

INTERLOCAL AGREEMENT BETWEEN THE CITIES
CONTINUING THE HUMAN SERVICES POOLED FUND

This agreement is made and entered into by and among the City of Kirkland, as the lead agency, and the City of Bellevue, the City of Issaquah, the City of Kenmore, the City of Mercer Island, the City of Redmond, the City of Sammamish, and the City of Shoreline, all municipal corporations of the State of Washington (hereinafter referred to individually as “Party” or collectively as “Parties”).

RECITALS

Whereas, the Parties engage in activities that support human service providers in King and Snohomish Counties; and

Whereas, the Parties entered into an interlocal agreement in 2014 establishing a Human Services Pooled Fund and wish to continue to make the most efficient use of their resources by cooperating to provide funding to support human service providers in King and Snohomish Counties as they have done under the prior interlocal agreement; and

Whereas, the Parties have the authority under the Interlocal Cooperation Act, chapter 39.34 RCW, to engage in cooperative efforts that result in more efficient use of government resources; and

Whereas, the Parties agree that multi-jurisdictional cooperation in human services planning and funding is a benefit to the Parties, their non-profit award recipients, and to the residents of their communities.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

I. PURPOSE

This agreement defines the roles and responsibilities of the Parties in jointly funding and contracting for human services programs. Further, this agreement establishes a Human Services Pooled Fund account (hereinafter referred to as “Pooled Fund”) to which funds will be deposited for the purpose of contracting with not-for-profit organizations or other public corporations (hereinafter referred to as “Service Provider(s)”) that deliver human services programs.

The Parties agree that, upon the Effective Date of this agreement, this agreement supersedes, terminates, and replaces the Parties’ existing 2014 Interlocal Agreement Establishing the Human Services Pooled Fund (2014 Interlocal Agreement).

II. DURATION OF THE AGREEMENT

This agreement shall be established and take effect the later of either January 1, 2025, or immediately upon its execution by two or more Parties (“Effective Date”), and it shall become effective for a subsequently signing member on the date it is signed by the member. This agreement shall remain in effect through December 31, 2026, and thereafter shall be automatically renewed and extended biannually for additional two-year terms, unless and until terminated as described in Section VI. Reference to a biennium in this agreement shall include a two-year period starting on January 1 and ending on December 31 of the subsequent year.

III. RESPONSIBILITIES

- A. The lead Human Services staff member (manager or supervisor level), or their designee, from each Party will monitor the delivery of joint Human Services programs under this agreement. This group will be known as the Project Management Team.

- B. The City of Kirkland shall be the lead agency (hereinafter referred to as “Lead Agency”). The Lead Agency will:
- i. Establish and maintain the Pooled Fund.
 - ii. Draft contracts on behalf of Parties with Service Providers payable with funds drawn from the Pooled Fund and route proposed contracts to applicable Parties for review on or before January 31 of the first year of the biennium. The maximum effective period of these contracts is for the two-year (biennial) budget period. Service Provider contracts must include provisions addressing potential modifications to the Human Services Pooled Funds agreement resulting from termination or a Party’s withdrawal.
 - iii. Execute, no later than March 1 of the first year of the biennium, authorized contracts with Service Providers on behalf of applicable Parties. At its discretion, the Lead Agency may amend contracts with Service Providers without approval from the other applicable Parties so long as the amendments are minor in nature (e.g., Service Provider name changes, slight amendments to service dates, etc.). Any amendments to contracts which are substantive in nature (e.g. increase in compensation or change to scope of services), shall be routed by the Lead Agency to all applicable Parties for their review and approval.
 - iv. Invoice Parties for each Party’s portion of the Pooled Fund and the applicable administrative service fee. Invoices will be sent at the beginning of each year, with an option of biannual invoicing as agreed upon by each Party and the Lead Agency, with payment required within thirty (30) calendar days from date of invoice.
 - v. Accept and deposit contributions to the Pooled Fund from Parties or other sources.
 - vi. Process payments on Service Provider contracts.
 1. Contracts will include the projected maximum possible award amounts available to be paid from the Lead Agency and applicable Parties to each Service Provider. Any and all payments to Service Providers are subject to availability of funds from each applicable Party, and future payments will be contingent on satisfactory performance on the contract; Lead Agency will ensure appropriate provisions regarding the same are included in the Service Provider contracts.
 2. Payment will be provided to Service Provider in two advance lump-sum payment annually, unless the Lead Agency determines in consultation with the Project Management Team that a reimbursement model is more appropriate for a particular Service Provider. The Lead Agency will ensure appropriate provisions are included in the Service Provider contracts regarding the Service Provider’s responsibilities for invoicing the Lead Agency. Advance lump sum payments should not be equivalent to more than 50% of the maximum possible award amount for the year.
 - vii. As the executed contract is between the Lead Agency and the Service Provider, the Service Provider is expected to adhere to the payment procedures required by the Lead Agency.
 - viii. Lead Agency will contact each individual Party that is contributing funds to a

