobs available in the city are not as balanced as those jobs held by residents. The city's local economy has a heavy reliance on retail and service-based businesses and reflect that in employment data. These two sectors often have lower paying wages and, combined with increasing housing costs, likely contribute to why workers live outside the city and commute in.

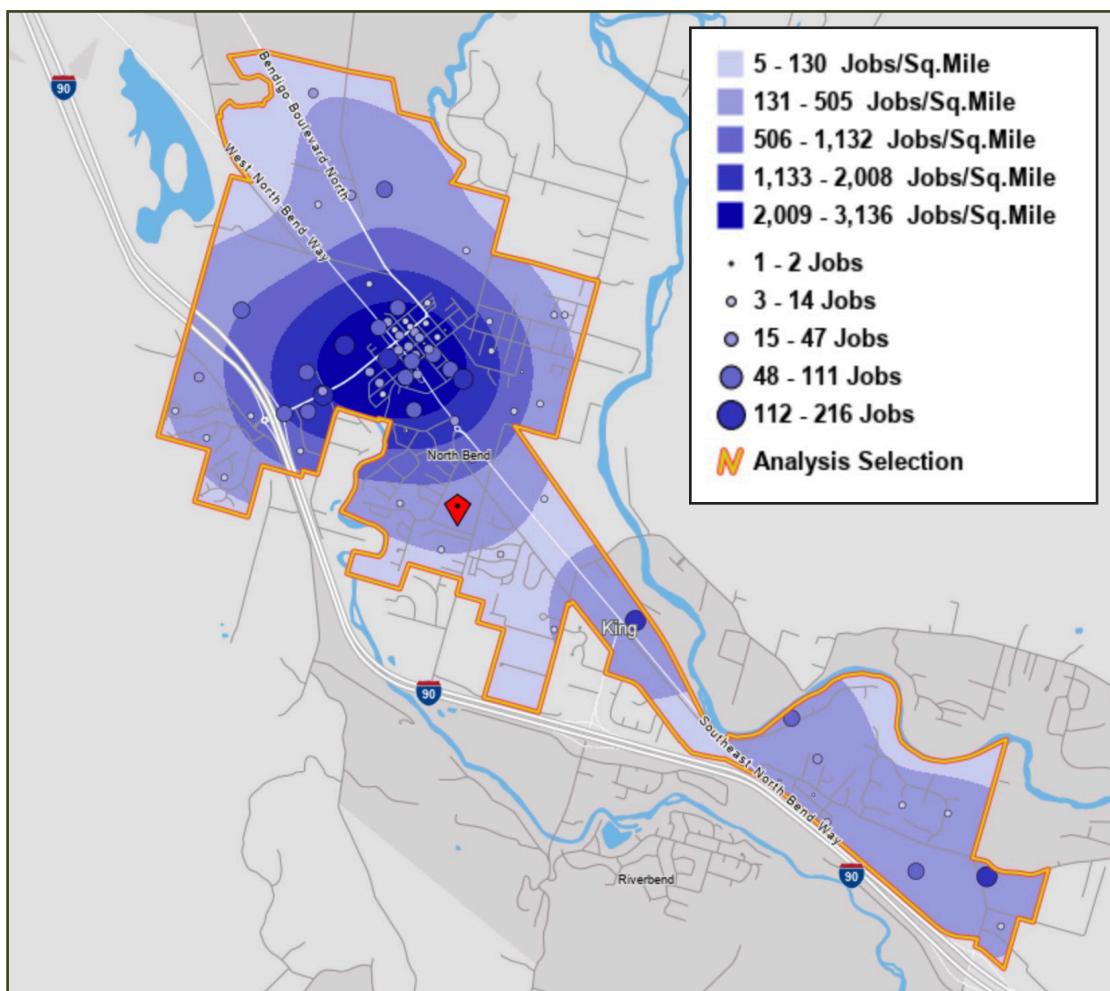
A diversity of employment opportunities as well as a diversity in housing opportunities would bring more balance to the community.

Business Type	Employees
Agriculture & Mining	22
Construction	313
Manufacturing	21
Transportation	45
Communication	0
Utility	49
Wholesale Trade	36
Retail Trade Summary	1,445
Finance, Insurance, Real Estate Summary	232
Services Summary	935
Government	145
Unclassified Establishments	19

Economic Profile

Key Data Points- North Bend Employment Density

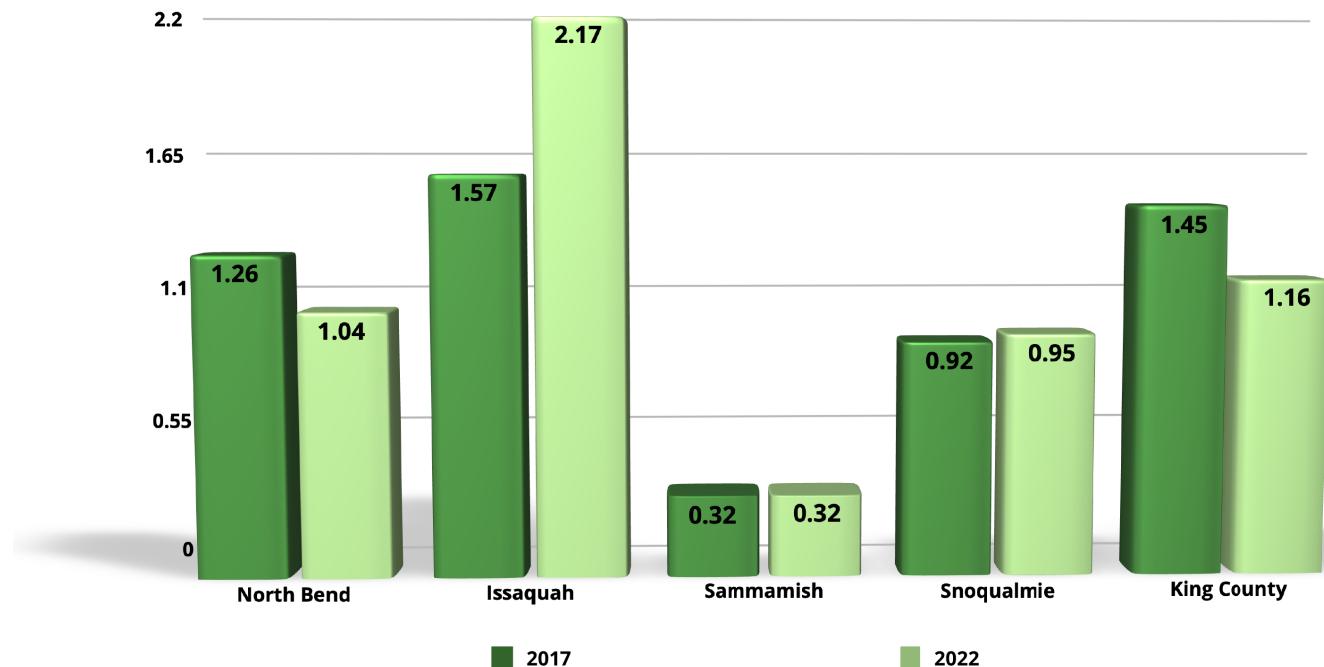
The graph (below) represents the density of jobs in North Bend. This graph, using shades of purple, shows the number of jobs per square mile within the city, with the deepest color of purple being the most dense. Downtown, likely due to its high physical density and high number of businesses, shows as the most dense place in the city for jobs. This density also follows Bendingo Boulevard to I-90. Some moderate density also occurs to the west into the city's more industrial areas and into Trucktown.



Source: U.S. Census Bureau, 2019

Economic Profile

Key Data Points- Jobs to Housing Ratio Change & Comparison



Source: Washington OFM, 2022, ESRI 2022

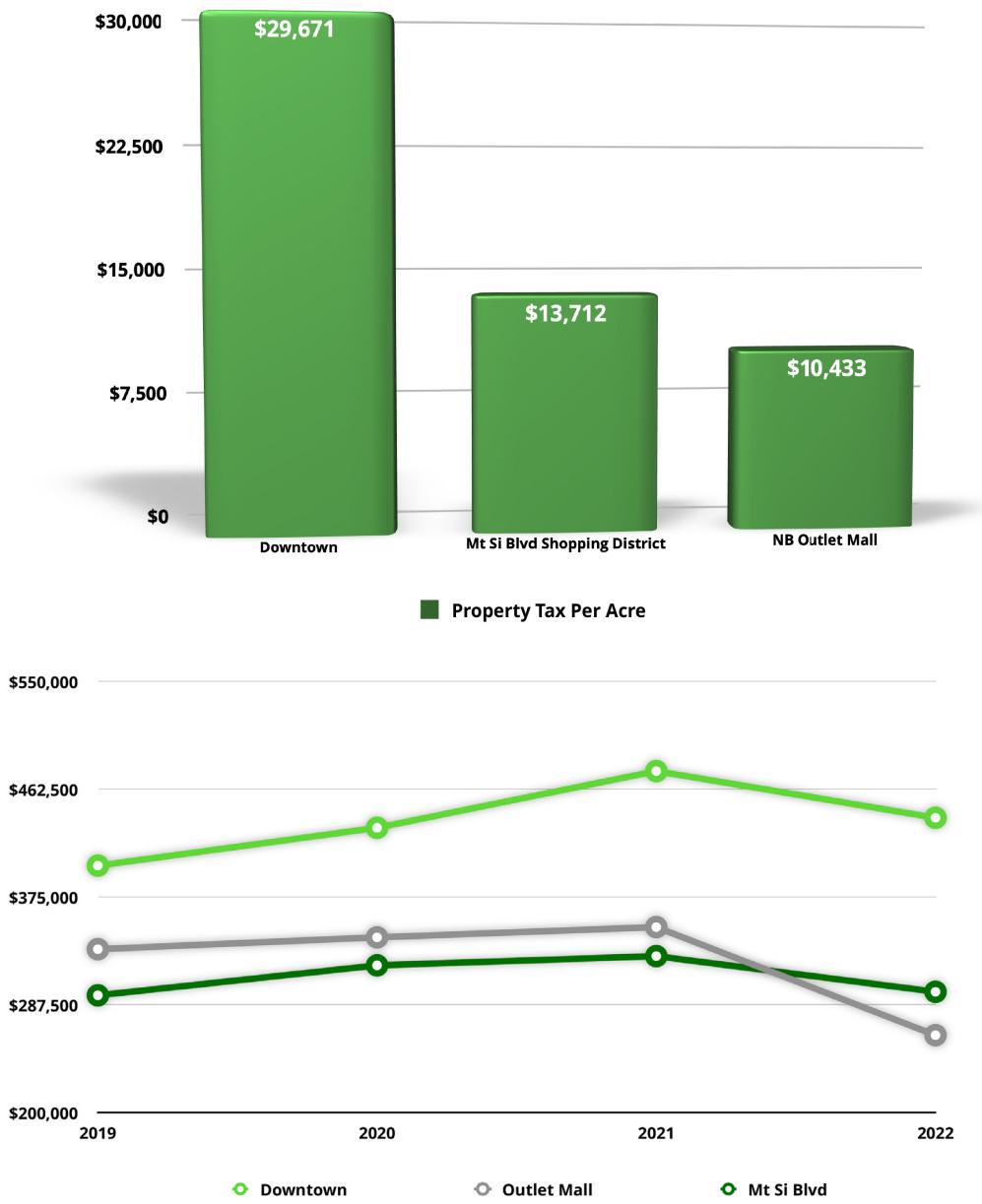
Jobs to Housing Ratio is a common measure to indicate whether or not a community has enough housing to meet the demand created by the number of jobs in the area. The chart (above) shows the overall Jobs to Housing Ratio for North Bend, Issaquah, Sammamish, Snoqualmie, and King County.

North Bend has made good progress over the last five years, lowering its ratio from 1.26 to 1.04. Other neighboring communities, with the notable exception of Issaquah, have also either relatively maintained or improved their ratio as well. Conversely, Issaquah's Jobs to Housing Ratio has risen significantly. Since none of the municipalities exist in a vacuum, this dramatic increase is also felt with housing pressure in neighboring communities, such as North Bend.

It is important to note when reviewing the Jobs to Housing Ratio, this measurement does not take into account wages of the jobs nor the affordability of the housing units in relation to those jobs. There is an assumption of appropriateness of the housing units compared to jobs, but as North Bend's pre-pandemic commute patterns have shown earlier in this report, 90% of the employed residents of the city don't work within the city and 89% of those who work in the city don't reside within its borders. The employed residents now working from home help alleviate some of this stark number, but it still shows the growing problem of a disconnect of those who work in North Bend cannot afford to live in North Bend.

Economic Profile

Key Data Points- Business District Tax Revenue Comparison



Source: City of North Bend, WA, 2021, 2022

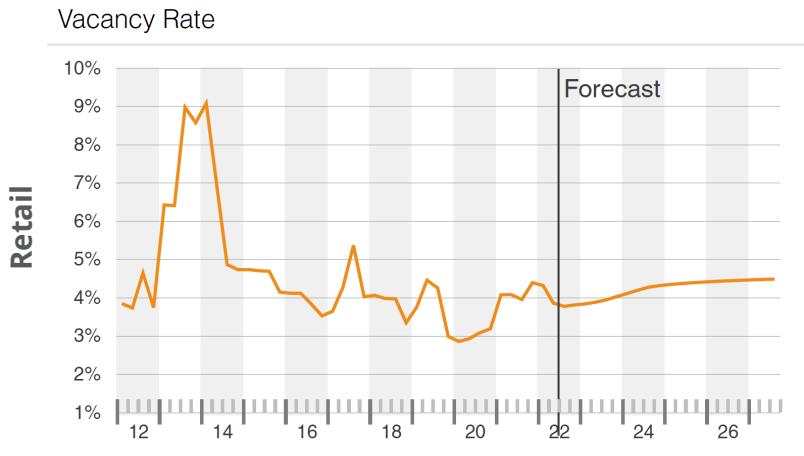
The graphs above shows a comparison of the three major commercial districts in the city. The top graph show a comparison of the three districts based on property tax revenue per acre in 2022, while the graph below shows the total property tax revenue from the three districts over the past four years. Both of these graphs demonstrate how much more productive the Downtown district is in terms of property tax revenue.

Economic Profile

Key Data Points- Vacancy Rates

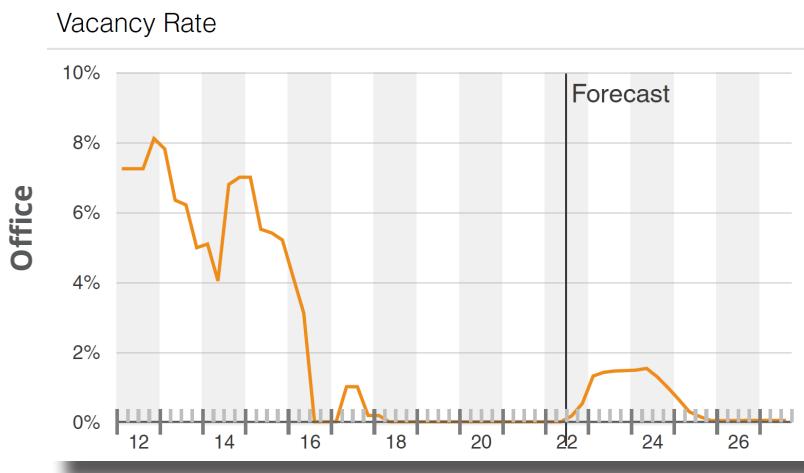
Retail

Retail vacancy rate fluctuated from 5% to 3% in the last 5 years, and as of November 2022, it stood at 3.9%. The US average for the same period was 4.3%. Despite some notable vacancies in the Outlet Mall and downtown, a 4% vacancy rate is considered almost fully occupied.



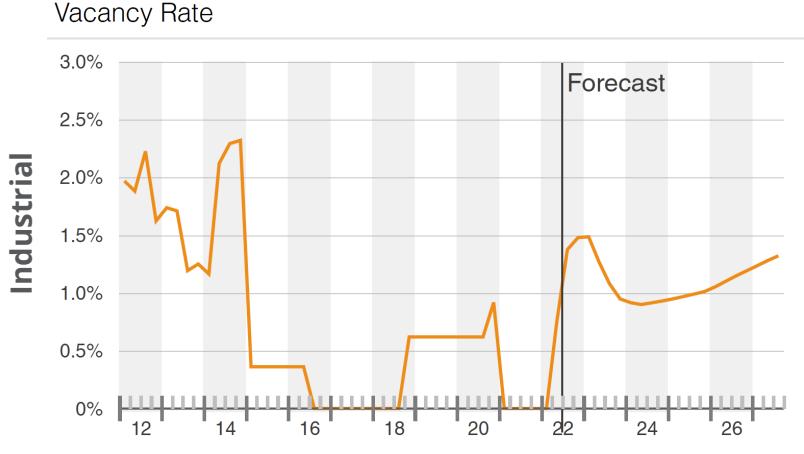
Office

North Bend's Office sector is robust, with a 0% vacancy rate since 2016, and all available space occupied as of November 2022. Although limited, there is a market to support more office real estate in the city, as the US average for Office vacancy during the same period was 12.4%.



Industrial

Arguably as strong of a market as Office, the city's Industrial space has a very strong ten year history. It's "high" point was 2.3% and is currently near 1%. There is opportunity for additional Industrial space, preferably for businesses that dovetail with the community's values.



Source: COSTAR, 2022

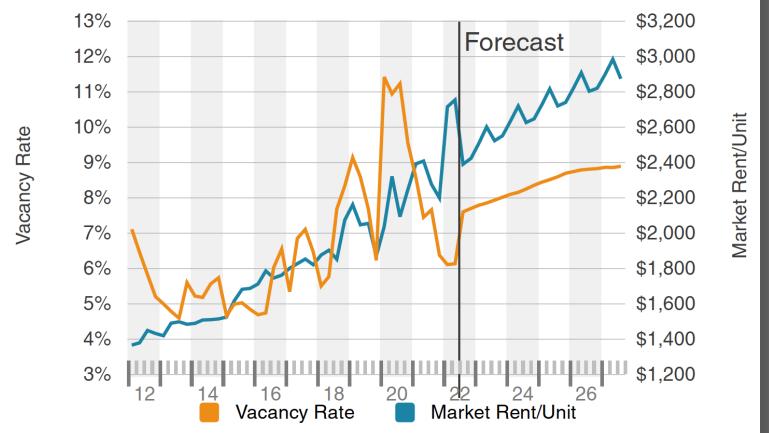
Economic Profile

Key Data Points- Vacancy Rates

Multi-Family

The city's Multi-Family sector has high demand but also the highest vacancy rate due to expensive housing production and unaffordability for potential residents. Rent prices have doubled in the last decade and are predicted to rise by 21% in the next five years, as shown in the graph (bottom right).

Vacancy & Market Asking Rent Per Unit



Economic Profile

Geofencing Data

As part of this report, GPS-enabled technology called geofencing (or mobility data) was utilized to understand where visitors originated before coming to in the city of North Bend. An eighteen-month capture period was used, from January 1, 2021 to June 30, 2022. During this time, all visitors who were within the city limits for at least 10 minutes, were captured in this data. This data allows the community to understand where, at a zip code level, people are coming from.

This data is widely available to national-level retailers and allows for the identification of geographic areas that make up the district's primary and secondary areas. Once these areas were identified, Place + Main Advisors, LLC used this map to pull additional market data, including the following visitor and retail leakage data from data sources including Claritas, the U.S. Census, ESRI, and augmented with their own analysis and extrapolation of data.

The analysis of this data shows that North Bend draws visitors from all over the country, but not surprisingly, most strongly from surrounding Puget Sound and metro Seattle area. There were a significant number of visits during the capture period (approximately 9.2 million) spread among roughly 2M visitors. This is most likely from visitors going to and coming from surrounding natural areas.

