

City of Redmond



Agenda

Tuesday, July 8, 2025

4:30 PM

City Hall: 15670 NE 85th St; Remote: Comcast Ch. 21/321, Ziplify Ch. 34,
Facebook (@CityofRedmond), Redmond.gov/rctvlive, or 510-335-7371

Committee of the Whole - Finance, Administration, and Communications

Committee Members

Steve Fields, Presiding Officer

Jeralene Anderson

Jessica Forsythe

Vanessa Kritzer

Angie Nuevacamina

Osman Salahuddin

Melissa Stuart

Meetings can be attended in person, viewed live on RCTV (redmond.gov/rctlive), Comcast Channel 21/321, Ziply Channel 34, Facebook/YouTube (@CityofRedmond), or listen live at 510-335-7371

AGENDA

ROLL CALL

A. Action Items

1. Adoption of an Ordinance for the 2025-2026 Budget [CM 25-395](#)
Adjustment #2

[Attachment A: Ordinance](#)

[Attachment B: Summary of 2025-2026 Budget Adjustment #2](#)

Department: Finance, 5 minutes

Requested Action: Consent, July 15th

2. Amendment of Resolution 1604, Section 1.6) Bidding [CM 25-396](#)
Thresholds and Authority, for Purchases of Public Works, and
Section 2) Small Works Roster

[Attachment A: Resolution](#)

[Attachment B: Redlined Version of Bidding and Signing Approval Levels](#)

Department: Finance, 5 minutes

Requested Action: Consent, July 15th

3. Purchasing Process Improvements: Council Signing Authority [CM 25-398](#)
Limit for Instructional and Artistic Services

[Attachment A: Presentation](#)

Department: Finance, 10 minutes

Requested Action: Consent, August 4th

4. Amendment to the King County Memorandum of [CM 25-389](#)
Understanding for the Opioid Abatement Council (OAC)

[Attachment A: Redlined King County Opioid Abatement Council MOU](#)

[Attachment B: Final King County Opioid Abatement Council MOU](#)

Department: Executive, 10 minutes

Requested Action: Consent, July 15th

B. Feedback for Study Session - N/A

C. Informational - N/A

D. Read Only - N/A

ADJOURNMENT

Meeting videos are usually posted by 12 p.m. the day following the meeting at redmond.legistar.com, and can be viewed anytime on Facebook/YouTube (@CityofRedmond) and OnDemand at redmond.gov/OnDemand



Memorandum

Date: 7/8/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-395

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
---------	----------------	--------------

DEPARTMENT STAFF:

Finance	Haritha Narra	Deputy Finance Director
Finance	Hailey Zurcher	Financial Planning Manager

TITLE:

Adoption of an Ordinance for the 2025-2026 Budget Adjustment #2

OVERVIEW STATEMENT:

An Ordinance amending Ordinance No. 3196 and 3215 by adjusting the City's 2025-2026 Biennial Budget to true-up beginning fund balances. In the first year of each biennium, budgeted beginning fund balances are reconciled with the actual beginning fund balances for each fund. A budget adjustment is required to formally recognize the difference in each fund. The budget adjustment included in this ordinance formally recognizes these differences in the Capital Investment, Utility, Special Revenue, Internal Service and Debt Service Funds and the sub-funds of the General Fund.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Fiscal Policies
- **Required:**
RCW 35A.33.120 Funds-Limitations on expenditures-Transfers and adjustments.
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

Date: 7/8/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-395

Type: Committee Memo

This budget adjustment is necessary to align city financial records to account for Council decisions and corrections to the existing budget.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

\$31,744,778

Approved in current biennial budget:

☐ Yes

☒ No

☐ N/A

Budget Offer Number:

N/A

Budget Priority:

N/A

Other budget impacts or additional costs:

☐ Yes

☒ No

☐ N/A

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

☐ **Additional budget details attached**

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Date: 7/8/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-395

Type: Committee Memo

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
7/15/2025	Business Meeting	Approve

Time Constraints:

All budget adjustments for the 2025-2026 biennium must be approved no later than December 31, 2026.

ANTICIPATED RESULT IF NOT APPROVED:

The adopted budget would not align city financial records with decisions made and corrections in budgeted funds.