Service Provider regarding a Service Provider's performance concerns, which may include but is not limited to, persistent lack of response and/or follow-up; identified audit risks; failure to meet substantive contract terms; or underperformance (service units are under 50% following the second quarter of the year or under 100% following the fourth quarter of the year). Lead Agency will work with the affected Party(ies) to determine, in writing, how to proceed with the Service Provider, particularly regarding subsequent payments and/or demanding reimbursement from the Service Provider. If multiple parties are affected, the Lead Agency will make reasonable efforts to seek alignment between the affected Parties regarding how to proceed with the Service Provider. Ultimately, each affected Party will have final decision-making authority regarding use of that Party's funds; however, if an affected Party fails to timely decide, the Lead Agency is authorized to withhold subsequent payments from the Service Provider for that affected Party.

- ix. Lead Agency will establish a policy(ies) to reimburse Parties in the event payments are withheld from or repaid by a Service Provider.

C. The Project Management Team will:

- i. Develop and implement a policy establishing criteria for allowing Service Providers to participate in the Pooled Fund. At minimum, the policy must consider past performance of Service Providers and any known risks and liabilities.
- ii. Determine whether to allow additional parties to enter into this agreement.
- iii. Develop administrative tools and processes necessary to operate the Pooled Fund.
- iv. Coordinate, schedule, and conduct on-site monitoring of Service Providers on behalf of the Parties. A summary of the visit will be written by Project Management Team members and can be accepted by the Parties for each Party's monitoring purposes.
- v. Periodically evaluate the effectiveness of the Pooled Fund, and plan for future expansion and administration of the Pooled Fund.
- vi. Provide input to the Lead Agency regarding acceptance and use of any deposit(s) made to the Pooled Fund from a funding source not party to this agreement.

D. Each individual Party independently has the following responsibilities:

- i. Provide the Lead Agency with a list of each human service program, including award amounts, that such Party desires to contribute to through the Pooled Fund as soon as possible, but not later than December 31 before the contract biennium. Parties that do not provide this information by the date required will be excluded from participation in the Pooled Fund, unless the Lead Agency authorizes extensions of this deadline, the length of such extension being at the sole discretion of the Lead Agency.
- ii. Provide timely response to the Lead Agency regarding underperformance by an individual Service Provider and, as requested by the Lead Agency, work with the Lead Agency to determine, in writing, how to proceed with subsequent payments to individual Service Providers that may be underperforming based on compliance with contractual obligations. Since each affected Party has final decision-making

authority regarding use of that Party's funds, the affected Party's decision shall not be unreasonably withheld.

- iii. Review and timely communicate to the Lead Agency the Party's acceptance of contract terms negotiated for each Service Provider for which that Party is contributing funds. Acceptance shall be communicated in writing on or before February 15 of the calendar year for which funding is approved. Parties who do not communicate written acceptance will be deemed to have accepted the terms.
- iv. Provide such staff as is necessary to accomplish all responsibilities included in this agreement.
- v. Timely pay invoices sent by the Lead Agency for the Party's contribution to the Pooled Fund and the applicable administrative service fee.

IV. ADDITION OF A PARTY TO THIS AGREEMENT

- A. At any time after the effective date of this agreement, additional parties, with the approval of the Project Management Team, may adopt and enter into this agreement by forwarding a copy of the agreement as approved and executed by that Party to the Lead Agency no later than sixty (60) calendar days prior to the end of the biennium for participation in the Pooled Fund the subsequent biennium. Additional parties' responsibilities and participation will be effective only as related to the subsequent biennium.
- B. The addition of a party or parties to this Agreement shall not affect the terms and conditions for any other Party and does not require existing Parties to reauthorize the Agreement.
- C. Parties not subject to this agreement may, subject to the approval of the Project Management Team, contribute funds on a one-time or other limited basis for the purpose of participating in Service Provider contracts drawn from the Pooled Fund. Under these circumstances, the Project Management Team shall provide input to the Lead Agency on the terms of participation and the Lead Agency shall allocate the funds at its discretion, consistent with the purposes of this Agreement.