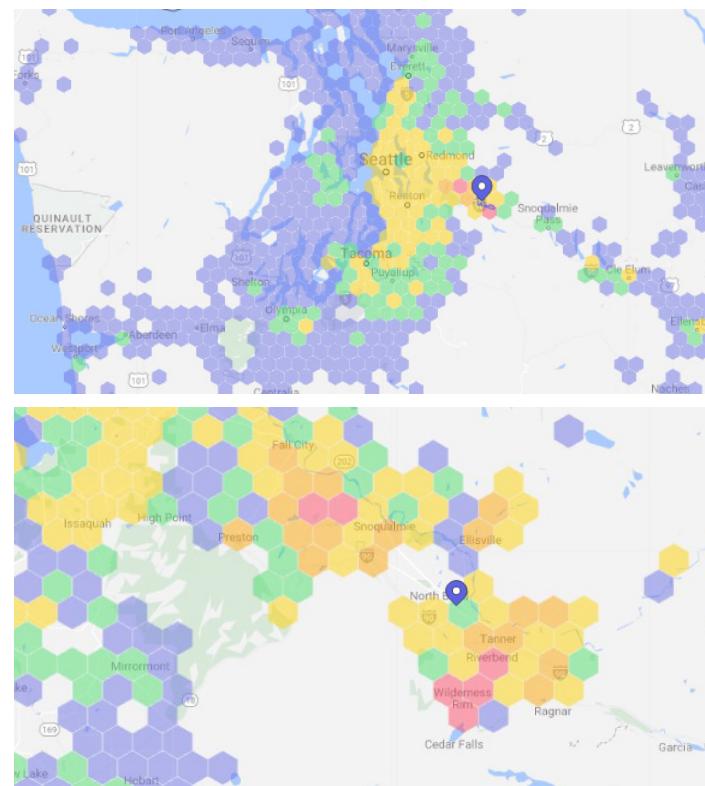
GEOFENCING HIGHLIGHTS

CAPTURE PERIOD:
January 1, 2021 to June 30, 2022

TOTAL VISITS:
Approximately 9,200,000

UNIQUE INDIVIDUALS VISITING:
Approximately 2,000,000

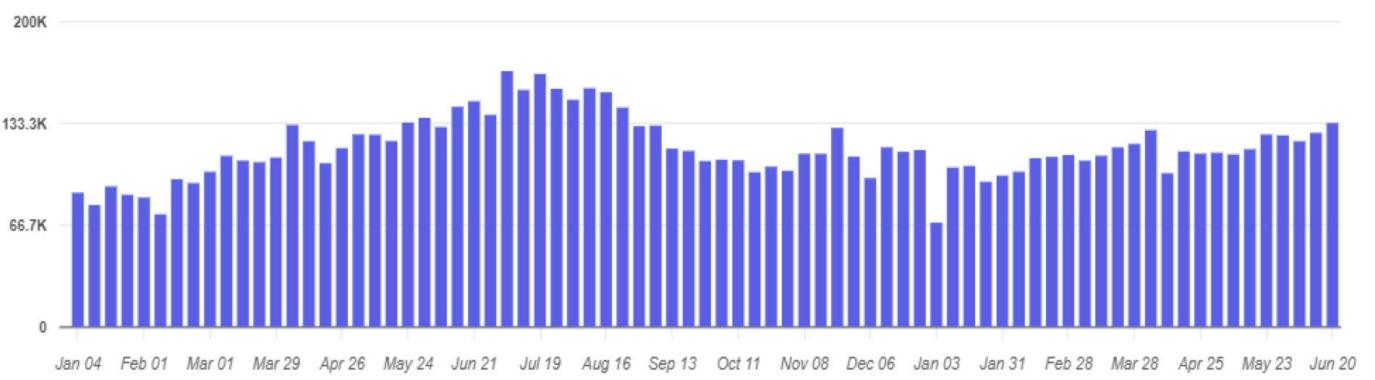
AVERAGE VISITS PER INDIVIDUAL:
4.92



Economic Profile

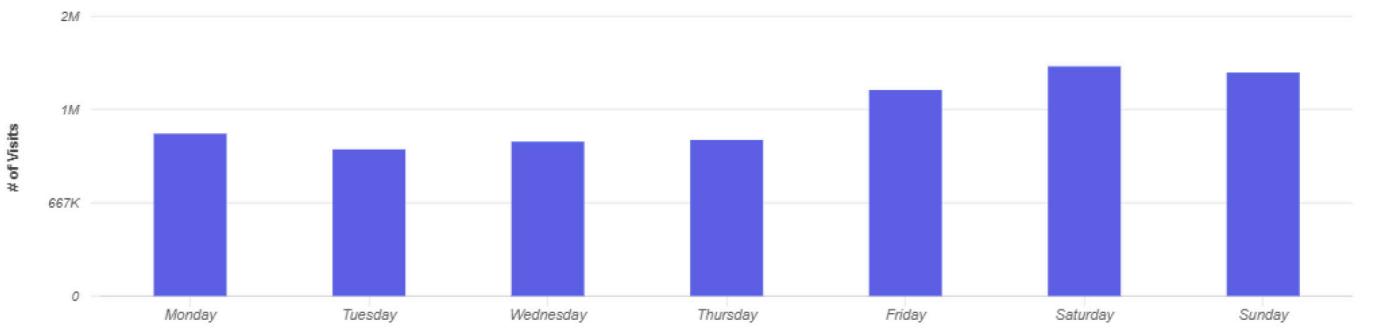
Geofencing Data- Visits

Weekly Visits



The chart (above) shows the weekly visits to North Bend. Not surprisingly, there is a pronounced increase in traffic during late spring into early fall, corresponding with warmer weather and higher use of the area's natural features. Notable is the smaller spike in December likely corresponding to holiday shopping.

Visits By Day of the Week

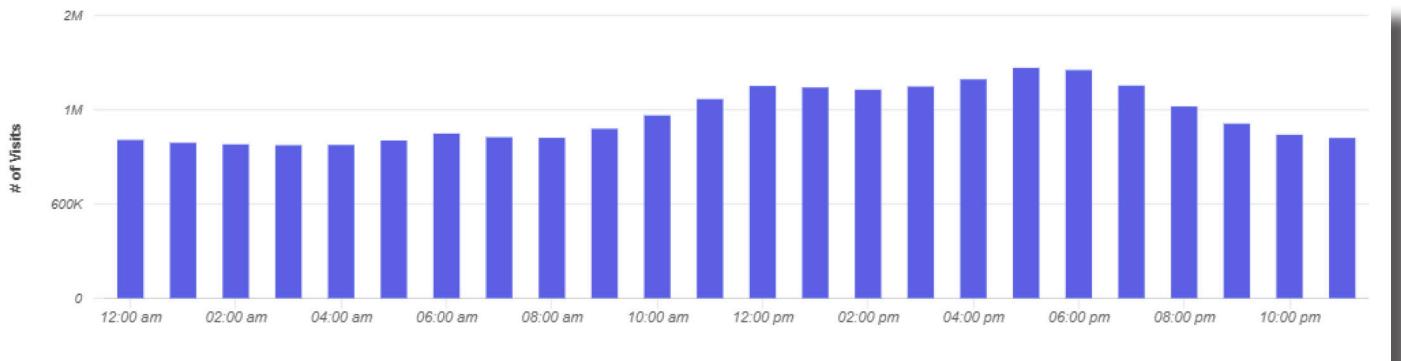


The chart (above) shows the overall visits by days of the week. There is a definite spike on Fridays, Saturdays, and Sundays as visitors come to the community on weekends. North Bend's geography in the region, being farthest east, and not "on the way" for most residents of the region during the work week, is likely the reason for it being more of a weekend destination. An interesting point is for Monday-Thursday, Monday is the highest trafficked day. Local restaurants in particular should take note of this, as many close on Mondays. According to this data, Tuesdays would be a more advantageous day to be closed as it has the least amount of visitors.

Economic Profile

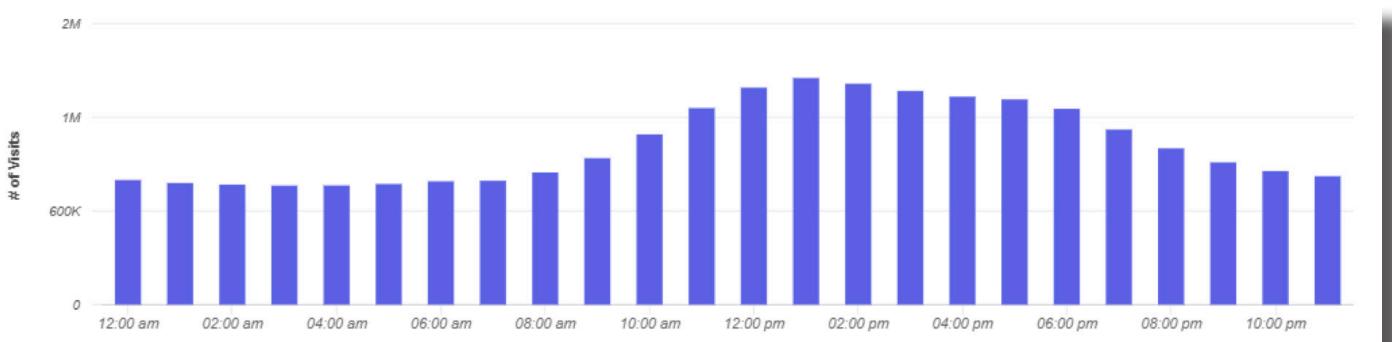
Geofencing Data- Visits

Visits By Time of Day (Mon-Thurs)



The chart (above) illustrates the times of the day visitors are coming to North Bend on Mondays through Thursdays. Peak times during these days are from noon until around 8pm.

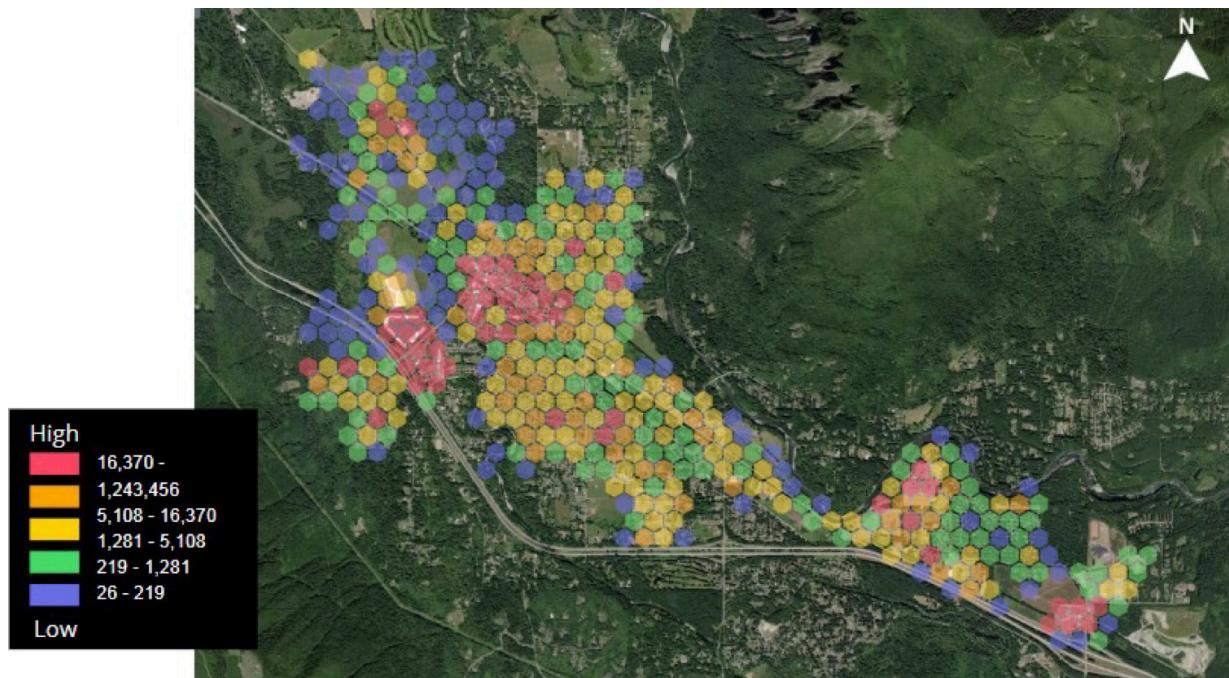
Visits By Time of Day (Fri-Sun)



The chart (above) for times of the day where visitors come to North Bend from Friday through Sunday, somewhat mirrors mid-week, but the 11am to 8pm timeframe is much more pronounced. This coincides with visitors coming to town to either enjoy the natural beauty of the area and/or shop and dine in the community.

Economic Profile

Geofencing Data- Where Visitors Go



The heat map (above) illustrates the areas of the city that were visited the most during the study period. The most visited areas of the city were downtown, the outlet mall and surrounding commercial spaces, Trucktown, Mt. Si Sports + Fitness/Sirius Sports Complex, and Cascade Canyon.

Economic Profile

Primary Trade Area & Retail Leakage

North Bend's Primary Trade Area

Using the aforementioned geofencing technology, a geographic area that captures the most frequent visitors to the community was identified. This area represents the most likely customers to businesses in the city, defining it as the city's "Primary Trade Area." Trade areas differ from municipal boundaries as they are defined by the consumers' shopping habits and not arbitrary lines drawn by government entities. The map (right) shows what is defined in this report as North Bend's Primary Trade Area. Data references relating to Retail Leakage are based on this area and not the city boundaries.

Retail Leakage

Retail leakage occurs when the demand for goods or services within a trade area does not meet the supply. Consumers then leave the trade area to fill those demands. When these goods and services are purchased elsewhere, money leaves the local economy. One of the goals of economic development is to retain as many of these purchases in the trade area as possible, thereby benefiting local businesses, strengthening the local economy and increasing the local tax base.



Retail leakage data comes from businesses and are classified into retail categories they self identify. As such, misclassification sometimes occurs. Readers should take this into account if data seems "off."

Totals	2023 Demand (\$)	2023 Supply (\$)	Leakage/ (Surplus) (\$)	2028 Demand (\$)	Projected Gap
Total retail trade including food and drink (NAICS 44, 45 and 722)*	\$930,800,896	\$570,360,477	\$360,440,419	\$1,177,487,332	\$607,126,855
Total retail trade (NAICS 44 and 45)*	\$815,045,609	\$455,941,855	\$359,103,754	\$1,233,476,331	\$777,534,476
Food services and drinking places (NAICS 722)	\$115,755,287	\$117,360,973	(\$1,605,686)	\$149,417,177	\$32,056,204

* NAICS 4541 (Electronic shopping and mail-order houses) has been removed from this data as the presence of a national distribution center in the community drastically skews overall supply and resulting leakage data.

Economic Profile

Retail Leakage

The Chart (below) lists the retail sectors that have a significant amount of retail leakage that could be good fits for North Bend. The chart outlines the anticipated demand, supply, and leakage for 2023, the projected demand for 2028 and the resulting leakage if supply remains the same, and finally the maximum supportable square footage based on this leakage. Important note: The existence of retail leakage does not guarantee success of a specific business. It only indicates where opportunity exists.

	2023 Demand (\$)	2023 Supply (\$)	2023 Leakage/ Surplus (\$)	2028 Demand (\$)	Projected Leakage	Max. Supportable Sq Ft
Furniture stores (NAICS 4421)	\$11,023,199	\$9,073,253	\$1,949,946	\$14,890,480	\$5,817,227	17,899
Home furnishings stores (NAICS 4422)	\$8,739,096	\$8,021,066	\$718,030	\$11,224,620	\$3,203,554	15,183
Hardware stores (NAICS 44413)	\$5,294,214	\$2,810,918	\$2,483,297	\$6,106,589	\$3,295,671	23,882
Nursery, garden center, and farm supply stores (NAICS 44422)	\$7,137,445	\$5,301,289	\$1,836,156	\$8,603,078	\$3,301,789	6,604
Supermarkets and other grocery (except convenience) stores (NAICS 44511)	\$121,104,628	\$78,873,266	\$42,231,361	\$153,048,498	\$74,175,232	148,350
Meat markets (NAICS 44521)	\$1,112,970	\$375,952	\$737,017	\$1,421,072	\$1,045,120	2,090
Beer, wine, and liquor stores (NAICS 4453)	\$10,694,331	\$3,234,972	\$7,459,359	\$13,685,686	\$10,450,714	9,501
Pharmacies and drug stores (NAICS 44611)	\$49,643,660	\$29,951,600	\$19,692,060	\$60,294,603	\$30,343,003	48,862
Other health and personal care stores (NAICS 44619)	\$3,137,851	\$1,934,818	\$1,203,033	\$3,816,587	\$1,881,769	5,376
Women's clothing stores (NAICS 44812)	\$6,281,569	\$3,778,303	\$2,503,267	\$7,204,082	\$3,425,779	11,419
Shoe stores (NAICS 4482)	\$5,350,879	\$4,992,553	\$358,326	\$7,175,113	\$2,182,560	7,275
Jewelry stores (NAICS 44831)	\$6,092,869	\$4,173,996	\$1,918,873	\$7,211,272	\$3,037,276	3,894
Sporting goods stores (NAICS 45111)	\$8,904,072	\$7,107,182	\$1,796,890	\$11,828,120	\$4,720,938	24,717
Hobby, toy, and game stores (NAICS 45112)	\$3,589,094	\$2,515,198	\$1,073,896	\$4,423,327	\$1,908,129	5,452
Pet and pet supplies stores (NAICS 45391)	\$4,082,703	\$3,900,444	\$182,259	\$5,182,869	\$1,282,425	4,137
Art dealers (NAICS 45392)	\$1,819,598	\$0	\$1,819,598	\$2,100,884	\$2,100,884	3,501
Full-service restaurants (NAICS 722511)	\$50,964,888	\$59,459,639	(\$8,494,752)	\$65,784,116	\$6,324,477	10,368
Limited-service restaurants (NAICS 722513)	\$44,453,626	\$20,310,352	\$24,143,275	\$57,581,132	\$37,270,780	186,354

This Report
Produced By

PLACE
+MAIN
A D V I S O R S



City Council Agenda Bill

SUBJECT:	Agenda Date: April 18, 2023	AB23-048
Resolution Adopting a New Procurement Policy and Procedures	Department/Committee/Individual	
	Mayor Rob McFarland	
	City Administrator – David Miller	
	City Attorney – Mike Kenyon/Lisa Marshall	
	City Clerk – Susie Oppedal	
	Administrative Services – Lisa Escobar	
	Comm. & Economic Development – Rebecca Deming	
Cost: N/A	Finance – Richard Gould	X
Fund Source: Various	Public Works – Mark Rigos	
Timeline: Immediate		

Attachments: Resolution, Exhibit A – Procurement Policy & Procedures, Current Policy

SUMMARY STATEMENT:

The purpose of a procurement policy to be established is to reduce costs, increase efficiencies, ensure compliance with policies, laws, and regulations, and establish/improve internal controls. City staff is presenting a new procurement policy, replacing the current one that was approved by the Council in 1998 (Ordinance 1037). This purchasing policy is a one-page document (the new proposed policy is twenty pages) that is now out of date and does not promote efficiencies woefully out of date (as in ensuring compliance with laws, regulations and policies). The new policy was prepared using four comparable cities (by budget), the Cities of Monroe, Woodinville, Snoqualmie, and Snohomish to use as guides in certain sections. For example, one significant section is spending authority. Staff realizes and has experienced that the City of North Bend's current policy is inefficient in this section due to the low spending authority amount for the Mayor, City Administrator, and department heads. This has caused numerous delays on time sensitive projects and is counter to increasing efficiencies and in reducing costs. The requested spending authority of up to \$50,000 for the mayor or designee is in-line with the 4 cities mentioned above. There is also an option for \$25,000 based upon the Finance and Administration Committee's recommendation.

I have also researched the purchasing (buying) “power” of \$7,500 in 1998 versus 2023 (\$3,880) calculated on the inflationary trend over the past 25 years. The City’s 2023 budget exceeds \$104M whereas in 1998 it was just over \$13M. Mark Rigos researched the cost of preparing agenda bills that were required to go to the Council for approval for costs less than \$50K in 2023, these were his findings:

Below I provide agenda bills (AB) that were required to go to Council for approval for costs less than \$50k for the year 2023. I suspect 2022 or 2021 would be similar.

1. *Jan. 3, 2023: AB to order different Kuyper snowplow blades and a few parts = \$9,311*
2. *Jan. 18, 2023, AB to provide asphalt repairs in Gardner Weeks Park (near Sr. Center) = \$32,758*
3. *Feb. 7, 2023: AB to amend Epicenter Contract = \$15,750*
4. *Feb. 7, 2023: AB to purchase more Ice-Slicer = \$42,637*
5. *Feb 7, 2023: AB to approve contract with Raftelis = \$16,000*
6. *March 7, 2023: AB to approve contract with Hydrex for leak detection = \$11,427*
7. *March 7, 2023: AB to add \$7,000 to contract with Sova Consulting = \$7,000*
8. *March 21, 2023: AB to purchase 2 more snowplow apparatus to attach to ex. trucks = \$24,724*

City Council Agenda Bill

Estimated time per agenda bill for staff such as me, Don, Tom, attorney, Susie, Deputy Clerk/Paralegal (sometimes), Dave's review, Committee review, etc. For preparation and total touch time per staff/attorney (writing the AB, editing from multiple parties, lawyer review, copying for packets), on average I suspect there is 10 hours of time spent per Agenda Bill. Assuming average staff time is worth \$150/hour, then cost is \$1,500/AB. For 8 Agenda Bills, this was approx. cost to the City of \$12,000 for Q1 in 2023. Multiplying by 4 quarters for the year, this amount becomes significant at \$48,000/year.