ATTACHMENTS:

Attachment A: Ordinance: 2025-2026 Budget Adjustment #2

Attachment B: Summary of 2025-2026 Budget Adjustment #2

NON-CODE

CITY OF REDMOND
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF REDMOND, WASHINGTON, AMENDING ORDINANCE NO.
3196 & 3215, BY MAKING ADJUSTMENTS TO THE
CITY'S 2025-2026 BIENNIAL BUDGET, IN EXHIBIT
1

WHEREAS, the Finance Director has identified the need to make certain revisions to the 2025-2026 biennial City budget; and

WHEREAS, the City Council has reviewed the proposed adjustments to the budget and has determined that they should be made.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Ordinance No. 3196 adopting the 2025-2026 biennial budget, passed by the City Council on November 19, 2024, and Ordinance No. 3215 amending the 2025-2026 biennial budget, is hereby amended to recognize the appropriation of the difference between actual and budgeted beginning fund balances.

Section 2. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance.

Section 3. Effective date. This ordinance shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

ADOPTED by the Redmond City Council this _____ day of _____, 20XX.

CITY OF REDMOND

ANGELA BIRNEY, MAYOR

ATTEST:

CHERYL XANTHOS, MMC, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

DANIEL P. KENNY, CITY ATTORNEY

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
SIGNED BY THE MAYOR:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.

EXHIBIT 1

Summary of 2025-2026 Budget Adjustments

Fund Number	Fund Name	2025-2026 Adopted Budget (Ord 3196)	#1 Clean Up Adjustment (Ord 3215)	#2(a) BFB Reconciliation	Revised 2023-2024 Budget
100	General Fund	\$ 339,604,752	\$ 222,038	\$ -	\$ 339,826,790
011	Arts Activity	1,086,292	-	(3,190)	1,083,101
012	Parks Maintenance & Operations	4,083,017	-	(275,817)	3,807,200
013	Community Events	1,577,749	-	(5,498)	1,572,251
019	Human Services Grant Fund	7,927,425	-	(648,939)	7,278,486
020	Fire Equipment Reserve	9,278,894	416,000	(130,457)	9,564,437
021	Operating Reserve	9,752,281	-	(322,402)	9,429,879
025	COVID Recovery Fund	313,592	-	125,912	439,504
027	Capital Replacement Reserve	5,343,965	-	1,494,723	6,838,688
030	Business Tax	21,338,326	-	3,013,814	24,352,140
031	Real Property Fund	1,786,069	-	(88,305)	1,697,764
035	Fire Levy Fund	5,591,744	-	(106,560)	5,485,184
036	Police Levy Fund	9,004,639	-	66,136	9,070,774
037	Parks Levy Fund	1,039,474	-	22,920	1,062,393
095	Parks Maintenance Projects	6,627,176	-	(144,111)	6,483,065
096	Transportation Maintenance Project	18,981,028	-	6,524,533	25,505,562
099	General Governmental Maint	26,498,144	1,000,000	(1,570,896)	25,927,248
110	Recreation Activity	7,221,324	229,500	224,086	7,674,910
115	Development Review	10,865,715	-	(806,495)	10,059,220
117	Cable Access Fund	104,647	-	(23,812)	80,835
118	Operating Grants	4,411,481	-	(199,424)	4,212,057
122	Advanced Life Support	26,173,120	888,655	(2,014,805)	25,046,971
124	Fire Donations Fund	883,165	-	5,957	889,122
125	Real Estate Excise Tax	40,538,011	-	3,368,310	43,906,321
126	Drug Enforcement	162,015	-	(518)	161,498
131	Tourism (Hotel/Motel Tax)	2,700,494	-	118,527	2,819,021
140	Solid Waste Recycling	4,468,019	-	73,654	4,541,673
150	Transportation Benefit District	14,191,779	200,000	486,659	14,878,438
233	Non-Voted GO Bonds - Parks	12,033,020	-	75,461	12,108,481
315	Parks Capital Projects	30,592,925	-	(143,509)	30,449,416
316	Transportation Capital Project	75,770,657	1,518,000	(468,318)	76,820,339
319	General Governmental Capital	37,332,798	72,500	3,083,318	40,488,616
361	CFD 2014-1	775,537	-	-	775,537
362	CFD 2016-1	12,182,863	-	-	12,182,863
401	Water/Wastewater	125,835,398	-	5,511,740	131,347,138
402	UPD - Water/Wastewater	26,150,370	-	1,207,218	27,357,588
403	Water/Wastewater Capital Proj	39,019,901	-	6,087,160	45,107,060
404	Wastewater Capital Project	16,393,572	-	87,832	16,481,404
405	Stormwater Management	46,647,647	338,603	1,781,440	48,767,690
406	Stormwater Management Capital	67,956,008	-	3,007,116	70,963,124
407	UPD - Capital Projects	17,742,556	-	1,716,953	19,459,509
408	UPD Wastewater Capital Project	19,393,717	-	1,164,547	20,558,264
501	Fleet Maintenance	13,647,662	-	(188,321)	13,459,342
510	Insurance Claims & Reserves	9,295,168	-	485,723	9,780,891
511	Medical Self Insurance	41,504,237	-	(910,180)	40,594,057
512	Worker's Compensation	10,505,323	-	(579,331)	9,925,992
520	Information Technology	36,399,461	-	641,927	37,041,388
		\$ 1,220,733,158	\$ 4,885,296	\$ 31,744,778	\$ 1,257,363,232