V. WITHDRAWAL OF A PARTY TO THIS AGREEMENT

- A. Each Party, with the exception of the Lead Agency, for its convenience and without cause or for any reason whatsoever, may withdraw from participation in this Agreement by providing written notice to the Lead Agency and all other Parties on or before June 30 of Year 2 of the biennium, with the effective date of withdrawal being December 31 of the Year 2 of that biennium in which notice is given. The withdrawing party shall remain responsible for all contractual commitments made to Service Providers on behalf of the withdrawing party and for payments made or committed to the Pooled Fund by the withdrawing party up to the effective date of withdrawal, except as otherwise provided in this agreement. Any payments made to the Pooled Fund by the withdrawing party prior to the effective date of withdrawal for services to be provided by Service Providers after the effective date of withdrawal shall be returned to the Party within sixty (60) calendar days following the effective date of withdrawal.
- B. In the event of withdrawal by a Party, this Agreement shall terminate as to that Party but shall continue in effect with respect to the remaining Parties. However, the termination of this agreement with respect to one or more Parties shall not affect any of the Parties' rights

or obligations, including any rights or obligations of a withdrawing Party, that are expressly intended to survive termination.

- C. In the event of a withdrawal, the Lead Agency is authorized to enact the termination clauses of all contracts with Services Providers that include funds from the withdrawing Party. Such termination will be specific to the withdrawing party and shall not affect the contractual obligations of the Service Provider in regard to all other Parties.
- D. The Lead Agency, for its convenience and without cause or for any reason whatsoever, may withdraw from participation in this Agreement by providing written notice to all other Parties on or before June 30 of Year 2 of the biennium with the effective date of withdrawal being December 31 of Year 2 of the same biennium in which notice is given. However, if the Lead Agency's costs to administer the Pooled Fund are not fully funded by the administrative service fees approved by the Project Management Team, the Lead Agency may withdraw on or before June 30 of any given calendar year, with the effective date of withdrawal being December 31 of the same calendar year in which notice is given. The withdrawing Lead Agency commits to transfer all necessary funds and documentation related to the Pooled Fund to a new Lead Agency, as selected by the Project Management Team, prior to the effective date of the withdrawal. Nothing in this agreement prevents the Lead Agency from remaining a Party to this agreement after ceasing to be the Lead Agency.

VI. TERMINATION OF THIS AGREEMENT

- A. All Parties must agree to terminate this agreement in order for such termination to be effective as to all Parties, otherwise any Party desiring to withdraw may do so under Section V. The effective date of termination will be determined by a unanimous vote of the Project Management Team but must be no less than ninety (90) calendar days after the date of the Project Management Team meeting during which termination is agreed. Immediately after the vote to terminate the agreement is made, the Lead Agency is authorized to terminate all contracts with Service Providers drawn upon the Pooled Fund as per the conditions of those contracts. After all payments due to Service Providers are made, funds attributable to each Party released from commitment to those terminated contracts shall be returned to each Party by check from the Lead Agency within sixty (60) calendar days after the effective termination date of this agreement.
- B. If a contract with a Service Provider is terminated by the Service Provider as per the conditions of that contract, funds in the Pooled Fund released from commitment to that terminated contract shall be removed from the Pooled Fund with the amount attributable to each Party participating in the terminated contract returned by check from the Lead Agency within sixty (60) calendar days after the effective termination date of the contract. Termination of a Service Provider contract shall not affect any other contract drawn from the Pooled Fund.

VII. ADMINISTRATIVE SERVICE FEES AND INTEREST ACCRUED

- A. The Lead Agency will develop an administrative service fee structure in February (after receiving notice of pooled fund participation) of the first year of each funding biennium, which shall be subject to the approval of the Project Management Team. The fee structure will be based on the number of scopes of work funded by each Party in the Pooled Fund or other comparable structure that addresses the Lead Agency's administrative costs to

administer the Pooled Fund. The fee structure will be in effect for each of the two years of the biennium in question.

- B. The Lead Agency will develop the billing and payment schedule of the administrative service fee and the Pooled Funds contributions for the Parties.
- C. The Lead Agency shall consider any and all revenue accrued as interest on the Pooled Fund as supplemental to the administrative service fee and shall be entitled to keep and use such revenue at its complete discretion for the human services purposes.

VIII. AMENDMENTS

This agreement may be amended, altered, changed, or extended in any manner by the mutual written consent of all Parties.