Councilmember Rosen asked me to gather some comparisons of local smaller cities in King & Snohomish Counties. Here is what I found:

City	Spending Authority	Budget
Newcastle	\$25K (City Manager)	\$40M
Duvall	\$15K (Mayor)	\$65M
Pacific	\$25K (Mayor)	\$28M
Sultan	\$10K (Mayor)	\$65M
Carnation	\$25K (City Manager)	\$16M

Staff is requesting approval of this new procurement policy to continue the City's effort in maintaining best practices (reducing costs and increasing efficiencies) as well as staying current with policies, laws and regulations. The current purchasing policy will be removed by a new Ordinance that the City Administrator will be presenting to the Council on April 18, 2023.

City	Spending Authority	Budget
Snoqualmie	\$50K (Mayor)	\$118M
Woodinville	\$50K (City Manager)	\$119M
Snohomish	\$100K (Mayor)	\$110M
Monroe	\$50K & \$100K (Mayor)	\$117M
North Bend	\$7500 (Mayor)	\$104M

APPLICABLE BRAND GUIDELINES: Economic viability/balanced budget.

COMMITTEE REVIEW AND RECOMMENDATION: This item was reviewed by the Finance & Administration Committee at their March 14, and April 11, 2023, meeting with a recommendation for approval by the Council.

RECOMMENDED ACTION: **MOTION to approve AB23-048, a resolution adopting a new Procurement Policy and Procedures.**

RECORD OF COUNCIL ACTION

Meeting Date	Action	Vote
March 21, 2023	AB23-036 Remanded to 4/11 F&A Committee	7-0
April 18, 2023		

RESOLUTION

A RESOLUTION OF THE CITY OF NORTH BEND, WASHINGTON, ADOPTING THE CITY'S PROCUREMENT POLICY AND PROCEDURES

WHEREAS, the City desires to adopt a policy and procedures for the procurement of goods and services;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND,
WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. The City's Procurement Policy and Procedures, a copy of which is attached hereto as Exhibit A and by this reference fully incorporated herein, is hereby adopted.

**PASSED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND,
WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 18TH DAY OF
APRIL, 2023.**

CITY OF NORTH BEND:

Rob McFarland, Mayor

APPROVED AS TO FORM:

Lisa Marshall, City Attorney

ATTEST/AUTHENTICATED:

Effective:

Posted:

Susie Oppedal, City Clerk



Administrative Policy and Procedure

Title: Procurement Policy & Procedures

Effective Date: April 18, 2023 by Resolution 2xxx

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Policy

Purpose: This policy is established in order to reduce costs, increase efficiencies, ensure compliance with policies, laws, and regulations, and establish/improve internal controls.

Scope: This policy applies to all City contracting and purchases, and to services provided to the City including but not limited to materials, equipment, professional services, maintenance work and public works.

General Responsibilities: All employees and officials must follow established policies and procedures for procurement of equipment, materials, and services. Adherence to these policies and procedures will ensure that public purchases and contracts are open, fair, and at the best value to the public

1.0 Procurement of Goods and Services

All City purchases above \$2,000 require either a signed purchase order or a contract to be approved prior to actual purchase. Purchases made without a purchase order or contract may be determined to be unauthorized and become the financial responsibility of the employee initiating the purchase. No purchase order or contract may be awarded if the budget authority is exceeded. For purposes of this policy, budget authority includes the Council adopted budget authority and the Mayor's departmental/activity/line item allotment, or both.

1.1 Summary of Quote and Bid Requirements

City purchases are subject to authorization & quote/bid requirements as shown on the following chart. Purchases may not be broken into multiple projects or purchases to avoid compliance with state statutes and City policies.

General Purchases (no public work involved)

Estimated Cost	Type	Procedure	Section
\$7,500 or less	Materials, supplies, equipment	No competitive bids; Department selection	1.2.1
\$7,501 to \$14,999 ¹	Materials, supplies, equipment	Three verbal quotes; Department selection	1.2.2
\$15,000 or more	Materials, supplies, equipment	Competitive bids and contract	2.0
Any	Telecommunication Systems/Services, Water Conservation, Solid Waste Reduction and Energy Equipment	Competitive negotiation, Advertise Request for Proposal, Council votes to authorize, Mayor signs contract	1.2.3

Professional and Personal Services (no public work involved)

¹ RCW 35.23.352(7). See also RCW 35.34.352(9).

Estimated Cost	Type	Procedure	Section
\$10,000 or less	Any Professional/Personal (excluding architect, engineering, land surveying, landscape architect)	No competitive bids, Department selection, and approval	1.3.1
\$10,001 or more	Any Professional/Personal (excluding architect, engineering, land surveying, landscape architect)	No competitive bids, Mayor or Council approval as determined by contract amount	1.3.1
\$10,000 or less	Architect, Engineering, Land Surveying, Landscape Architect ²	Advertise, Request for Qualifications required, or alternatively use of MRSC consultant roster process, Department selection and approval	1.3.2
\$10,001 or more	Architect, Engineering, Land Surveying, Landscape Architect	Advertise, Request for Qualifications required, or alternatively use of MRSC consultant roster process Mayor or Council approval as determined by contract amount	1.3.2

Public Works Projects³

Estimated Cost⁴	# Craft/Trade or Type	Procedure	Section
less than \$50,000	3+	By contract using limited public works process, ⁵ No advertisement	1.4.1
\$75,500 or less	1	By contract or day labor without competitive bids	1.4.2
\$75,500 or less ⁶	Street signalization or street lighting	By contract or day labor without competitive bids	1.4.2
\$116,155 or less	2+	By contract or day labor without competitive bids	1.4.3

² Chapter 39.80 RCW.³ RCW 35.23.352(1).⁴ This is the estimated cost of the improvement or work, including the cost of materials, supplies and equipment.⁵ RCW 39.04.155(3).⁶ RCW 35.23.352(1)

\$350,000 or less	3+	By contract using small works roster process ⁷ , No advertisement	1.4.4
More than \$350,000	3+	By contract using competitive bids	2.0

1.2 General Purchases (no public works involved)

The following are requirements for the purchase of supplies, materials, or equipment not connected to a public works project. The breaking of any project into units or accomplishing any project by phases is prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let.

1.2.1 Supplies, Materials, or Equipment not to Exceed \$7,500

The use of informal or formal sealed bidding procedures for the purchase of any materials, supplies, or equipment not connected to a public works project is not required where the cost will not exceed seven thousand five hundred dollars (\$7,500). The City will attempt to obtain the lowest practical price for such goods and services.

1.2.2 Supplies, Materials, or Equipment Greater Than \$7,500 and not to Exceed \$15,000

The Purchasing Contract Process⁸ may be used for purchasing supplies, materials or equipment, without following the formal competitive bidding process, when the cost thereof is \$15,000 or less. The Purchasing Roster maintained by the Municipal Research and Services Center (www.mrscrosters.org) allows the City to evaluate the supplies, materials, and equipment and prices on file when the need for same arises. Use of this process allows the City to avoid the advertisement requirements of the formal competitive bid process. All other bidding requirements are the same.

For each purchase, the City will secure telephone or written quotations from (whenever possible), at least three appropriate vendors on the Roster to ensure that a competitive price is obtained and to ensure that the contract is awarded to the lowest responsible bidder. The City may invite proposals from more than three or all appropriate vendors on the Roster.

In determining whether the bidder is a responsible bidder, the City must consider the following elements:

- a) The ability, capacity, and skill of the bidder to perform the contract or provide the service required;
- b) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- c) Whether the bidder can perform the contract within the time specified;
- d) The quality of performance of previous contracts or services;
- e) The previous and existing compliance by the bidder with laws relating to the contract or services; and

⁷ RCW 39.04.155(1), (2).

⁸ RCW 39.04.190.

- f) Such other information as may be secured having a bearing on the decision to award the contract.

The City may, at its option when awarding a purchase contract, take into consideration tax revenue it would receive from purchasing the supplies, materials, or equipment from a supplier located within its boundaries. The City must award the purchase contract to the lowest responsible bidder after such tax revenue has been considered. However, the City may allow for preferential purchase of products made from recycled materials or products that may be recycled or reused.

The City shall post a list of the contracts awarded under this process at least once every two months. The list shall contain the name of the vendor awarded the contract, the amount of the contract, a brief description of the items purchased under the contract, and the date it was awarded. The list shall also state the location where the bid quotations for these contracts are available for public inspection.

1.2.3 Electronic Data Processing and Telecommunication Systems/Services⁹

The City may acquire electronic data processing or telecommunications equipment, software, or services through competitive negotiation rather than through competitive bidding.

“Competitive negotiations” shall include, as a minimum, the following requirements:

- a) A request for proposal shall be prepared and submitted to an adequate number of qualified sources, as determined by the City, in its discretion, to permit reasonable competition consistent with the requirements of the procurement. The request for proposal shall identify significant evaluation factors, including price and their relative importance;
- b) Notice of the request for the proposal must be published in a newspaper of general circulation in the municipality at least thirteen days before the last date on which proposals will be received;
- c) The City shall provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources and selection for awarding the contract;
- d) The award is made to the qualified bidder whose proposal is most advantageous to the municipality with price and other factors considered. The City may reject any and all proposals for good cause and request new proposals.

1.2.4 Water Conservation, Solid Waste Reduction, and Energy Equipment

Contracts for water conservation, solid waste reduction, and energy equipment¹⁰ may be

⁹ RCW 39.04.270.

¹⁰ “Energy equipment and services” means energy management systems and any equipment, materials, or supplies that are expected, upon installation, to reduce the energy use or energy cost of an existing building or facility, and the services associated with the equipment, materials, or supplies, including but not limited to design, engineering, financing, installation, project management, guarantees, operations, and maintenance. Reduction in energy use or energy cost may also include reductions in the use or cost of water, wastewater, or solid waste. RCW 39.35A.020(1).

procured through performance-based contracts.¹¹ The City shall: (1) establish criteria for equipment and services required; (2) publish in advance the scope and nature of the equipment and services; (3) encourage firms to submit proposals to meet these requirements; and (4) negotiate a fair and reasonable performance-based contract with the firm that submits the best proposal. If the City is unable to negotiate a satisfactory contract with the firm that submits the best proposal, negotiations with that firm shall be formally terminated and the City may select another firm and continue negotiation until a performance-based contract is reached or the selection process is terminated.

1.2.5 Sole Source Purchases (See, Section 3.1 for procedure for waiving competitive bidding requirements for sole source purchases.)¹²

A “sole source” is characterized as meeting one or more of the following standards:

- a) The City department has conducted a screening process whereby it can justify purchase of a specific product;
- b) The City requires legitimate specifications to which only one vendor can successfully respond;
- c) The product is available only through one manufacturer (or distributor) and the manufacturer so certifies.

1.2.6 Conflicts of Interest

The City will not accept donations of materials or services in return for a commitment, agreement, or implied understanding to in any way influence initiation, continuation, alteration, or cessation of a purchasing agreement. No employees will participate in procurement when they are aware of a conflict of interest, or accept gifts or gratuities from existing or potential vendors in return for a commitment to continue or initiate a purchasing relationship.

1.3 Professional and Personal Services

A competitive process is not required for professional or personal services, other than professional engineering or architectural services as specified in chapter 39.80 RCW. Purchase of professional services requires completion of a City professional services contract that describes services to be performed and a negotiated price. Prior experience with the City, time-frame for completing projects, and the value of a negotiated agreement will be considered when choosing a consultant/firm to perform professional services, as defined in this Section.

¹¹ “Performance-based contract” means one or more contracts for water conservation services, solid waste reduction services, or energy equipment and services between a municipality and any other persons or entities, if the payment obligation for each year under the contract, including the year of installation, is either: (a) set as a percentage of the annual energy cost savings, water cost savings, or solid waste cost savings attributable under the contract; or (b) guaranteed by the other persons or entities to be less than the annual energy cost savings, water cost savings, or solid waste cost savings attributable under the contract. Such guarantee shall be, at the option of the municipality, a bond or insurance policy, or some other guarantee determined sufficient by the municipality to provide a level of assurance similar to the level provided by a bond or insurance policy. RCW 39.35A.020(6).

¹² RCW 39.04.280(1)(a).

1.3.1 Non-Architectural and Engineering Services

Professional and technical services include disciplines such as attorneys, computer programmers, financial analysts, bond counsels, artists, planners, and real estate appraisers.

Purchase of professional services requires completion of a City professional services contract that describes services to be performed and a negotiated price. Prior experience with the City, time-frame for completing projects, and the value of a negotiated agreement will be considered when choosing a consultant/firm to perform professional services, as defined in this Section. Any contract for professional or personal services other than architect, engineering, land surveying and landscape architect services may be awarded, within purchasing authority, by a Department Head (excluding legal services), with the written approval of the Mayor or authorization by vote of the City Council. All contracts awarded under this Section by a Department Head shall be reported to the City Council on a monthly basis. Report shall include the name of the firm awarded a contract, a description of the services to be provided, and the contract award date and amount.

1.3.2 Architectural, Engineering and Design Services

Architect, engineering, land surveying, and landscape architect services, regardless of estimated cost, shall be procured by publishing the requirement for professional services either before each occasion when services are required or through a general announcement of projected requirements; or alternatively procured through the consultant roster maintained by the [Municipal Research and Services Center](http://www.mrscrosters.org) (www.mrscrosters.org). For either procurement process, the City shall follow the procedure established in chapter 39.80 RCW, and provide a general scope and nature of the project or work and the address of a representative of the City who can provide further details.

The City shall conduct discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services and then shall select the most highly qualified firm based upon criteria established by the City. Minority and women-owned firms and veteran-owned firms shall be afforded the maximum practicable opportunity to compete for and obtain service contracts.

The City shall negotiate a contract with the most qualified firm at a price which the City determines is fair and reasonable. In making its determination, the City shall take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature of the services. If the City is unable to negotiate a satisfactory contract with the firm selected, negotiations with that firm shall be formally terminated and the City shall select another firm in accordance with this procedure or until the process is terminated.

This process does not apply when the City makes a finding that an emergency requires the immediate execution of the work. However, the City must comply with applicable law

limiting emergency expenditures.¹³

1.4 Public Works

The following are requirements for the procurement of public works¹⁴ projects. Any public works project with an estimated cost of greater than \$300,000 must follow the competitive bid process described in Section 2.0.

1.4.1 Limited Public Works Process

The City may award a contract for work, construction, alteration, repair, or improvement projects estimated to cost **less than \$50,000**¹⁵ using the Limited Public Works Process.¹⁶ Limited public works projects awarded under this Section are exempt from the other requirements of the Small Works Roster Process and are exempt from the requirement that contracts be awarded after advertisement.

For limited public works projects, the City shall solicit electronic or written quotations from a minimum of three contractors from the appropriate small works roster maintained by the [Municipal Research and Services Center](http://www.mrscrosters.org) (www.mrscrosters.org) and shall award the contract to the lowest responsible bidder.

After an award is made, the quotations shall be open to public inspection and available by electronic request. The City shall attempt to distribute opportunities for limited public works projects equitably among contractors willing to perform in the geographical area of the work. The City shall maintain a list of the contractors contacted and the contracts awarded under the Limited Public Works Process, including the name of the contractor, the contractor's registration number, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded. The City may waive the payment and performance bond requirements of chapter 39.08 RCW and the retainage requirements of chapter 60.28 RCW, thereby assuming the liability for the contractor's nonpayment of laborers, mechanics, subcontractors, material persons, suppliers, and taxes imposed under Title 82 RCW that may be due from the contractor for the limited public works project, however, the City shall have the right of recovery against the contractor for any payments made on the contractor's behalf.

The City shall make available a list of the contractors contacted and the contracts awarded under this Limited Public Works Process at least once every year. The list shall contain the name of the contractor or vendor awarded the contract, the amount of the contract, a brief description of the type of work performed, and the date it was awarded. It shall also list the location where the bid quotations for these contracts are available for public inspection.¹⁷

The breaking of any project into units or accomplishing any project by phases is

¹³ RCW 39.80.060.

¹⁴ "Public work" means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the City, or which is by law a lien or charge on any property therein.

¹⁵ For estimating, see RCW 39.04.020.

¹⁶ RCW 39.04.155(3).

¹⁷ RCW 39.04.200.

prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let using the Small Works Roster or the Limited Public Works Process.

1.4.2 Public Works Project Requiring One Craft or Trade or Street Signalization or Street Lighting with an Estimated Cost of \$75,500 or Less

Public works projects requiring a single craft or trade involvement with the public works where the estimated cost of the work or improvement, including cost of materials, supplies, and equipment will not exceed \$75,500, or a public works project involving street signalization or street lighting, may be procured by contract or day labor without calling for bids.¹⁸

1.4.3 Public Works Project Requiring Two Craft or Trade with an Estimated Cost of 116,155 or Less

Public works projects requiring more than one craft or trade involvement with the public works where the estimated cost of the work or improvement, including cost of materials, supplies, and equipment will not exceed \$116,155 may be procured by contract or day labor without calling for bids.¹⁹

1.4.4 Small Works Roster Process

The Small Works Roster Process may be used for public works projects with an estimated cost of \$350,000.00 or less.²⁰ The small works roster maintained by the [Municipal Research and Services Center](http://www.mrscrosters.org) (www.mrscrosters.org) allows the City to evaluate the professional qualifications on file when a proposed project is scheduled. Use of the small works roster allows the City to preclude the advertisement requirements of the formal competitive bid process. Other public works contracting procedures apply, such as the payment and performance bond requirements of chapter 39.08 RCW and the retainage requirements of chapter 60.28 RCW.

Invitations for quotation shall include an estimate of the scope and nature of the work to be performed as well as the materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation. This does not eliminate the other requirements for architectural or engineering approvals as to quality and compliance with building codes. Quotations may be invited from all appropriate contractors on the appropriate small works roster. As an alternative, quotations may be invited from at least five contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted, in a manner that will equitably distribute the opportunity among the contractors on the appropriate roster. Whenever possible, the City will invite at least one proposal from a qualified minority or woman contractor.

However, if the estimated cost of the work is from \$250,000 to \$350,000,²¹ and if the

¹⁸ RCW 35.23.352(1).

¹⁹ RCW 35.23.352(1).

²⁰ RCW 39.04.155. For estimating the cost of the work, see RCW 39.04.020.

²¹ For estimating the cost of the work, see, RCW 39.04.020; RCW 39.04.155(1)(c).

City chooses to solicit bids from less than all the appropriate contractors on the appropriate small works roster, the City must also notify the remaining contractors on the appropriate small works roster that quotations on the work are being sought. The City has the sole option of determining whether this notice to the remaining contractors is made by: (i) publishing notice in a legal newspaper in general circulation in the area where the work is to be done; (ii) mailing a notice to these contractors; or (iii) sending a notice to these contractors by fax or other electronic means. For purposes of this Section, "equitably distribute" means that the City may not favor certain contractors on the appropriate small works roster over other contractors on the appropriate small works roster who perform similar services.

Once a contractor has been invited to submit a proposal, that contractor will not be offered another opportunity until all other appropriate contractors on the roster have been given the opportunity to submit a proposal on a project.

Contractors selected from the small works roster are not relieved from observing applicable legal requirements such as a providing a performance bond, prevailing wages, material bonding, etc.

The contract must be awarded to the contractor submitting the lowest responsible bid. A contract awarded from the small works roster need not be advertised.

Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection, and made available by telephone inquiry.

The list of contracts awarded under this process must be made available at least once every year.²² The list shall contain the name of the contractor awarded the contract, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded. The list shall also state the location where the bid quotations for the contracts are available for public inspection.

The breaking of any project into units or accomplishing any projects by phases is prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let using the Small Works Roster Process.²³

1.5 Purchasing Authority

To facilitate cost effective and efficient procurement of goods and services, professional and personal services, and public works projects, City representatives are granted purchasing authority within the following cost limitations.

1.5.1 Employees

No purchase order is required for employee purchases up to \$2,000 that are made in the normal course of business with approval of the employee's Department Head. A signed purchase order by the Department Head is required for all employee purchases over

²² RCW 39.04.200.