Notes:

Ordinance #3196 establishing the 2025-2026 budget was approved by Council on November 19, 2024.



Memorandum

Date: 7/8/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-396

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
---------	----------------	--------------

DEPARTMENT STAFF:

Finance	Haritha Narra	Deputy Finance Director
Finance	Adam O'Sullivan	Financial Services Manager

TITLE:

Amendment of Resolution 1604, Section 1.6) Bidding Thresholds and Authority, for Purchases of Public Works, and Section 2) Small Works Roster

OVERVIEW STATEMENT:

Resolution No. 1604 should be updated to align with recent RCW changes. The proposed updates include the following revisions.

Section 1.6: Bidding Thresholds and Authority - For Purchases of Public Works

Under RCW 35.23.352, the statutory bid limits for purchases without competitive bidding have increased to \$75,500 (previously \$40,000) for a single craft or trade, and to \$150,000 (previously \$116,155) for multiple crafts or trades.

Section 2: Small Works Roster

Under RCW 39.04.152 (replacing repealed RCW 39.04.155), the small works roster process may be used for public works projects with an estimated cost up to \$350,000 (previously \$300,000), allowing the City to forego formal sealed bidding.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Purchasing Policy, Resolution No. 1503
- **Required:**
Resolutions require Council approval.

Date: 7/8/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-396

Type: Committee Memo

- **Council Request:**

N/A

- **Other Key Facts:**

N/A

OUTCOMES:

The proposed changes will bring the City in alignment with the latest RCWs pertaining to public works bidding requirements and small works bidding thresholds, as per RCW 35.23.352 and RCW 39.04.152.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**

N/A

- **Outreach Methods and Results:**

N/A

- **Feedback Summary:**

N/A

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget:

☐ Yes

☐ No

☒ N/A

Budget Offer Number:

N/A

Budget Priority:

N/A

Other budget impacts or additional costs:

☐ Yes

☐ No

☒ N/A

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date: 7/8/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-396

Type: Committee Memo

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
7/15/2025	Business Meeting	Approve

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

If not approved, the City would not be following the latest legislation set forth in RCW pertaining to public works bidding thresholds and small works roster process.

ATTACHMENTS:

Attachment A: Resolution

Attachment B: Redlined Version of Bidding and Signing Approval Levels

**CITY OF REDMOND
RESOLUTION NO. XXXX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF REDMOND, WASHINGTON, AMENDING RESOLUTION
NO. 1604, SECTION 1.6) BIDDING THRESHOLDS AND
AUTHORITY, FOR PURCHASES OF PUBLIC WORKS, AND
SECTION 2) SMALL WORKS ROSTER, AND
ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City Council passed Resolution No. 1604, and now desires to update its procurement policies to align with bid thresholds for public works contracts and small works roster projects as per RCW 35.23.352 and 39.04.152 (replacing repealed RCW 39.04.155); and

WHEREAS, the City Council desires to amend section 1.6) Bidding Thresholds and Authority for Purchases of Public Works and Section 2) Small Works Roster. In all other respects, Resolution No. 1604 shall remain unchanged; and

WHEREAS, Redmond is a code city operating under the Revised Code of Washington (RCW) Chapter 35A; and

WHEREAS, there are no statutory bidding requirements for Redmond as a code city, when purchasing supplies, equipment, materials or services not used in connection with a public work or improvement; and

WHEREAS, the City desires to allow certain contracts to be awarded by a consultant roster process for architectural and

engineering services pursuant to RCW 39.80 and by a small works roster process for public work pursuant to RCW 39.04.152 (replacing repealed RCW 39.04.155); and

WHEREAS, in order to implement the small works roster process of RCW 39.04.152 (replacing repealed RCW 39.04.155), the City is required by law to adopt a resolution establishing specific procedures; and