IX. SEVERABILITY

If any of the provisions contained in this agreement are held illegal, invalid, or unenforceable by a court of competent jurisdiction, it shall be deemed stricken and shall not affect the validity or enforceability of any other provisions. Unless such stricken provision goes to the essence of the consideration bargained for by a Party, the remaining provisions shall continue in full force and effect, and the Parties agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

X. HOLD HARMLESS AND INDEMNIFICATION

- A. To the extent permitted by state law, and for the limited purposes set forth in this Agreement, each Party shall protect, defend, hold harmless, and indemnify the other Parties and their respective officers, elected officials, agents, and employees, while acting within the scope of their duties as such, from and against any and all claims (including demands, suits, penalties liabilities, damages, costs, expenses, or losses of any kind or nature whatsoever) ("Damages") arising out of or in any way resulting from such Party's own negligent acts or omissions related to such Party's participation and obligations under this Agreement.
- B. Each Party agrees that its obligations under this section extend to any claim, demand, and/or cause of action brought by or on behalf of any of its employees or agents. For this purpose, each Party, by mutual negotiation, hereby waives, with respect to the other Parties only, any immunity that would otherwise be available against such claims under the industrial insurance act provision of Title 51 RCW.
- C. The provisions of this subsection shall survive and continue to be applicable to any Party exercising the right of withdrawal pursuant to Section V and/or to all Parties after termination pursuant to Section VI.

XI. NO PRECLUSION OF ACTIVITIES OR PROJECTS

Nothing herein shall preclude any Party from choosing or agreeing to fund or implement any work activities or projects associated with any of the purposes hereunder by separate agreement or action, provided that any such decision or agreement shall not impose any funding, participation, or other obligation of any kind on the other Parties.

XII. REAL AND PERSONAL PROPERTY

The acquisition of real property is not anticipated under this agreement. Any personal property acquired pursuant to this agreement shall be held by the Lead Agency. In the event this Agreement expires or is terminated, any personal property other than cash shall remain with the Lead Agency.

XIII. ENTIRETY OF AGREEMENT

This agreement supersedes all prior negotiations, representations, and agreements between the Parties relating to the subject matter hereof, including the 2014 Interlocal Agreement, and constitutes the entire agreement between the Parties.

XIV. APPLICABLE LAW

This Agreement shall be governed by the laws of the State of Washington.

XV. COMPLIANCE WITH LAWS

The Parties shall comply with all applicable federal, state, and local laws and rules, including but not limited to grant funding conditions.

XVI. PUBLIC RECORDS AND RETENTION

Each Party to this Agreement is a public agency subject to Washington's Public Records Act, chapter 42.56 RCW, and to Washington's laws pertaining to the retention of public records, including chapter 40.14 RCW. Each Party will be solely responsible for compliance with these laws in relationship to records requests received by that Party for any records prepared, owned, used, or retained by that Party. The Party receiving a records request will respond to the request in accordance with that Party's procedures. The Lead Agency will be solely responsible for maintaining records related to the responsibilities of the Lead Agency.

XVII. RECORDING

This Agreement shall be recorded with King County or otherwise made available to the public in accordance with state law.

XVIII. COUNTERPARTS

This Agreement may be signed in counterparts and, if so signed, shall be deemed one integrated agreement.

XIX. NO THIRD-PARTY BENEFICIARIES

There are no third-party beneficiaries to this Agreement, and this Agreement shall not impart any rights enforceable by any person or entity that is not a party hereto.

XX. NO SEPARATE LEGAL ENTITY CREATED.

No separate legal entity is created through this interlocal agreement.

In witness whereof, the undersigned have entered into this Agreement through their duly authorized officers as of the latest day and year written below for each.

Signed:

CITY OF KIRKLAND:

Kurt Triplett, City Manager

DATED: _____

APPROVED AS TO FORM:

Office of the City Attorney

CITY OF KENMORE:

Rob Karlinsey, City Manager

DATED: _____

APPROVED AS TO FORM:

Office of the City Attorney

CITY OF MERCER ISLAND:

Jessi Bon, City Manager

DATED: _____

APPROVED AS TO FORM:

Office of the City Attorney

CITY OF BELLEVUE:

Diane Carlson, City Manager

DATED: _____

APPROVED AS TO FORM:

Office of the City Attorney

CITY OF ISSAQUAH:

Mary Lou Pauly, Mayor

DATED: _____

APPROVED AS TO FORM:

Office of the City Attorney

CITY OF REDMOND:

Angela Birney, Mayor

DATED: _____

APPROVED AS TO FORM:

Office of the City Attorney

CITY OF SAMMAMISH:

Scott MacColl, City Manager

DATED: _____

APPROVED AS TO FORM:

Office of the City Attorney

CITY OF SHORELINE:

Bristol Ellington, City Manager

DATED: _____

APPROVED AS TO FORM:

Office of the City Attorney