²³ RCW 39.04.155(4).

\$2,000, subject to Department Head purchasing authority. The purchaser shall submit a sales receipt or invoice to the Department Head for proper accounting for all employee purchases.

1.5.2 Department Heads

Department Heads may approve purchases of goods and services, professional and personal services (excluding legal services), and public works projects not exceeding \$15,000 by agreement provided that such procurement is authorized by the City budget and the agreement has been reviewed and approved as to form by the City Attorney beforehand. Procurement of goods and services, professional and personal services, or public works projects by Department Heads greater than \$15,000 up to **\$25,000** shall be approved by the Mayor provided that such procurement is authorized by the City budget and the agreement has been reviewed and approved as to form by City Attorney beforehand.

1.5.2.1 Reporting

Contracts entered into by Department Heads under Section 1.5.2 shall be tracked and reported to the City Council on a monthly basis. The report to the City Council shall include the name of the firm awarded a contract, a description of the goods, services or work provided, and the contract award date and amount.

1.5.2.2 Amendments

Amendments to any contracts entered into under Section 1.5.2 are subject to the limitations specified therein.

1.5.3 Mayor

The Mayor may approve all purchases of goods and services, professional and personal services, and public works projects not exceeding **\$25,000** provided that such procurement is authorized by the City budget and the agreement has been reviewed and approved as to form by the City Attorney beforehand. Procurement of goods and services, professional and personal services, or public works projects by the Mayor greater than \$50,000 shall be reviewed and approved as to form by the City Attorney prior to submittal to City Council for approval.

1.5.3.1 Reporting

Contracts entered into by the Mayor under Section 1.5.3 shall be tracked and reported to the City Council on a monthly basis. The report to the City Council shall include the name of the firm awarded a contract, a description of the goods, services or work provided, and the contract award date and amount.

1.5.3.2 Amendments

Amendments to any contracts entered into under Section 1.5.3 are subject to the limitations specified within Section 1.5.3.

1.5.4 City Council

The City Council shall have the authority to approve all purchases of goods and services, professional and personal services, and public works projects greater than **\$25,000**.

2.0 Competitive Bid Procedures

Any purchase of materials, supplies, equipment, professional services, or public works projects, regardless of estimated cost, **may** be contracted through a competitive bid process. Materials, supplies, and equipment with an estimated cost of \$15,000 or more and public works projects with an estimated cost of more than \$350,000 **must** be contracted through a competitive bid process.

2.1 Authorization Request

In special circumstances, the Mayor may waive portions of the bid procedures. The “special circumstances” are limited to items where publication of bids may impinge on the safety of staff or City assets.

2.2 Publication of Notice

After authorization, the requesting Department Head will publish the Call for Bids in the official newspaper or a newspaper of general circulation most likely to bring responsive bids and ensure notice is posted on the City web page, at least 13 days prior to the bid submittal deadline.

2.3 Notice Contents

Notice (or advertisement) for bids should contain definite specifications and procedures for bidders to use to estimate their bids. At a minimum, a bid notice for public works must include the following information:

- a) Project title;
- b) Nature and scope of work;
- c) Where contract documents (plans and specifications) can be reviewed or obtained;
- d) Cost to obtain a set of contract documents;
- e) Place, date, and time that bids are due;
- f) Statement that a bid bond must accompany the bid;
- g) Statement that the City retains the right to reject any and all bids and to waive minor irregularities in the bidding process;
- h) Statement that the contract involves “public work” and that workers shall receive the prevailing rate of wage pursuant to the Prevailing Wages on Public Works Act (chapter 39.12 RCW);
- i) List of applicable prevailing wage rates; and
- j) Statement that the City is an equal opportunity employer and invites responsible bids from all qualified responsible bidders.

In addition, a bid notice shall provide evaluation criteria; warranty; minimum qualifications; date, time and location of pre-bid conference (if applicable); name, address and telephone number of the project contact; and number of required copies will help bidders prepare responsive submittals. Electronic submittals, including electronic signatures, may be authorized in the Call for Bids.²⁴

²⁴ RCW 39.04.390.

When practical, the City will conduct a pre-bid conference to allow a thorough discussion of the City's intent, scope, specifications, and terms, and shall encourage potential vendors to attend.

2.4 Bid Opening

Bids are submitted to the City Clerk, where they are time and date stamped and processed. Bid opening will be announced to the Mayor and Department Heads.

2.5 Report on Bids

The responsible Department Head will prepare a report and recommendation to the Mayor and City Council on all bids received.

2.6 Award to Lowest Responsible Bid

The City may select the lowest responsible bid²⁵ whose proposal is most advantageous to the City, with price and other factors considered. Quality and expertise, however, must also be a consideration. Before awarding a public works contract, the bidder must meet the following criteria:

- a) At the time of bid submittal, have a certificate of registration in compliance with chapter 18.27 RCW;
- b) Have a current state unified business identifier number;
- c) If applicable, have industrial insurance coverage for the bidder's employees working in Washington as required in Title 51 RCW; an employment security department number as required in Title 50 RCW; and a state excise registration number as required in Title 82 RCW;
- d) Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3); and
- e) If bidding on a public works project subject to the apprenticeship utilization requirements in RCW 39.04.320, not have been found out of compliance by the Washington state apprenticeship and training council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under Chapter 49.04 RCW for the one-year period immediately preceding the date of the bid solicitation.

2.7 Supplemental Bidder Responsibility Criteria

In addition to the bidder responsibility criteria in Section 2.6, the City may adopt relevant supplemental criteria for determining bidder responsibility applicable to a particular project which the bidder must meet.

Supplemental criteria for determining bidder responsibility, including the basis for evaluation and the deadline for appealing a determination that a bidder is not responsible, must be provided in the invitation to bid or bidding documents.

In a timely manner before the bid submittal deadline, a potential bidder may request the City to modify the supplemental criteria. The City must evaluate the information

²⁵ RCW 39.04.350.

submitted by the potential bidder and respond before the bid submittal deadline. If the evaluation results in a change of the criteria, the City must issue an addendum to the bidding documents identifying the new criteria.

The City may consult the capital projects advisory review board guidelines in developing supplemental bidder responsibility criteria available on the Capital Project Advisory Review Board website (www.des.wa.gov/about/Committees/CPARB/Pages/default.aspx).

If the bidder fails to provide the information requested concerning responsibility within the time and manner specified in the bid documents, then the City may base its determination of responsibility upon any available information related to the supplemental criteria or may find the bidder not responsible.

If the City determines the lowest bidder not responsible, the City must provide the reasons for the determination in writing. The bidder may appeal the determination within the time period specified in the bidding documents by presenting additional information to the City. Then, the City must consider the additional information before issuing its final determination. If the final determination affirms that the bidder is not responsible, the City may not execute a contract with any other bidder until two business days after the bidder determined to be not responsible has received the final determination.

2.8 Rejection of Bids

The City reserves the right to reject any bid not in substantial compliance with the bid documents, or all prescribed public bidding procedures and requirements, and may reject all bids.

3.0 Other Exemptions to Competitive Bidding Requirements

In addition to small public work projects under \$300,000, purchases of goods and services under \$15,000 and professional and personal services, competitive bidding requirements may be waived for the following:

3.1 Sole Source Vendor

If, after conducting a good faith review of available resources, the requesting department director determines that there is only one source of the required materials, supplies, or equipment, a purchase contract may be awarded without complying with established bid requirements. The requesting Department Head will submit a written request for sole source procurement for approval, and conduct price, terms, and delivery negotiations, as appropriate. The vendor must certify in writing that the City is getting the lowest offered price. Immediately after the award of the contract, the contract and the factual basis for the determination of "sole source" must be recorded and open to public inspection.²⁶

3.2 Purchases Involving Special Facilities or Market Conditions

The Mayor may waive established bidding requirements if an opportunity arises to purchase favorably-priced equipment at an auction, or supplies or used goods that will be sold before the City can conduct the bid process. Immediately after the award of the

²⁶ RCW 39.04.280(2).

contract, the contract and the factual basis for the determination of “special facilities or market conditions” must be recorded and open to public inspection.²⁷

3.3 Surplus Property

The City may acquire surplus property from another public agency without the use of bids.²⁸

3.4 Emergency Purchases, Contracts, Contract Amendments and Change Orders

The term “emergency” is defined herein as “unforeseen circumstances beyond the control of the municipality that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.” If an emergency situation has been declared, the Mayor may waive competitive bidding requirements and the City may award all necessary contracts to purchase goods, materials, or services to address the emergency situation. Purchase order(s), contracts, contract amendments, and change orders must be properly documented as pertaining to an emergency as soon as possible following the event. If a contract is awarded without competitive bidding due to a declared emergency, the City Council must adopt a resolution certifying the emergency situation existed no later than two weeks following the award of the contract.²⁹

3.5 Interlocal Agreements

The City of North Bend may use shared purchasing agreements. All such shared purchasing agreements shall have prior approval of the City Council.

When practical, the City should include language in its solicitations that allows other public agencies to purchase from the City of North Bend’s bids or quotations, provided that the other agencies allow similar rights and reciprocal privileges to the City of North Bend.

3.5.1 Interlocal Cooperative Purchasing Agreements

Pursuant to RCW 39.34, bidding is not required when purchases of materials, supplies, or equipment are made under State standard contracts or similar contracts executed by and through other local governments which have complied with state bidding requirements. The other government’s bid process must have been conducted within the previous 12-month period to be valid for use by the City of North Bend. In addition, the City of North Bend must conduct a screening process whereby it can justify the purchase through an Interlocal Agreement. The screening process and results must be clearly documented in writing. All other procurement approval requirements must be met.

3.5.2 Joint Purchases

The City may make a bid call with another government entity as a joint purchase complying with the bid requirements of the participating jurisdictions. Purchases made pursuant to any such agreement shall be separately invoiced to the respective purchasers

²⁷ RCW 39.04.280(2).

²⁸ RCW 39.33.010.

²⁹ RCW 39.04.280(2)(b).

in accordance with the purchases made by each; and each such purchaser shall be responsible for payment for its own purchases only. Purchases made for the City under a purchasing contract executed by a state, or agency or subdivision thereof, or by another governmental unit or public benefit nonprofit corporation shall be exempt from competitive bidding and related requirements.

3.5.3 Purchasing Cooperatives That Meet State and City Bidding Requirements

Pursuant to chapter 39.34 RCW, bidding is not required when purchases of materials, supplies, or equipment are made under state standard contracts or similar contracts executed by and through purchasing cooperatives which have complied with state bidding requirements. The purchasing cooperative's bid process must have been conducted within the previous 12 month period to be valid for use by the City of North Bend. In addition, the City of North Bend must conduct a screening process whereby it can justify the purchase through a purchasing cooperative. The screening process and results must be clearly documented in writing. All other procurement approval requirements must be met.

4.0 Contract Amendments for General Purchases, Professional and Personal Services

The City of North Bend establishes the Contract Amendment Authorization Policy as follows:

4.1 Contract Amendments Within City Council Authorized Budget

Upon recommendation of the project/contract manager, and demonstration that a Contract Amendment is necessary and reasonable, the Department Head or Mayor is authorized to approve Contract Amendments that do not exceed the legally authorized budget limit established for the applicable contract and the amendment shall be reviewed and approved as to form by the City Attorney beforehand.

4.1.1 Department Head

A Department Head may execute a contract amendment provided that cumulative amendments do not exceed \$15,000 or 10% of the total contract value up to \$100,000, whichever is greater. Contract amendments entered into by Department Heads shall be tracked and reported to the City Council on a monthly basis. The report to the City Council shall include the name of the firm, a description of the goods, services, or work provided, and the contract amendment date and amount.

4.1.2 Mayor

The Mayor may execute contract amendment provided that cumulative amendments may not exceed **\$25,000** or 10% of total contract value up to \$500,000, whichever is greater. Contract amendments entered into by the Mayor shall be tracked and reported to the City Council on a monthly basis. The report to the City Council shall include the name of the firm, a description of the goods, services or work provided, and the contract amendment date and amount.

4.2 Contract Amendment in Excess of City Council Authorized Budget Appropriations

Upon recommendation of the project/contract manager, and demonstration that a Contract Amendment is necessary, the Mayor shall submit to the City Council a Contract Amendment Request, after review and approval of the Contract Amendment as to form by the City Attorney, that includes the amount of requested funds and a written justification describing why the additional funds are necessary and the benefits to be derived therefrom.

If the City Council approves the Contract Amendment Request, the Mayor shall take the necessary actions to enact the Contract Amendment and complete the work in an expeditious manner in accordance with the City Council's direction.

If the City Council denies the Contract Amendment Request, the project/contract manager shall report back to the Mayor and City Council with options as to how to accomplish the project/contract within the funds allocated.

4.3 Change Orders for Public Works Contracts

The City of North Bend establishes the Change Order Authorization Policy as follows:

4.3.1 Change Orders Within City Council Authorized Budget

Authorized project budget limits are established by the City Council through the adoption of annual operating and capital budget appropriations. Upon recommendation of the project/contract manager, and demonstration that a Change Order is necessary and reasonable, the Department Head or Mayor is authorized to approve any and all Change Orders that do not exceed authorized budget limits and the monetary limits set forth in Sections 4.4.2. and 4.4.3 below; subject to review and approval as to form by the City Attorney beforehand.

4.3.2 Department Head

A Department Head may execute change orders provided that cumulative change orders do not exceed \$25,000 or 10% of total contract value up to \$250,000 whichever is greater; subject to review and approval as to form by the City Attorney beforehand. Changes orders entered into by Department Heads shall be tracked and reported to City Council on a monthly basis. The report to the City Council shall include the name of the firm, a description of the goods, services or work provided, and the contract change order date and amount.

4.3.3 Mayor

The Mayor may execute change orders provided that cumulative change orders do not exceed **\$25,000** or 10% of total contract value up to \$500,000 whichever is greater; subject to review and approval as to form by the City Attorney beforehand. Changes orders entered into by the Mayor shall be tracked and reported to City Council on a monthly basis. The report to the City Council shall include the name of the firm, a description of the goods, services or work provided, and the contract change order date and amount.

4.4 Change Orders in Excess of City Council Authorized Budget Appropriations

Upon recommendation of the project/contract manager, and demonstration that a Change Order in excess of the City Council authorized budget appropriation is necessary, the Mayor, after review and approval as to form by City Attorney, shall submit to the City Council a Change Order Request that includes the amount of requested funds and a written justification describing why the additional funds are necessary and the benefits to be derived therefrom.

If the City Council approves the Change Order Request, the Mayor shall take the necessary actions to enact the Change Order and complete the work in an expeditious manner in accordance with the City Council's direction.

If the City Council denies the Change Order Request, the project/contract manager shall report back to the Mayor and City Council with options as to how to accomplish the project/contract within the funds allocated.

5.0 Travel Expenses

All expense payments or reimbursements for travel and/or subsistence expenses must meet the requirements set forth in the City of North Bend Travel Policy, which establishes the policy and procedures related to obtaining travel authorization, advance travel funds, and expenditure or reimbursement for travel and subsistence expenses incurred in the conduct of the City's business. See the City of North Bend Travel Policy and Procedures for details.

6.0 Payment Processing

There are two accounts payable check cycles scheduled each month, generally on the first and third Tuesdays of each month, unless the date falls on a weekend or holiday.

6.1 Approvals

All invoices shall be receipted and date stamped when received by the City. All invoices shall be signed for approval by the applicable Department Head. Reimbursements payable to City employees shall be signed for approval as follows:

- Council -- Approved by the Mayor or designee
- Mayor -- Approved by the City Council
- City Administrator – Approved by the Mayor
- Department Head -- Approved by the Mayor
- Other Employees -- Approved by the applicable Department Head. Employees may not approve their own reimbursement.

6.2 Accounts Payable

Invoices that are received by accounts payable via the US Postal Service will be date stamped and routed to Department Heads the day that they are received. Other invoices may be received directly by the Department Head or other staff, such as when items are picked up at will-call or services are performed on-site. For all invoices, Department Heads or designees will verify that the invoiced items have been received and that the

invoiced amount is correct. The accounts payable coding stamp will be stamped on the invoice in a conspicuous place, the account coding and approval signature entered, and the approved invoice will be routed to accounts payable for payment.

6.3 Hand-Issued Checks

The City of North Bend does not generally prepare hand-issued checks. If exceptional and extenuating circumstances exist, a check may be hand-issued with Mayor approval. Hand-issued checks requested by the Mayor shall be pre-approved by the Mayor Pro-Tempore.

6.4 Store-Issued Charge Cards

Store-issued charge cards may only be issued with the specific pre-approval of the City Council. They are to be used solely for City-authorized business purposes. Please see Credit Card Policy for additional details.

6.5 Credit Cards

Credit cards may be issued with the specific pre-approval of the City Council. They are to be used solely for City-authorized business purposes. Please see Credit Card Policy for additional details.

6.6 Petty Cash

Petty cash funds cover minor disbursements when it is infeasible or impractical to use normal purchasing means. Employees may be reimbursed from petty cash funds for authorized purchases that do not exceed the established petty-cash limit of \$25.00.

Example expenses include fees for parking, tolls, postage stamps, and other minor incidental business expenses. Employees shall include receipts of expenditures when seeking reimbursement. The Finance Director shall maintain petty cash procedures in compliance with all applicable state law and generally accepted accounting procedures.

7.0 Budget Adjustments

Each Department Head must ensure that purchases are initiated only when departmental appropriations are sufficient to cover the anticipated cost. Expenditures that exceed departmental appropriations require the Mayor's approval of the Budget Adjustment Request Form.

Purchasing Policy

Chapter 3.30 PURCHASING

Sections:

- [3.30.010](#) Purchase of materials, equipment, supplies, or services.
- [3.30.020](#) Purchase contract process – Other than formal sealed bidding.

3.30.010 Purchase of materials, equipment, supplies, or services.

A. The mayor and city administrator are authorized, without further action by the city council, to purchase or enter into contracts for materials, equipment, supplies, and services, not otherwise subject to other provisions of state law or city code, in amounts up to \$7,500.

B. The mayor and city administrator are authorized, with the consent of all city council finance committee members, to enter into architectural and engineering contracts in amounts over \$7,500, and up to \$15,000.

C. The mayor and city administrator are authorized, with the consent of all city council finance committee members, to enter into public works contract change orders for materials, equipment, supplies and services, subject to other provisions of state law and city code, in amounts over \$7,500, and up to \$15,000.

D. Purchases made or contracts entered into under NBMC [3.30.010](#)(B) and (C) shall be approved by the city council at the next regularly scheduled meeting. (Ord. 1037 § 1, 1998).

3.30.020 Purchase contract process – Other than formal sealed bidding.

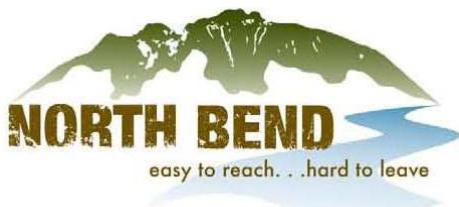
A. The following bidding requirements shall apply to all city purchases or contracts:

1. For purchases or contracts in amounts up to \$7,500, no bids or solicitations of any type are required.

2. For purchases or contracts in amounts over \$7,500 and up to \$15,000, the mayor and city administrator shall, whenever possible, cause at least three bids to be solicited, either telephonically or in writing.

3. For purchases or contracts in amounts over \$15,000, the city shall follow the bidding process as established in RCW 35.23.352.

B. Pursuant to RCW 39.04.190, the city clerk shall cause to be published at least twice a year, in a newspaper of general circulation within the city, a notice of the existence of vendor lists and solicit the names of vendors for such lists. Bids solicited pursuant to subsection (A)(2) of this section shall first be obtained from applicable vendors on the clerk's vendor lists. (Ord. 1037 § 1, 1998).



City Council Agenda Bill

SUBJECT:	Agenda Date: April 18, 2023	AB23-049
Ordinance Repealing North Bend Municipal Code Chapter 3.30 Regarding Purchasing	Department/Committee/Individual	
	Mayor Rob McFarland	
	City Administrator – David Miller	X
	City Attorney – Lisa Marshall	
	City Clerk – Susie Oppedal	
	Administrative Services – Lisa	
	Comm. & Economic Development – Rebecca Deming	
Cost Impact: N/A	Finance – Richard Gould	X
Fund Source: N/A	Public Works – Mark Rigos	
Timeline: Immediate		
Attachments: Ordinance		
SUMMARY STATEMENT:		
The current purchasing policy was approved by the City Council in 1998 by Ordinance 1037. This purchasing policy was a one-page document that is now out of date. The purpose of the procurement policy is established in order to reduce costs, increase efficiencies, ensure compliance with policies, laws and regulations, and establish/improve internal controls. City staff is presenting a new procurement policy, replacing this one to address these metrics.		
APPLICABLE BRAND GUIDELINES: Economic viability/Balanced Budget		
COMMITTEE REVIEW AND RECOMMENDATION: This item was reviewed by the Finance & Administration Committee at their March 14, and April 11, 2023, meeting with a recommendation for approval by the Council.		
RECOMMENDED ACTION: MOTION to approve AB23-049, an ordinance repealing North Bend Municipal Code Chapter 3.30 Purchasing, as a first and final reading.		
RECORD OF COUNCIL ACTION		
Meeting Date	Action	Vote
March 21, 2023	AB23-037 Remanded to 4/11 F&A Committee	7-0
April 18, 2023		

ORDINANCE

AN ORDINANCE OF THE CITY OF NORTH BEND, WASHINGTON, REPEALING NORTH BEND MUNICIPAL CODE CHAPTER 3.30 RELATING TO CITY PURCHASING; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City desires to adopt by resolution a procurement policy and procedures to take the place of North Bend Municipal Code Chapter 3.30 (Purchasing);

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND,
WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:**

Section 1. Repealer: North Bend Municipal Code Chapter 3.30 (Purchasing) is hereby repealed in its entirety.

Section 2. Severability: Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. Effective Date: This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

**ADOPTED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND,
WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 18TH DAY OF
APRIL, 2023.**

CITY OF NORTH BEND:

APPROVED AS TO FORM:

Rob McFarland, Mayor

Lisa Marshall, City Attorney

ATTEST/AUTHENTICATED:

Published:
Effective:

Susie Oppedal, City Clerk



City Council Agenda Bill

SUBJECT:	Agenda Date: April 18, 2023	AB23-050
First Reading of Resolution Authorizing the Mayor to Sign Agreement for the Wholesale Supply of Water with Sallal Water Association	Department/Committee/Individual	
Cost Impact:	Mayor Rob McFarland	X
Fund Source:	City Administrator – David Miller	
Timeline: Immediate	City Attorney – Lisa Marshall/Mike Kenyon	X
	City Clerk – Susie Oppedal	
	Administrative Services – Lisa Escobar	
	Comm & Econ Development – Rebecca Deming	
	Finance – Robert Gould	
	Public Works – Mark Rigos, P.E.	X
Attachments: Resolution, Exhibit A – Agreement, Presentation (PowerPoint Slides)		

SUMMARY STATEMENT:

In September 2007, the Washington State Department of Ecology (“Ecology”) approved Permit No. G1-26617(A) (“Permit”) for the City of North Bend’s (“City”) Centennial Well. The Permit includes a required mitigation plan designed to ensure that the City’s water use satisfies minimum requirements for instream flow to the Snoqualmie River when the river is low. The Permit identifies Hobo Springs as one approved source of mitigation water, and Sallal Water Association’s (“Sallal”) Rattlesnake Lake Wellfield as another approved source. After lengthy negotiations, the City and Sallal have agreed on the form of an Agreement for the Wholesale Supply of Water (“Agreement”) that will benefit both parties. Sallal will provide an additional source of potable water to the City for mitigation purposes, and the City will provide an additional source of potable water to Sallal needed to serve new growth in Sallal’s water service area.

Additional Background:

The City provides water to the area encompassing approximately the westerly two-thirds of the City limits, and also to an area of unincorporated King County within the City’s urban growth area (“UGA”) northeast of the City limits. Sallal provides water to the remainder of the City limits, and also to a separate area of unincorporated King County.

Ecology issued the Permit for the Centennial Well which included a mitigation plan designed to ensure that the City meets the minimum instream flow requirements of the Permit. In short, the Permit obligates the City to develop supplies of “mitigation water” for delivery to the Snoqualmie River in amounts required to offset the net stream depletion resulting from withdrawals of water under the Permit when flows are below minimum instream flow levels established at certain control points on the Snoqualmie River.

The Centennial Well has been in operation since 2008. Under the Permit, one source of mitigation water is Seattle Public Utilities’ (“SPU”) Hobo Springs. In order to utilize Hobo Springs as a mitigation water source, the City contracted with SPU and constructed the Boxley Creek Pipeline for delivery of mitigation water through Boxley Creek and ultimately into the Snoqualmie River. While the Hobo Springs source has been a reliable source of mitigation water over the years, it may not always be adequate to meet the total mitigation requirement of the Permit at all times of every year.

In addition to Hobo Springs, the Permit also identifies Sallal’s wellfield located adjacent to Rattlesnake Lake as an additional approved source of mitigation water. Approval of the Agreement attached to this Agenda Bill as Exhibit A is a necessary first step for the City to obtain an additional reliable source of mitigation water under the Permit.

Approval of the Agreement also provides a clear benefit to Sallal. On several occasions in the past, Sallal has been unable to serve new development within its water service area. For at least two of those applicants

City Council Agenda Bill

(the Dahlgren and National Guard projects), the City worked with Sallal, the property owners, and the King County Utilities Technical Review Committee (“UTRC”) to obtain authorization for the City to serve those properties in Sallal’s water service area. Approval of the Agreement should ensure that Sallal has sufficient water to serve its water service area in the future. Without this Agreement, a significant number of properties generally located on the east side of the City may not have access to water unless the UTRC again reviews and approves applications for the City to serve those properties. The Agreement should resolve these issues.

The negotiating teams for both parties intend to cooperate and collaborate as the Agreement is fully implemented. In order to best ensure a positive and mutually beneficial working relationship, the Agreement includes provision for an Intertie Management Committee (Section III of Exhibit A). Given the mutual benefits accruing from the Agreement, the negotiating teams for both Sallal and the City are also eager to promptly construct the interties necessary for each to physically convey water to the other (see Sections 4.3 and 5.3 of the Agreement attached as Exhibit A). Once construction of the interties is complete, mitigation water can flow from Sallal to the City and municipal water can flow from the City to Sallal.

Under Section 4.1 of the Agreement, Sallal is obligated to provide 100 acre feet per year (“AFY”) of mitigation water to the City. The City is obligated to provide municipal water to Sallal in an amount reasonably determined by Sallal (Section 5.1), but with the important caveat that the supply of “Municipal Water provided to Sallal combined with the City’s operational water production needs shall not exceed the withdrawal quantities (both annual and instantaneous) authorized by the Permit in the amounts of 3,094 AFY and 2,646 GPM, or violate the mitigation terms of the Permit.” The City is not concerned that this supply of water to Sallal could jeopardize the City’s ability to serve its own customers because the withdrawal quantities authorized by the Permit greatly exceed the City’s historical withdrawal quantities. The City has never exceeded 500 AFY and the calculated peak demand for 2023 is 1,110 GPM.

The City intends to obtain the full 100 AFY available from Sallal each year, and the City will likewise provide at least 100 AFY to Sallal each year. These quantities will simply be exchanged, without separate payment (Section 6.1). In the unlikely event that the City chooses not to acquire the full 100 AFY in any particular year, the City will still be obligated to provide Sallal with 100 AFY without additional charge (Section 6.1). The City has every incentive to obtain the full 100 AFY each year from Sallal, however, because the cost of mitigation water from Hobo Springs and SPU is greater than the cost to the City in this exchange of water with Sallal. To the extent that Sallal purchases water from the City in excess of 100 AFY, Sallal will pay the City’s actual cost to produce that water (Section 6.3).

Section VII of the Agreement reflects the mutual desire of Sallal and the City to preserve the water resource. In Section 7.1, Sallal acknowledges that it will not oppose or object to the application of the City’s water conservation ordinance (“WCO”) and any future amendments to the WCO within the City limits of the City of North Bend, including that portion of the City limits within Sallal’s water service area. In Section 7.2, Sallal likewise commits to adopt a resolution with terms substantially similar to the WCO to be applicable in the remainder of Sallal’s water service area outside of the City limits.

Finally, Section VIII of the Agreement includes a number of terms commonly included in commercial contracts. The Agreement will be in effect for 40 years (Section 8.5).

From discussions with the Sallal negotiating team, the Mayor understands that the Sallal Board will be initially considering this Agreement at its meeting on April 18. The Board will then present the Agreement to the Sallal membership on April 24 and May 24. The Sallal Board is expected to vote on the Agreement shortly after the May 24 membership meeting. In anticipation that the Sallal Board will approve the Agreement on or around June 1, the Mayor intends to bring the Agreement back to the City Council for the

City Council Agenda Bill

second and final reading at the June 6, 2023, Council Meeting. Any delay in the Sallal Board's action could result in a similar delay by the City.

Included with this Agenda Bill is a Resolution authorizing the Mayor to sign the Agreement. Also attached are PowerPoint slides prepared by Gray & Osborne for a joint presentation to the negotiating teams for Sallal and the City that describe and illustrate key aspects of the mutual benefits of the Agreement. Finally, the proposed final form of Agreement is attached as Exhibit A.

APPLICABLE BRAND GUIDELINES: Consistent delivery of quality basic services.

COMMITTEE REVIEW AND RECOMMENDATION: Issues involving this Agreement have been reviewed on multiple prior occasions in a Committee of the Whole format.

RECOMMENDED ACTION: **MOTION to approve AB23-050, a resolution authorizing the Mayor to sign an Agreement for the Wholesale Supply of Water with Sallal Water Association, as a first reading.**

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
April 18, 2023		

RESOLUTION

**A RESOLUTION OF THE CITY OF NORTH BEND,
WASHINGTON, AUTHORIZING THE MAYOR TO
EXECUTE AN AGREEMENT FOR THE WHOLESALE
SUPPLY OF WATER BETWEEN THE CITY OF NORTH
BEND AND SALLAL WATER ASSOCIATION**

WHEREAS, the City of North Bend and Sallal Water Association each provide water to customers to separate areas inside the North Bend city limits and also to separate areas of unincorporated King County outside the North Bend city limits; and

WHEREAS, the Washington State Department of Ecology (“Ecology”) approved Permit No. G1-26617(A) (“Permit”) for the City’s Centennial Well in 2007; and

WHEREAS, the Permit includes a required mitigation plan that obligates the City to develop supplies of mitigation water for delivery to the Snoqualmie River in amounts required to offset the net stream depletion resulting from withdrawals of water under the Permit under defined low flow conditions; and

WHEREAS, the Permit identifies Hobo Springs as one approved source of mitigation water, and Sallal’s Rattlesnake Lake Wellfield as another approved source. Hobo Springs is currently operational, and the City and Sallal have now agreed on the form of an Agreement for the Wholesale Supply of Water under which Sallal will provide an additional source of potable water to the City for mitigation purposes, and the City will provide an additional source of potable water to Sallal needed to serve new growth in Sallal’s water service area; and

WHEREAS, the City Council desires to authorize the Mayor to execute the Agreement for the Wholesale Supply of Water between the City of North Bend and Sallal Water Association in order to satisfy the City’s and Sallal’s respective water supply needs;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND,
WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. The Mayor is authorized to execute the Agreement for the Wholesale Supply of Water between the City of North Bend and Sallal Water Association, in the form attached hereto as Exhibit A.

**PASSED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND,
WASHINGTON, AT A REGULAR MEETING THEREOF, THIS ____ DAY OF
JUNE, 2023.**

CITY OF NORTH BEND:

Rob McFarland, Mayor

APPROVED AS TO FORM:

Lisa Marshall, City Attorney

Effective:

Posted:

ATTEST/AUTHENTICATED:

Susie Oppedal, City Clerk

AGREEMENT FOR THE WHOLESALE SUPPLY OF WATER

THIS AGREEMENT FOR THE WHOLESALE SUPPLY OF WATER (“Agreement”) is entered into by and between the City of North Bend, a municipal corporation of the state of Washington (the “City”), and Sallal Water Association, a member-owned Washington non-profit corporation (“Sallal”), as of the date of last execution below.

I. RECITALS

1.1 The City supplies potable water to customers within its water service area through a public water system. The City operates a production well (“Centennial Well”) on the City’s public works property located at 1155 E. North Bend Way, North Bend, WA for the purposes of providing potable water for customers and to serve anticipated growth demands inside the City limits and within the City’s Urban Growth Area.

1.2 The Centennial Well lies within the Snoqualmie River Basin which does not continuously meet minimum instream flows set forth in WAC 173-507. The Washington State Department of Ecology (“Ecology”) issued water right permit No. G1-26617(A) (“Permit”) for the Centennial Well which included a mitigation plan designed to ensure that the City meets the minimum instream flow requirements of the Permit. The Centennial Well has been operating to serve City customers since 2008. As required by the Permit, the City must contract for and develop supplies of water for delivery to the Snoqualmie River in amounts required to offset the net stream depletion resulting from withdrawals of water under the Permit when flows are below minimum instream flow levels for control points on the Snoqualmie River. One source of such water identified in the Permit is Seattle Public Utilities’ Hobo Springs source (“Hobo Springs Source”), which has been constructed and under contract with Seattle Public Utilities (“SPU”) since 2008 and which flows through a pipeline (“Boxley Creek Pipeline”) into Boxley Creek and ultimately into the Snoqualmie River.

1.3 The Hobo Springs Source may not always be adequate to meet the total mitigation requirement of the Permit at all times of the year. An additional approved source of water that may be used for stream flow mitigation purposes as identified in the Permit is Sallal’s wellfield located adjacent to Rattlesnake Lake. The Permit also provides the City may seek water for stream flow mitigation purposes from other sources subject to additional approvals.

1.4 Sallal supplies potable water to customers within its water service area. Sallal’s water service area includes property inside and outside the City limits, and also inside and outside the City’s Urban Growth Area which is larger than the City limits. The Permit authorizes the City to sell wholesale water to Sallal so that Sallal may continue to serve its water service area that is within the City’s Urban Growth Area.

1.5 Sallal currently lacks sufficient water availability to serve new development within its water service area. In order to ensure sufficient water availability for its customers in the future, Sallal desires to purchase water on a wholesale basis from the City for domestic water supply purposes for service within that portion of Sallal's water service area that is within the City Limits or the City's Urban Growth Area. The City likewise desires to purchase water from Sallal for purposes of instream flow mitigation to assure continued operation of the Centennial Well.

1.6 The parties have negotiated terms for water supply as set forth herein in order to satisfy their respective water supply needs. The parties are willing to supply each other with wholesale water for the purposes and on the terms and conditions provided for herein, and each is willing to purchase wholesale water from the other for such purposes, and on such terms and conditions.

Now, therefore, in consideration of the mutual covenants herein contained, the parties agree as follows.

II. DEFINITIONS

For purposes of this Agreement:

2.1 "AFY" means acre feet per year.

2.2 "Boxley Creek Intertie" shall mean the facilities to connect the Rattlesnake Lake Wellfield (defined below) to the City's existing mitigation water line from Hobo Springs to Boxley Creek. A predesign graphical depiction of the Boxley Creek Intertie is shown on Exhibit A.

2.3 "GPM" means gallons per minute.

2.4 "North Bend Way Intertie" shall mean an intertie between the parties' respective water systems located on City property at a point along East North Bend Way or as otherwise agreed in writing. A map showing two possible alternative locations on City-owned property or right of way for the North Bend Way Intertie is shown on Exhibit B.

2.5 "Mitigation Water" shall mean untreated ground water supplied by Sallal from the Rattlesnake Lake Wellfield to the City through the Boxley Creek Intertie to Boxley Creek for stream flow mitigation purposes identified in the Permit.

2.6 "Municipal Water" shall mean water treated by the City for potable consumption and delivered by the City to Sallal through the North Bend Way Intertie.

2.7 "Rattlesnake Lake Wellfield" shall mean well nos. 1, 2 and 4 collectively (or, respectively "Well No. 1," "Well No. 2" and "Well No. 4") as identified in Sallal's records that are situated upon an easement granted by SPU within SPU's Cedar River Watershed in the vicinity of Rattlesnake Lake.

2.8 “UGA/Annexation Area” shall mean that part of Sallal’s water service area that is inside the City’s municipal boundary or the North Bend Urban Growth Area at any time during the term of this Agreement.

2.9 “WSA” or “water service area” shall mean a water service area shown in a party’s water system plan prepared in accordance with WAC 246-290-100 as it may be adjusted from time to time.

III. INTERTIE MANAGEMENT COMMITTEE AND PLAN

3.1 Intertie Management Committee. Within two weeks of mutual execution of this Agreement, the parties shall each appoint one or more representatives to an Intertie Management Committee (“Intertie Committee”). The Intertie Committee shall be advisory in nature and shall have no legal authority to obligate the parties. The Intertie Committee members shall meet at least once every six months and they may otherwise establish a meeting schedule and a system of governance.

3.2 Water Usage Plan. Intertie Committee members shall meet within thirty (30) days of its formation and commence development of a water usage plan (“Water Usage Plan”) to plan the usage under this Agreement of both Mitigation Water to be supplied to the City and Municipal Water to be supplied to Sallal for use within the UGA/Annexation Area. The Water Usage Plan may include such other provisions as the Intertie Committee deems appropriate. The parties shall use their best efforts to cause the Water Usage Plan to be in place prior to the provision of any water hereunder; provided, however, that the failure of the parties to implement the Water Usage Plan prior to the provision of any water hereunder shall not otherwise affect or excuse the parties’ rights and obligations hereunder. In the event of such failure, this Agreement shall remain in full force and effect. The Water Usage Plan shall be reviewed by the Intertie Committee at least once every year. Such review shall include a review of compliance with Permit requirements. The provisions of this Agreement shall prevail over the terms of the Water Usage Plan.

3.3 Coordination of Water Usage. A primary purpose of the Water Usage Plan shall be to forecast and coordinate the parties’ respective needs for water to maximize both parties’ capabilities to supply their respective customers and minimize the City’s mitigation requirements under the Permit. The Water Usage Plan shall contain guidelines for timing and amounts of withdrawals by both parties and be reviewed and adjusted from time to time as the Intertie Committee deems prudent.

3.4 Reporting and Access to Records. In order to implement best management practices associated with water use by the parties as set forth in this Agreement, each party shall provide the other a copy of its water system plan and water rate studies. Each party shall provide the other with such records during meetings of the Intertie Committee and otherwise as reasonably required to implement this Agreement. Each party shall at least annually report to the other its aggregate water system pumping and usage data.

IV. MITIGATION WATER SUPPLY AND PURCHASE

4.1 Mitigation Water Supply. In consideration of the benefits provided by this Agreement, Sallal shall sell up to and not more than 100 AFY of Mitigation Water to the City subject to the following terms, conditions and limitations:

4.1.1 Mitigation Water shall not be available until both the Boxley Creek Intertie and North Bend Way Intertie are complete and in operation.

4.1.2 Mitigation Water provided to the City combined with Sallal's operational water production needs shall not exceed the withdrawal quantities (both instantaneous and annual) authorized by Sallal's water rights for the Rattlesnake Lake Wellfield in the amounts of 696 AFY and 1,691 GPM. In order that Sallal's water rights are not exceeded:

(a) The quantity of all Mitigation Water provided to or reserved for use by the City shall be replaced with Municipal Water at the North Bend Way Intertie pursuant to the subsections that follow but no later than the end of the same calendar year in which Mitigation Water is provided or reserved for City use. The Mitigation Water shall be provided or reserved not later than the end of each calendar year during the term of this Agreement;

(b) No later than January 30 of each calendar year that this Agreement is in effect, the Intertie Committee shall forecast the City's need for up to and including 100 AFY of Mitigation Water subject to reasonable adjustment during the course of the year;

(c) Unless doing so would violate Sallal's Rattlesnake Lake Wellfield water right or other law, Sallal shall reserve water rights capacity during each such calendar year in order to reasonably ensure that the forecasted quantity of Mitigation Water is available for use by the City during each such calendar year; and

(d) In addition to the Municipal Water supply provided to Sallal under Article V of this Agreement and in replacing Mitigation Water actually provided to the City, Sallal may utilize and consume Municipal Water in the amount forecasted or reserved pursuant to the above subsections in advance of or subsequent to providing Mitigation Water.

4.1.3 The instantaneous quantity of Mitigation Water shall be at the rate requested by the City up to the following maximum amounts:

(a) Maximum Pump Capacity: 700 GPM when only Well No. 2 in the Rattlesnake Lake Wellfield is connected to the Boxley Creek Intertie; 1,000 GPM when Well No. 1 is also connected.

(b) The maximum daily instantaneous GPM amount of available Mitigation Water shall be further limited by the following formula which Sallal shall calculate and promptly provide to the City each 24-hour period commencing at 8:00 a.m. when Mitigation Water is requested: Sallal's total existing instantaneous water rights of 1,691 GPM minus Sallal's total

instantaneous peak day demand from all of Sallal's members as estimated by Sallal for such 24-hour period.

4.1.4 The level of reliability of Mitigation Water shall reasonably approximate that which Sallal provides within its own distribution system subject to emergencies as set forth below and the understanding that water is transmitted directly from wellhead(s).

4.1.4.1 In the event of a general emergency or water shortage affecting the entire Sallal Water Supply System, Sallal may establish water use restrictions intended to address such emergency. For purposes of this Section, a water shortage shall mean a physical or legal limitation on Sallal's ability to withdraw water from its wells at the Rattlesnake Lake Wellfield. Any such restrictions shall be applied equally to Sallal's distribution system and its customers, including the sale of Mitigation Water under this Agreement. Sallal may develop and amend from time to time an emergency water shortage plan for such purpose. To the extent such plan applies to the City or to the purchase and sale of Mitigation Water, Sallal shall provide a written copy to the City at least thirty (30) days prior to implementation of such plan or any amendment thereto. The City shall support reasonable emergency curtailment measures included in such plan.

4.1.4.2 In the event of localized emergency problems, Sallal may impose temporary, localized service interruptions for the duration of the emergency. A localized emergency shall consist of water system emergencies or the lawful demands of federal or state resource agencies to install equipment, make repairs and replacements, conduct investigations and inspections, or to perform other maintenance work on the Sallal Water Supply System. Except in cases of emergency, and in order that the City's operations will not be unreasonably interrupted, Sallal shall give the City reasonable notice of any such interruption or reduction in deliveries, including the supporting rationale and probable duration. Sallal shall use reasonable efforts to minimize service interruptions to deliveries of Mitigation Water to the City.

4.2 Notice of Changes. Sallal shall provide reasonable advance notice to the City of any proposed changes in operations or future improvements that would likely result in a reduction in the quantities of Mitigation Water available at Rattlesnake Lake Wellfield in order to allow the City adequate time to propose operational changes and/or conservation measures. The City shall provide reasonable advance notice to Sallal of any known or reasonably foreseeable impending reduction in the quantities of Mitigation Water available from Hobo Springs in order to allow Sallal and the City adequate time to propose purchases and sales of water or other operational changes and conservation measures with a goal of minimizing the impact on the water users and ratepayers of both parties.

4.3 Work.

4.3.1 The Boxley Creek Intertie shall be designed and constructed pursuant to sound engineering judgment and applicable law. The Boxley Creek Intertie shall be located within King County right of way. The Boxley Creek Intertie shall be designed and installed by the City at its sole cost and expense by June 30, 2025, or other mutually agreed date ("City Completion Date"). Sallal shall have the right to review all plans for the work and inspect the work. Upon

completion, the Boxley Creek Intertie shall be owned, maintained, and operated by the City; however, Sallal may inspect and access the facilities and read the meter.

4.3.2 Sallal shall (a) design and construct modifications to Well No. 2 to install a variable speed drive and controls to allow Well No. 2 to supply a range of pumping to the Boxley Creek Intertie in quantities between 100 GPM and 1,000 GPM, and (b) use reasonable efforts to connect Well No. 1 to the system of mains that connect to the Boxley Creek Intertie. The modifications described in this Section 4.3.2 shall be completed by June 30, 2025, or other mutually agreed date. The City shall reimburse Sallal for its actual costs of design and construction of the modifications described in this Section 4.3.2 promptly after Sallal provides (a) receipts or other written proof of such actual costs and (b) certification that Sallal paid prevailing wages for the construction of such modifications pursuant to RCW 39.12.

4.4 Ownership. Sallal shall own and operate all of its water system facilities on its side of the Boxley Creek Intertie, and the City shall own and operate all of its water system facilities on its side of the Boxley Creek Intertie. The valve separating the two water systems shall be kept closed except pursuant to a mutually agreed upon maintenance and flushing schedule set forth in the Water Usage Plan established by the Intertie Committee and when Mitigation Water is supplied under this Agreement.

4.5 Notice of Mitigation Water Withdrawals. The City shall give Sallal reasonable notice of its intent to commence withdrawals of Mitigation Water through the Boxley Creek Intertie. In the event of planned, non-emergency usage, the notice shall be not less than three business days in advance. In the event of emergency usage, the notice shall be as prompt as possible under the exigent circumstances at the time. When periods of routine or daily needs for Mitigation Water commences, the parties may mutually agree on alternate notice.

4.6 Conditions of Service Through the Boxley Creek Intertie. The following terms and conditions shall apply to Mitigation Water supplied through the Boxley Creek Intertie.

4.6.1 The Mitigation Water supplied to the City shall not be altered or treated by Sallal in any way that would be inconsistent with the City's intended use of the water for direct discharge to Boxley Creek (which discharges into the South Fork of the Snoqualmie River) for instream flow augmentation.

4.6.2 Sallal shall give the City 120 days' notice of any substantial changes to water treatment, hydraulic gradient, or water pressure from its Rattlesnake Lake Wellfield. Sallal will send water quality testing information to the City as Sallal performs such testing.

4.6.3 The City, at its expense, shall install, own, and operate the City's meter at the Boxley Creek Intertie, including telemetry and SCADA needed to monitor Mitigation Water taken from Sallal's wells. The City's meter shall be calibrated at least once every three years at the City's expense by an independent representative of the meter manufacturer and shall be maintained to be accurate within the manufacturer specifications. Sallal shall have access to the City's intertie meter for inspection and testing at Sallal's expense. Sallal shall read the City's

intertie meter monthly and bill the City for water supplied according to the terms of this Agreement. Sallal may also measure deliveries of Mitigation Water through its own metering equipment. In the event that the parties' metering equipment provides different readings, in the absence of clear error on the part of one or both parties' equipment, the readings shall be averaged.

4.6.4 Sallal may require the Boxley Creek Intertie to have appropriate backflow prevention in order to prevent cross-contamination between the two systems, including but not limited to the City constructing a back-flow preventor vault beyond the new meter. The City shall test and maintain the backflow assembly in accordance with North Bend Municipal Code ("NBMC") Chapter 13.16 or other code provisions applicable at the time of such testing, and all other applicable state and federal laws and regulations.

4.6.5 The parties shall each require that their respective water system operators work with the operators of the other water system to reasonably ensure that the purchase and sale of Mitigation Water and Municipal Water maximizes the availability of water for both Sallal customers and City customers.

V. MUNICIPAL WATER SUPPLY AND PURCHASE

5.1 Municipal Water Supply. In consideration of the benefits provided by this Agreement, the City shall sell Municipal Water to Sallal as follows:

5.1.1 Municipal Water provided to Sallal combined with the City's operational water production needs shall not exceed the withdrawal quantities (both annual and instantaneous) authorized by the Permit in the amounts of 3,094 AFY and 2,646 GPM, or violate the mitigation terms of the Permit.

5.1.2 Municipal Water Source and Quantity. In recognition of Sallal's right and obligation to provide water service within that portion of its WSA that is within the UGA/Annexation Area and subject to Section 5.1.1, the City shall provide Municipal Water to Sallal in instantaneous and annual quantities reasonably determined by Sallal to meet such service needs and to replace Mitigation Water supplied to the City as set forth in Article IV of this Agreement. Municipal Water shall not be available until both the Boxley Creek Intertie and North Bend Way Intertie are complete and in operation.

5.1.3 Municipal Water shall be supplied through the North Bend Way Intertie at an instantaneous flow rate of up to 1,000 GPM. If growth in the UGA/Annexation Area results in increased requirements for instantaneous flows from the North Bend Way Intertie, then the Intertie Committee, or other representatives of the parties as may be necessary, shall confer and cooperate on upsizing the pump to a mutually agreeable size. In such case, the City shall provide receipts or other written proof of its actual costs of such upsizing, and Sallal shall reimburse the City for such actual costs of upsizing.

5.1.4 Municipal Water provided by the City to Sallal shall be supplied in the same manner as the City provides water to its customers and shall meet federal and State of Washington

drinking water standards.

5.1.5 The parties shall use reasonable efforts to forecast and plan withdrawals of Municipal Water through the Intertie Committee.

5.1.6 The supply of Municipal Water shall be subject to operational limits and capacities of the City's wells, pumps, and reservoirs and at a level of service that reasonably approximates the level of service the City provides its own distribution system except as follows:

5.1.6.1 In the event of a general emergency or water shortage affecting the entire North Bend Water Supply System including a shortage of Municipal Water, general restrictions placed upon Municipal Water deliveries to Sallal shall be determined by the City and applied equally to the City's distribution system, its retail customers, and to Sallal's customers in the UGA/Annexation Area. The procedures to be used in the event of a weather-related water shortage, or shortages caused by other factors, shall be as described in the City's Water Conservation Ordinance ("WCO") codified at NBMC Chapter 13.50 as now in effect or as may be amended during the term of this Agreement. To the extent that the City Council amends the WCO during the term of this Agreement and any such amendment applies to Sallal's purchase of Municipal Water, the City shall provide a written copy of the proposed amendment to Sallal at least thirty (30) days prior to final adoption of such amendment. Sallal shall support reasonable emergency curtailment measures that are implemented by the City.

5.1.6.2 In the event of localized emergency problems, the City may impose localized service interruptions for the duration of the emergency. A localized emergency shall consist of system emergencies or the lawful demands of federal or state resource agencies, to install equipment, make repairs and replacements, conduct investigations and inspections, or to perform other maintenance work on the North Bend Water Supply System. Except in cases of emergency, and in order that Sallal's operations will not be unreasonably interrupted, the City shall give Sallal reasonable notice of any such interruption or reduction, including the reasons for and the probable duration. The City shall use reasonable efforts to minimize service interruptions to deliveries of Municipal Water to Sallal.

5.2 Improvements. The City reserves the right to operate and make improvements to its water supply and distribution system for the benefit of all ratepayers including Sallal.

5.3 North Bend Way Intertie and Easement. The City shall grant Sallal an easement ("Easement") and access license at no charge for the term of this Agreement to install, operate, maintain, repair, and replace the North Bend Way Intertie generally consisting of a pump station, controls, and underground piping located on City property at a location approximately depicted on Exhibit B and agreed upon in writing.

5.3.1 All work to design and install the North Bend Way Intertie (and possible piping relocation and future main to North Bend Way) shall be performed by Sallal at its sole cost and expense by no later than June 30, 2025, or other mutually agreed upon date ("Sallal Completion Date"). The City shall have the right to review and approve all plans for the work and

inspect the work and any modifications to ensure operational compatibilities. Upon completion, the North Bend Way Intertie shall be owned, maintained, and operated by Sallal but the City may access and inspect the facilities and read the meter.

5.3.2 The City may require that the North Bend Way Intertie have appropriate backflow prevention in order to prevent cross-contamination between the two systems, including but not limited to Sallal constructing a back-flow preventor vault beyond the new meter. Sallal shall test and maintain the backflow assembly in accordance with NBMC Chapter 13.16 or other code provisions applicable at the time of such testing, and all other applicable state and federal laws and regulations.

5.3.3 If any North Bend Way Intertie facilities located on City property or City right-of-way are abandoned by Sallal, Sallal shall, upon written demand by the City, promptly remove them at Sallal's sole cost and expense and repair the surface of the ground to as good or better condition than existed before the removal of the facilities.

5.4 Notice of Municipal Water Withdrawals. Sallal shall give the City reasonable notice of its intent to commence withdrawals of Municipal Water through the North Bend Way Intertie. In the event of planned, non-emergency usage, the notice shall be not less than three business days in advance. In the event of emergency usage, the notice shall be as prompt as possible under the exigent circumstances at the time. When periods of routine or daily needs for Municipal Water commences, the parties may mutually agree on alternate notice.

5.5 Other Conditions of Service Through the North Bend Way Intertie. The following terms and conditions shall apply to the sale of Municipal Water from the City to Sallal:

5.5.1 Sallal, at its sole cost and expense, shall install, own, and operate the meter at the North Bend Way Intertie, including telemetry and SCADA. The meter shall be calibrated at least once every three years at Sallal's sole cost and expense by an independent representative of the meter manufacturer and shall be maintained to be accurate within the manufacturer's specification. The City shall have access to the intertie meter for reading, inspection, and testing at the City's expense. The City shall read the intertie meter monthly and bill Sallal for water supplied according to the terms of this Agreement. The City may also measure deliveries of Municipal Water through its own metering equipment. In the event that the parties' metering equipment provides different readings, in the absence of clear error on the part of one or both parties' equipment, the readings shall be averaged.

VI. RATES AND CHARGES

6.1 Mitigation and Municipal Water Exchange. There shall be no charge to either party to the extent that Mitigation Water is supplied and replenished (including advancements) with like quantities of Municipal Water within the same calendar year or such other period as the parties may mutually agree. To the extent that Mitigation Water is reserved for City use pursuant to Article IV of this Agreement but is not utilized by the City, Sallal shall not be charged. With respect to purchases by Sallal of Municipal Water in excess of annual quantities of Mitigation

Water supplied to or reserved for the City, the terms below shall apply.

6.2 Invoicing. Each party shall bill the other every two months for water supplied by invoice due and payable thirty (30) days after the date thereof. Each bill shall be comprised of the bi-monthly usage at the applicable water rate as set forth below. Delinquent and unpaid balances shall bear interest at the rate of 12 percent (12%) per annum.

6.3 Rates for Additional Supply. For the supply of water other than as set forth in Section 6.1, each party may charge the other a wholesale rate for such water based on quantity usage and their respective actual cost to produce and transmit such water. Such actual costs shall consist of a reasonable allocation of amounts incurred for operations, repairs, replacements, and maintenance costs attributable to that portion of the selling party's water system facilities used to produce and transmit water to the other. Each party shall have the right to review and audit the other's calculations and backup materials used to generate the wholesale rate.

6.4 Accounting Records. The City shall keep full and complete books of account for sale of Municipal Water described herein in the manner required by the State Auditor. Sallal shall keep full and complete books of account for sale of Mitigation Water described herein in compliance with generally accepted accounting standards as applied to non-profit corporations. Either party may request independent reviews or audits by in-house personnel or consultants at its own expense to review charges and credits made in accordance with or resulting from this Agreement.

VII. CONSERVATION OF WATER RESOURCE

7.1 Conservation of Water Resource. The parties agree that preservation of water, a limited natural resource, benefits both City customers and Sallal members, and that both parties' water systems are subject to the Water Use Efficiency ("WUE") rule at WAC 246-290-800 et seq., including the establishment of distribution system leakage standards, water use efficiency goals, and related requirements. Each party agrees to implement adopted conservation measures and WUE plans consistent with its authority as a municipal water supplier under RCW 90.03.386 and WAC 246-290-810 to govern its own water system operations. Consistent with the WUE rule, the City Council adopted a WCO, codified at NBMC Chapter 13.50. Sallal shall not oppose or object to the application of the WCO and future amendments to the WCO, if any, within the city limits of the City of North Bend as the city limits may exist at any time during the term of this Agreement, including to customers of Sallal's water system residing within the city limits at any time during the term of this Agreement.

7.2 Applicability of City Water Conservation Ordinance. Within 180 days of mutual execution of this Agreement, the Sallal Board of Trustees shall adopt a water conservation policy including material terms that are substantially similar to the WCO presently in effect. Such policy shall remain in place for the duration of this Agreement but may be amended from time to time in the reasonable discretion of Sallal's Board of Trustees.

VIII. GENERAL AND ADMINISTRATION

8.1 Authority. Each party warrants and represents to the other that the person signing this Agreement on the party's behalf has the requisite power and authority to do so and the party's respective governing bodies have duly authorized and approved this Agreement and that each has the right, title, power, and authority to carry out and perform the terms of this Agreement.

8.2 Service Area/Amendment of Planning Documents. Neither party shall serve or attempt to serve water to any project, parcel, firm, or person in the other party's water service area except by mutual written consent or as may otherwise be authorized by the King County Utilities Technical Review Committee ("UTRC") or other agency with jurisdiction. Each party shall seek to amend its water system plan and other applicable planning documents as necessary to authorize the conveyances of water and interties described in this Agreement.

8.3 Franchise Agreement to Use City Right of Way. The provisions of any franchise agreement between Sallal and the City, if any, shall be subordinate to the provisions of this Agreement unless the parties agree otherwise in writing.

8.4 Force Majeure. In the event of loss, damage, or destruction of water system facilities described in this Agreement, the owner of the damaged facility shall use reasonable efforts to repair or replace it as soon as reasonably possible. A party's performance that is prevented by a natural catastrophe, act of terrorism, act of God, or similar unforeseen event not of the parties' own making, shall be excused until the event subsides and performance can be reasonably accomplished.

8.5 Term. This Agreement shall commence on the date of mutual execution hereof and shall remain in effect 40 years from the date of mutual execution of this Agreement.

8.6 Dispute Resolution. Any dispute arising out of the terms and conditions of this Agreement, except for a billing dispute, shall be first submitted for non-binding mediation to a mediator agreed to by the parties. If mediation is unsuccessful, the parties may exercise any applicable judicial remedies. This Agreement shall be governed by the laws of the State of Washington without reference to its choice of law rules or conflicts of law provisions, unless limited or preempted by federal law. Any action relating to the Agreement shall be brought in King County Superior Court, or in the case of a federal cause of action or defense under federal law, in the United States District Court for the Western District of Washington at Seattle. The prevailing party shall be entitled to an award of its reasonable attorneys' fees, including expert witness costs and fees.

8.7 Remedies. The parties have the right to seek any and all of the following remedies, singly or in combination, in the event of breach of this Agreement:

8.7.1 Specific Performance. Each party shall be entitled to specific performance of each and every obligation of the other party under this Agreement without any requirement to prove or establish that such party does not have an adequate remedy at law. The parties hereby

waive the requirement of any such proof and acknowledge that either party would not have an adequate remedy at law for a breach of this Agreement.

8.7.2 Injunction. Each party shall be entitled to restrain, by injunction, the actual or threatened commission or attempt of breach of this Agreement and to obtain a judgment or order specifically prohibiting a violation or breach of this Agreement without, in either case, being required to prove or establish that such party does not have an adequate remedy at law. The parties hereby waive the requirement of any such proof and acknowledge that the other party would not have an adequate remedy at law for the commission of a material default under this Agreement.

8.7.3 Alternative Remedies. Except as otherwise provided herein, neither the existence of other remedies identified in this Agreement nor the exercise thereof shall be deemed to bar or otherwise limit the right of either party to commence an action for equitable or other relief, and/or proceed against the other party and any guarantor for all direct monetary damages, costs, and expenses arising from the breach and to recover all such damages, costs, and expenses, including reasonable attorneys' fees.

8.7.4 Damages. Except as otherwise provided or limited herein, this Agreement does not limit the right of either party to bring a legal action for damages and/or commence an action at law for monetary damages or impose liquidated damages as set forth below or seek other equitable relief.

8.7.5 Remedies Cumulative. The remedies provided in this Agreement are cumulative; the exercise of one shall not foreclose the exercise of others. No provision of this Agreement shall be deemed to bar either party from seeking appropriate judicial relief. Neither the existence of other remedies identified in this Agreement nor the exercise thereof shall be deemed to bar or otherwise limit the right of either party to recover monetary damages, as allowed under applicable law, or to seek and obtain judicial enforcement by means of specific performance, injunctive relief or mandate, or any other remedy at law or in equity. The parties specifically do not, by any provision of this Agreement, waive any right, immunity, limitation, or protection otherwise available to them, their officers, officials, City Council, Boards, commissions, agents, or employees under federal, State, or local law.

8.8 Binding on Successors/No Third-party Beneficiary/Entire Agreement. This Agreement shall inure to the benefit of and be binding upon successors of interest and assigns of the parties. Neither this Agreement nor obligations to perform hereunder may be assigned voluntarily by either party without the other party's written consent. The parties by this Agreement do not intend to confer, and do not confer, rights or benefits upon any third party. This Agreement represents the entire agreement of the parties concerning the subject matter.

8.9 Notice. All notices relating to this Agreement shall be hand-delivered to the then-current physical address of the receiving party or sent to the following addresses, certified mail, return receipt requested, unless the other party is previously notified in writing of a different address:

To the City:
City Administrator
920 SE Cedar Falls Way
North Bend, WA 98045

To Sallal:
Manager
P.O. Box 378
North Bend, WA 98045

Provided, however, that monthly invoices and payments thereof may be delivered by regular mail or electronically.

8.10 Indemnification. Each party agrees to indemnify the other and hold it harmless from and against any loss, cost, damage, or expense of any kind and nature, including reasonable attorneys' fees and expert witness fees, arising out of injury to person or damage to property in any manner caused by the negligence, intentional act, or omission of the party in the performance of its work pursuant to or in connection with this Agreement.

8.11 No Joint Venture. This Agreement is intended to be and is a contract for the purchase and sale of a commodity and no provision hereof shall be construed to make the parties partners or joint ventures. Neither party is the agent of the other nor shall either party be held liable for the acts of the other on a theory of agency or any other representative capacity.

8.12 Mutually Dependent Provisions/Partial Invalidity. The obligation contained in this Agreement for one party to provide water service to the other is mutually dependent on the obligation and performance of the other party to provide water service. If any provision of this Agreement or its application is held by a court of competent jurisdiction to be illegal, invalid, or void, the validity of the remaining provisions shall not be affected; provided, however, if the invalid provision or its application is found to be substantive and to render performance of the remaining provisions infeasible or is found to materially affect the consideration and is inseparably connected to the remainder of the Agreement (such as the obligation of one party to provide water service to the other), the entire Agreement shall be invalid.

8.13 Non-Exclusivity. The parties may pursue sources of water and water rights without restriction in order to supply their respective water supply needs from alternative sources.

8.14 City Public Utility Tax. The City's public utility tax applies to monthly base rates and water usage charges paid by retail customers located within the City. Sallal revenues derived from wholesale sales of Mitigation Water shall not be taxable under the City's public utility tax.

8.15 Non-Waiver. By executing and performing this Agreement, neither party waives any right available at any time during the term of this Agreement under any State or federal law pertaining to municipal powers of eminent domain or other municipal powers nor any defenses thereto including but not limited to defenses provided by and derived from 7 USC 1926(b).

8.16 Membership. In consideration of the benefits provided by this Agreement, Sallal shall issue one membership to the City at no charge, in addition to the City's existing membership resulting from City-owned meters, for use of Mitigation Water.

8.17 Exhibits. Exhibits A and B attached hereto are incorporated by reference as if set forth in full herein.

CITY OF NORTH BEND

SALLAL WATER ASSOCIATION

By: Rob McFarland, Mayor

Attest/Authenticated:

Susie Oppedal, City Clerk

By: _____, President

Attest/Authenticated:

Secretary

EXHIBIT A:
Boxley Creek Intertie Drawing

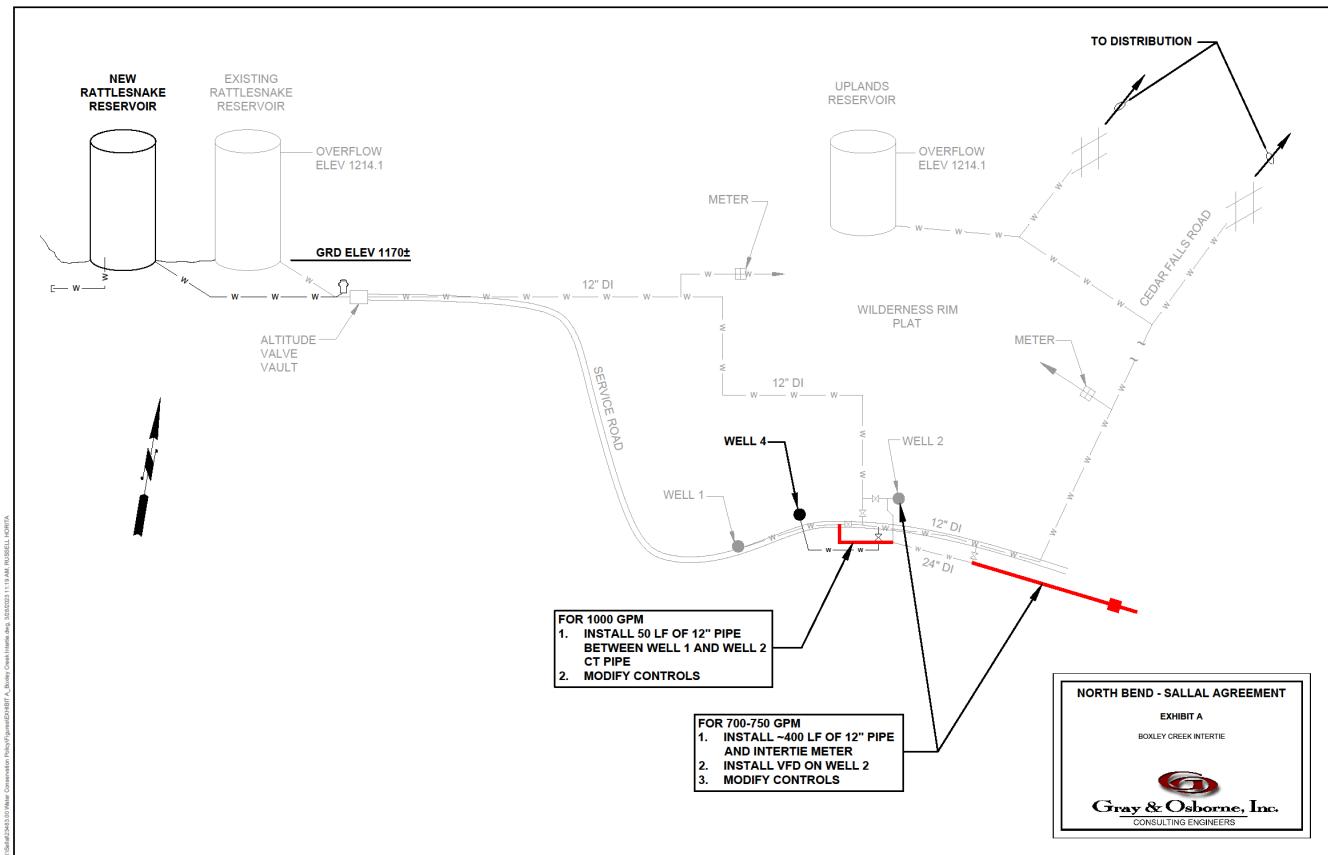
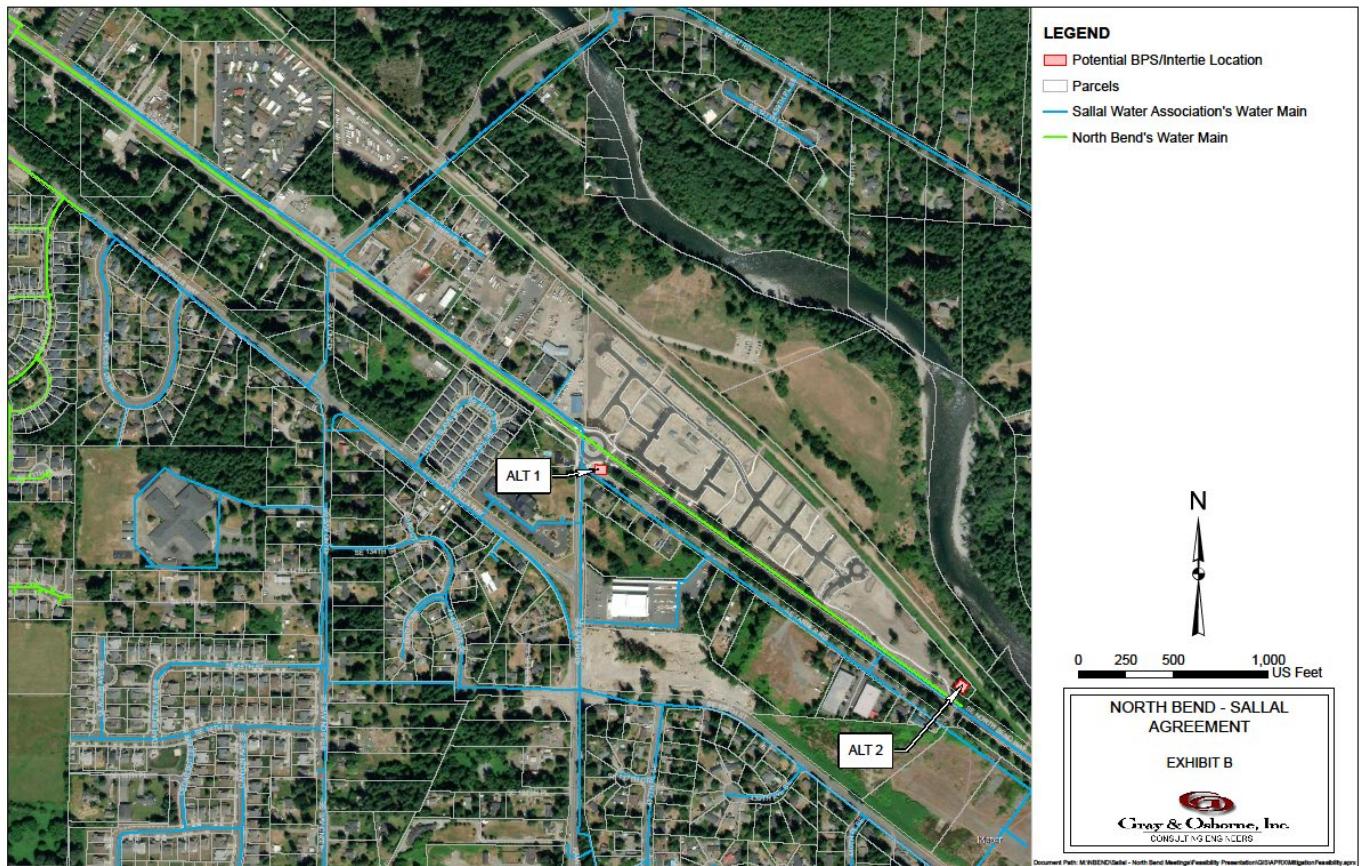


EXHIBIT B:
North Bend Way Intertie Drawing





North Bend / Sallal Intertie and Mitigation Operational Considerations

April 18, 2023

North Bend Mitigation Requirements

- Use of Centennial Well requires mitigation when instream flows are not met
- The amount of mitigation is determined by a ground water model that determines accumulated depletion of river flows
- 60% of the average production from the Centennial Well in the previous 365 days is credited as mitigation each day
- Additional mitigation is typically required from July-October



Availability of Water for Mitigation

- At this time, Sallal has excess instantaneous water capacity available that could be used for mitigation
 - Current well production capacity of ~2,700 gpm
 - Instantaneous water right capacity of 1,691 gpm
- The amount of water available depends on the time of year. Currently, Sallal has the following excess capacity that could be available for mitigation:
 - July/August ~ 656 gpm
 - September/October ~ 905 gpm
 - November – June ~ 1,000 gpm

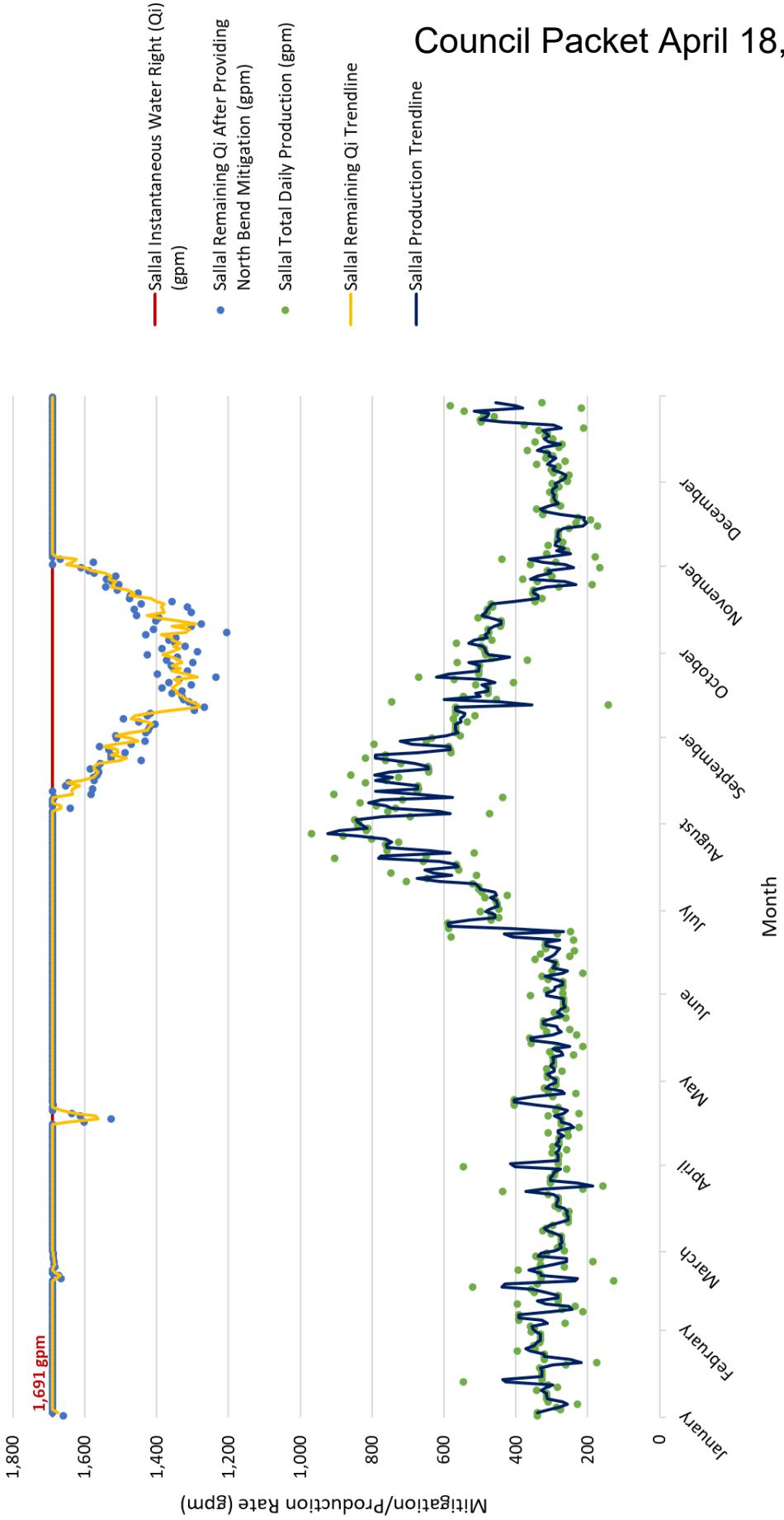


Availability of Water for Mitigation

Council Packet April 18, 2023

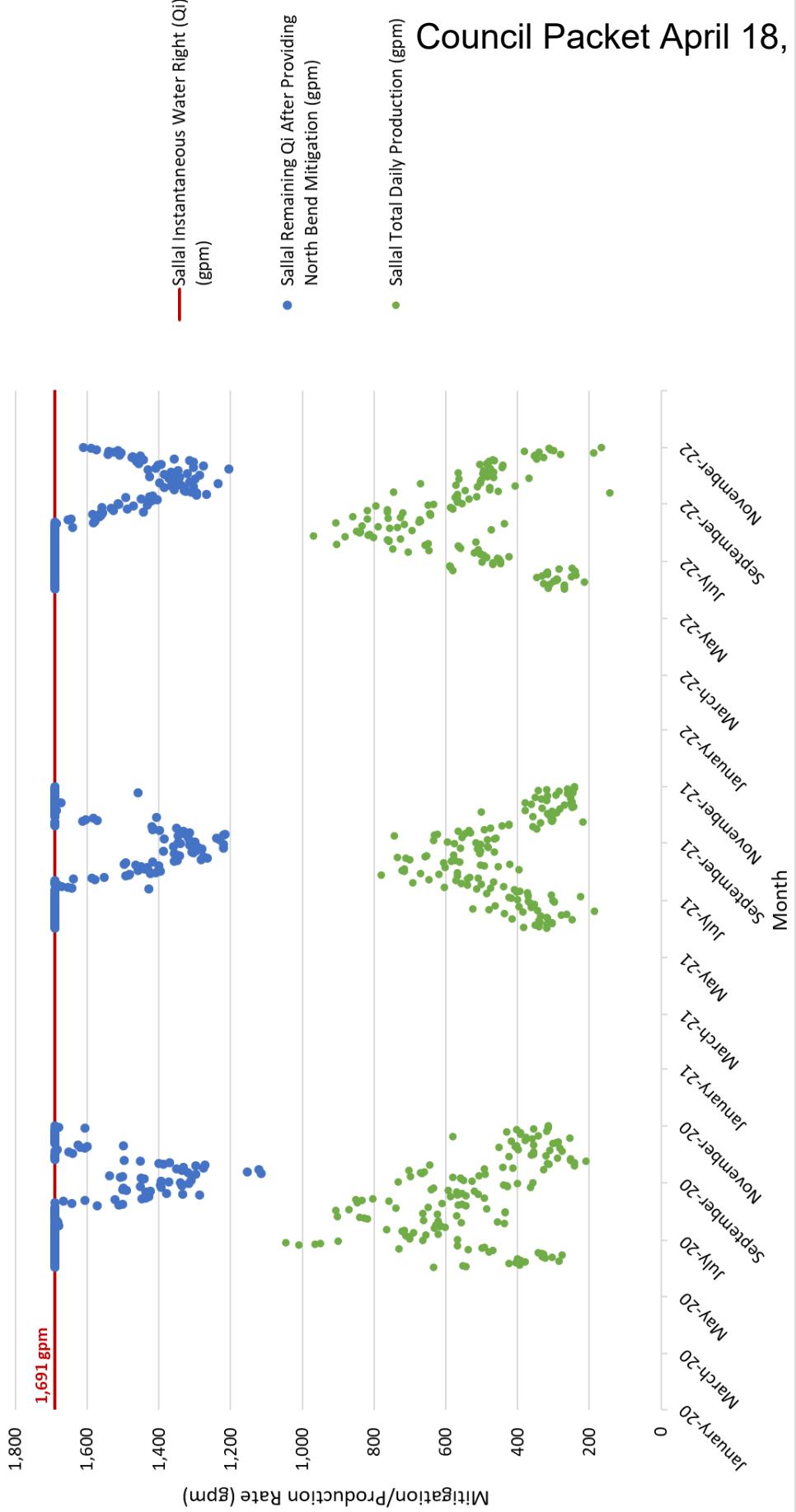


Instantaneous Mitigation Feasibility : 2022 Daily Analysis



Availability of Water for Mitigation

Instantaneous Mitigation Feasibility: June - October Daily Analysis, 2020 - 2022



Availability of Water for Mitigation

- Sallal is nearing its annual water right limit and cannot supply mitigation water without obtaining an equivalent amount of water back from North Bend
- Sallal could receive that water back from North Bend at a different time of year than it mitigates
 - For example, Sallal could obtain 100 acre-ft of water by:
 - Receiving 125 gpm from North Bend continuously from Jan 1 – June 30th
 - Receiving 375 gpm from North Bend continuously from Nov 1- Dec 31st

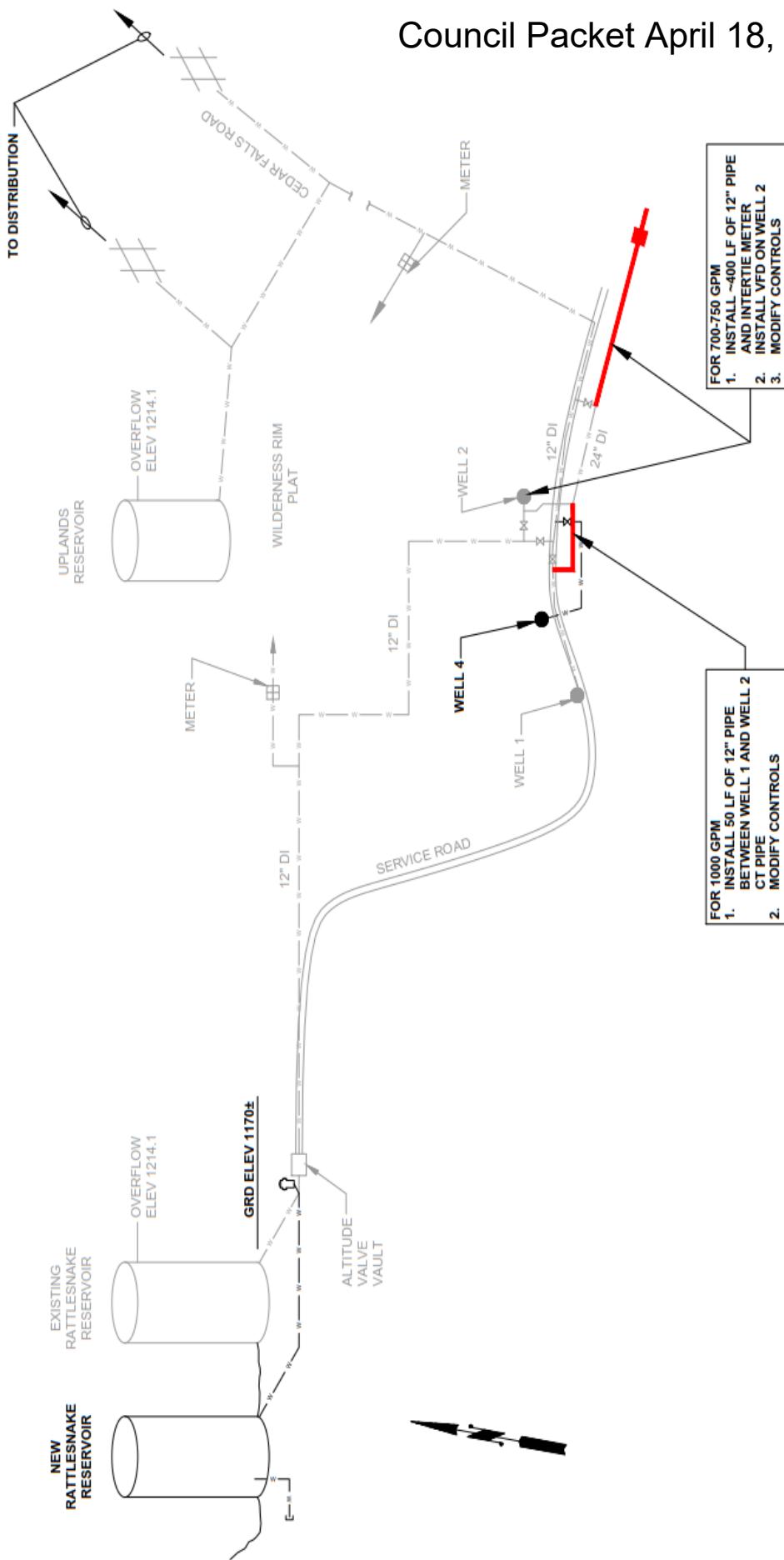


Improvements Needed to Provide Mitigation Water to North Bend

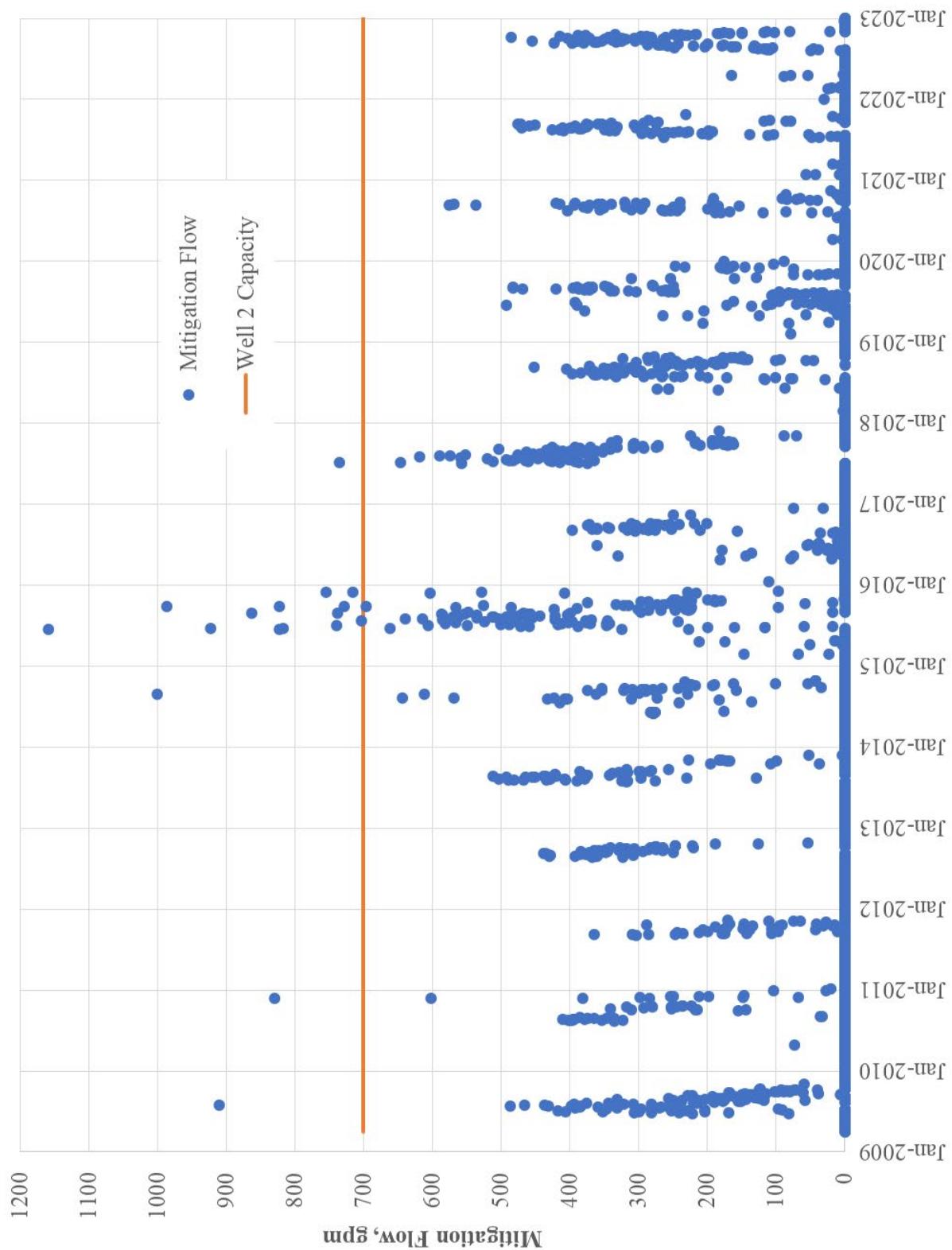
- To provide 700-750 gpm
 - Make connection with meter between Sallal Well 2 CT pipeline and Boxley Creek mitigation line (\$312,000)
 - Replace Well 2 motor starter with a variable speed drive (\$70,000)
 - Make some minor control modifications (\$10,000)
- To provide additional water up to 1,000 gpm
 - Make connection between Well 1 piping and Well 2 piping (\$60,000)
 - Make some minor control modifications (\$10,000)



Improvements Needed to Provide Mitigation Water to North Bend

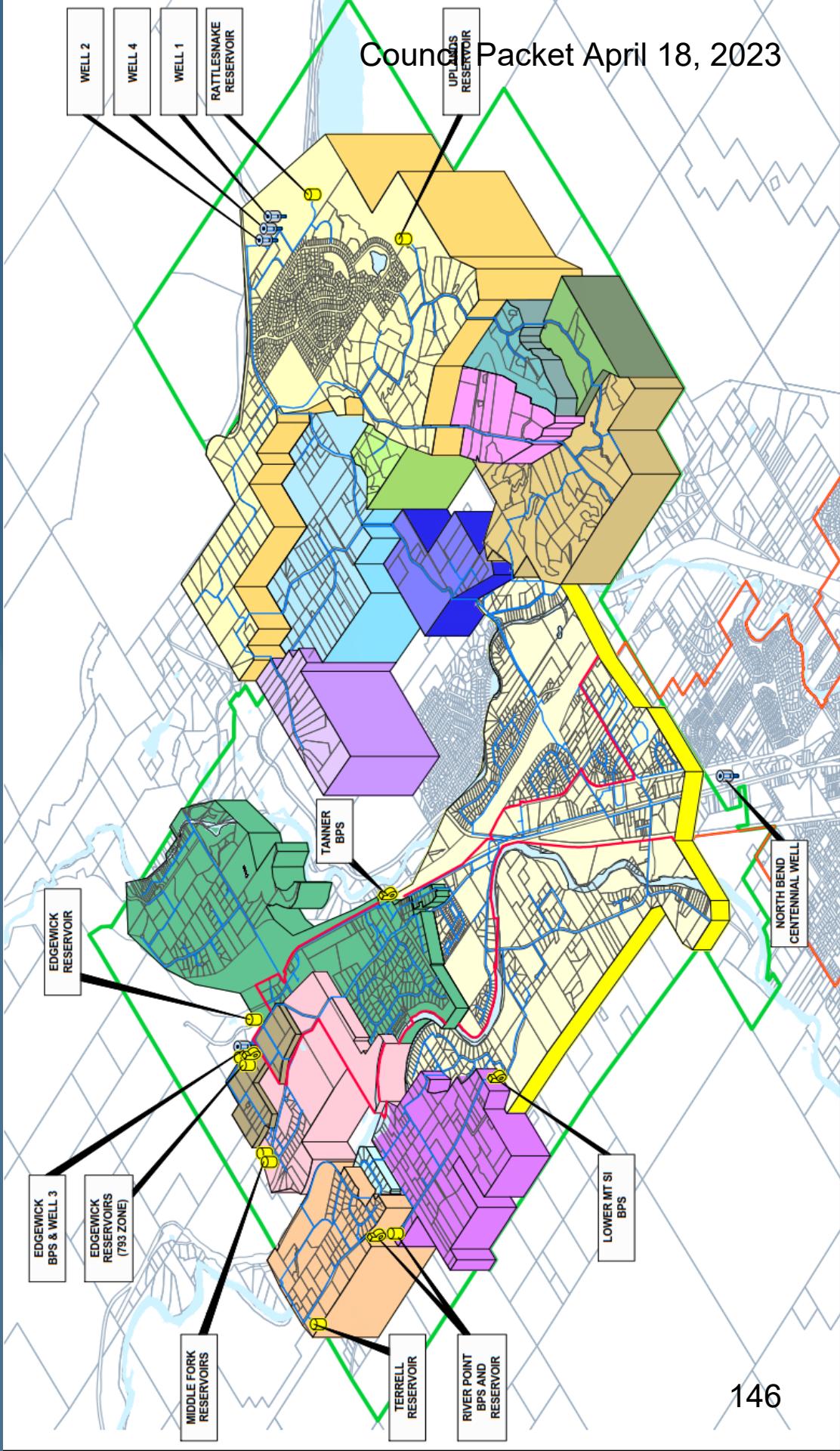


Amount of Water Needed for Mitigation



Ability of Sallal to Receive Water from North Bend

Council Packet April 18, 2023





Ability of Sallal to Receive Water from North Bend

- Preliminary analysis shows that Sallal could receive water into its 710 zone from North Bend's 594 zone at the following rates:
 - 2019 ADD – (174 gpm average, 613 gpm peak)
 - 2019 MDD – (440 gpm average, 880 gpm peak)
 - 2040 ADD – (361 gpm average, 703 gpm peak)
 - 2040 MDD – (932 gpm average, 1,093 gpm peak)

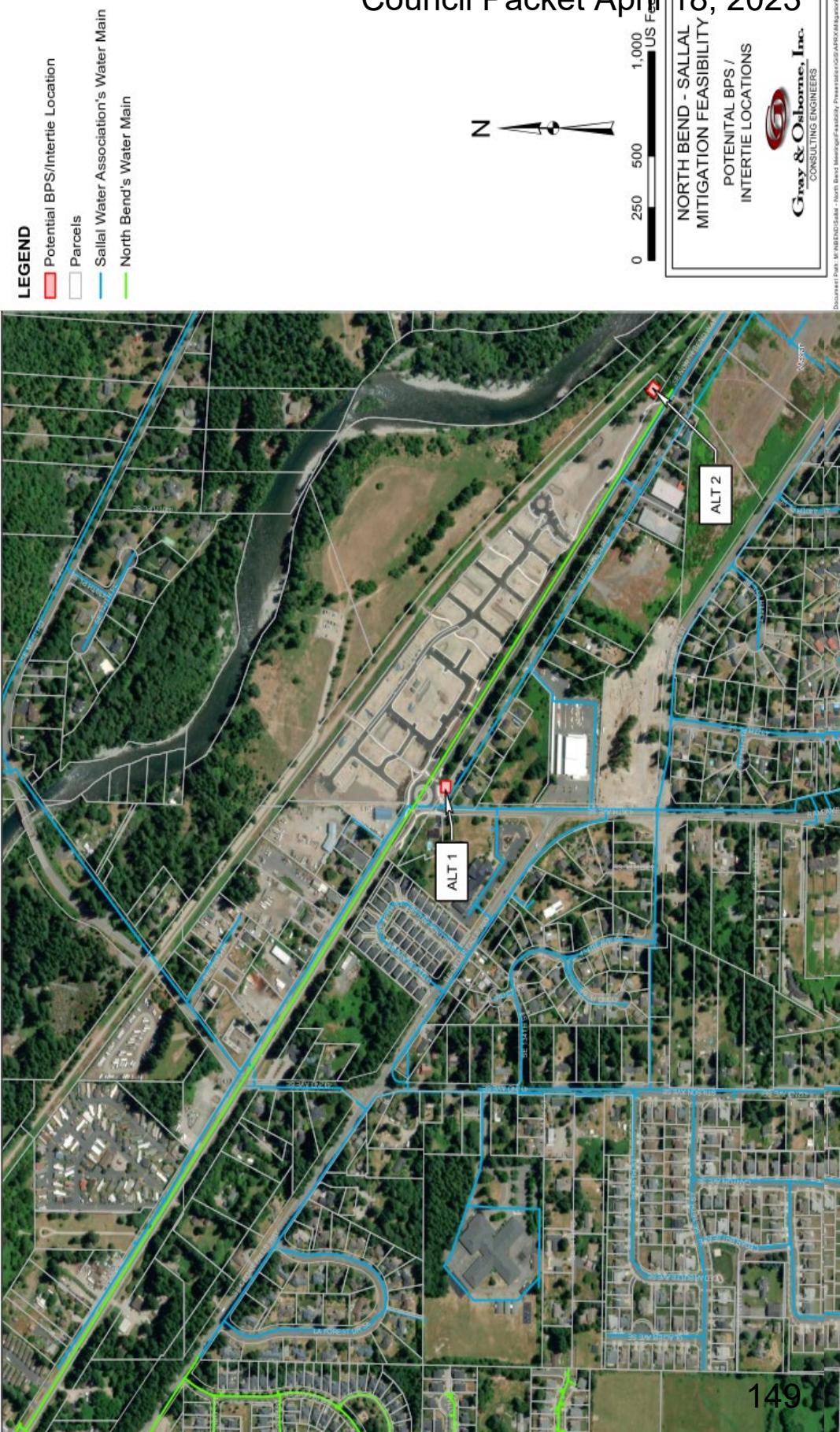


Improvements Needed to Provide Water from North Bend to Salla

- Construct an intertie
- Construct a booster station
- Potential locations
 - Near Cedar Falls Way and 436th Avenue
 - At the east of the Dahlgren property
- Estimated cost = \$1,200,000 to \$1,500,000

Potential Intertie Booster Station Locations

Council Packet April 18, 2023



Operational Considerations

- North Bend needs to determine its mitigation requirement at 8:00 am each day and set its mitigation flow shortly thereafter
 - Relatively easy to do with Hobo Springs
 - Would require coordination with Sallal operating staff
 - Sallal would need to know when mitigation water may need in advance (~1-3 days) so that valves could be changed and chlorination turned off
 - Once mitigating, could communicate needs at 8:00 am each day and make minor adjustment
 - Would need to figure out how to do weekend adjustment



Operational Considerations

- System would work best if Sallal is not receiving water from North Bend at the same time as mitigation is required
- To understand the impacts, consider 5 scenarios where mitigation is required that all assume North Bend is taking 750,000 gpd from Centennial Well for its customers and Mt Si Springs is not available



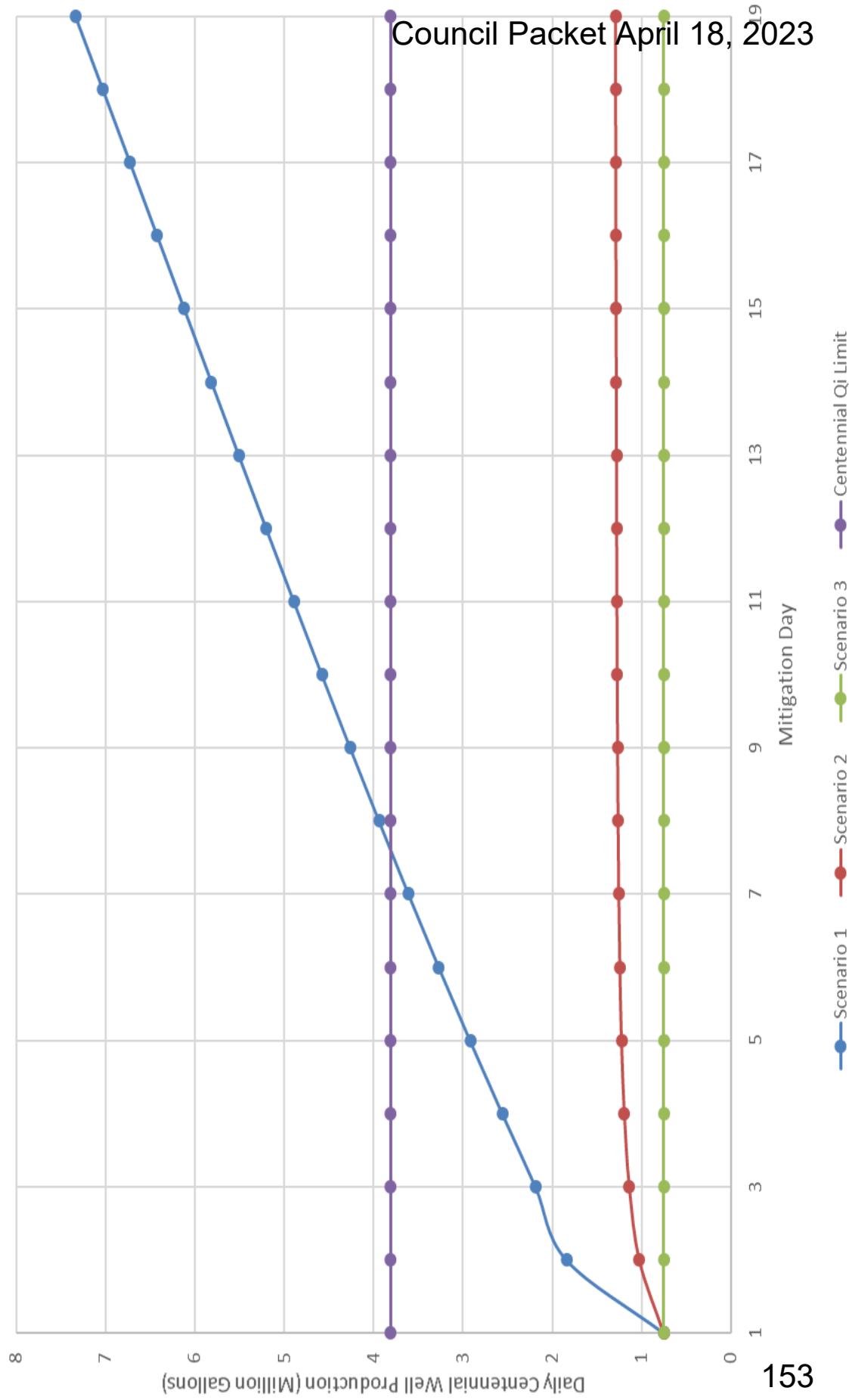
Operational Considerations

- Scenario 1 – 100% of mitigation water is being supplied by Sallal and 100% of mitigation water is returned to Sallal the same day
- Scenario 2 – 50% of mitigation water is returned to Sallal
 - Scenario 2A – 50% of mitigation water is supplied by Sallal and 50% is supplied by Hobo Springs and Sallal gets all of its mitigation water returned the same day
 - Scenario 2B – 100% of mitigation water is supplied by Sallal and 50% of mitigation water is returned to Sallal the same day
- Scenario 3 - Either no mitigation water provided by Sallal or no mitigation water returned to Sallal the same day
 - Scenario 3A – All mitigation water supplied by Hobo Springs
 - Scenario 3B – All mitigation water supplied by Sallal and no mitigation water returned to Sallal the same day



Potential Mitigation Scenarios

North Bend Centennial Well Daily Production With 3 Mitigation Scenarios





Operational Considerations

- Optimal operation of mitigation
 - May require Sallal to receive water from North Bend earlier in the year than North Bend needs mitigation (Jan – Jun)
 - Sallal could potentially also catch up on annual quantity with water purchase later in the year (Nov – Dec)



Questions?