WHEREAS, the City desires to provide for the award of public works contracts in the event of an emergency; and

WHEREAS, adopting changes to the procurement policies will ease the administration of procurement efforts; and

WHEREAS, the City Council now desires to institute the revised purchasing policies.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Bidding Thresholds and Authority. Purchases shall be made in accordance with the following:

1. For purchases of Public Works:

The current statutory bid limits pursuant to RCW 35.23.352 reads, competitive bidding is not required for purchases up to seventy-five thousand five hundred dollars (\$75,500) if a single craft or trade is involved, or up to one hundred fifty thousand dollars (\$150,000) if more than one craft or trade is involved. The

Mayor, or designee, shall execute and accept such contracts up to seventy-five thousand five hundred dollars (\$75,500) for a single craft or trade, or up to one hundred fifty thousand dollars (\$150,000) for multiple crafts or trades.

Pursuant to Section 2 (Small works Roster) of this resolution, and in accordance with the current statutory bid limit in effect for RCW 39.04.152 (replacing repealed RCW 39.04.155), purchases up to three hundred fifty thousand dollars (\$350,000) may be made using the small works roster process, or by a formal bidding process. Purchases exceeding three hundred fifty thousand dollars (\$350,000) shall require a formal bidding process. The Mayor, or designee, shall execute and accept such contracts up to three hundred thousand dollars (\$300,000). The City Council shall award and accept such contracts that exceed three hundred thousand dollars (\$300,000). This resolution does not alter the existing Council approval authority for Public Works contracts.

The Mayor, or designee, shall have the authority to execute change orders for public works contracts. For public works contracts that exceed three hundred thousand dollars (\$300,000), the Mayor or designee may, in his or her discretion, submit a change order for approval to the City Council when the cumulative change orders on the contract would exceed ten percent (10%) of the original contract amount.

Section 2. Small Works Roster. The Mayor, or designee, may contract with an entity that provides roster services and adopt for City use a shared electronic database that maintains a small public works roster in accordance with the requirements of RCW 39.04.152 (replacing repealed RCW 39.04.155). The following small works roster procedures are established for use by the City pursuant to the procedures then in effect for RCW 39.04.152 (replacing repealed RCW 39.04.155):

1. Cost. The City need not comply with formal sealed bidding procedures for the construction, building, renovation, remodeling, alteration, repair, or improvement of real property where the estimated cost does not exceed three hundred fifty thousand dollars (\$350,000), or the current statutory bid limit set forth in RCW 39.04.152 (replacing repealed RCW 39.04.155). Instead, the City may use the small works roster procedures for public works projects as set forth herein. 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.

2. Number of Rosters. The City may create a single general small works roster, or may create a small works roster for different specialties or categories of anticipated work. The City may also use other electronic rosters through an intergovernmental agreement

with an entity that provides roster services. The small works roster(s) may make distinctions between contractors based upon different geographic areas served by the contractor.

3. Contractors on Small Works Roster(s). The small works roster(s) shall consist of all responsible contractors who have requested to be on the roster(s), and where required by law are properly licensed or registered to perform such work in this state. Contractors desiring to be placed on a roster must comply with all roster requirements and maintain current records of any applicable licenses, certifications, registrations, bonding, insurance, and other information on file with the roster. Responsible contractors shall be added to an appropriate roster at any time that they submit a written request and the necessary records. The City may require master contracts to be signed that become effective when a specific award is made using a small works roster.

4. Publication. At least once a year, the City, or an entity that provides roster services on behalf of the City, shall publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the roster(s) and solicit the names of contractors for such roster(s).

5. Telephone, Written, or Electronic Quotations. The City shall obtain telephone, written, or electronic quotations from contractors on the appropriate small works roster to assure that a

competitive price is established, using the rules and procedures defined in RCW 39.04.152 (replacing repealed RCW 39.04.155). 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 (5) 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. If the estimated cost of the work is from one hundred fifty thousand dollars \$150,000 to three hundred fifty thousand dollars (\$350,000), or the current statutory limits set forth in RCW 39.04.152 (replacing repealed RCW 39.04.155), the City may choose to solicit bids from less than all the appropriate contractors on the appropriate small works roster but must notify the remaining contractors on the appropriate small works roster that quotations on the work are being sought. Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection, and available by telephone inquiry.

6. The limited public works process is no longer an option for local government agencies. This process was formerly authorized by RCW 39.04.155, which was repealed and replaced with the new small works roster processes as of July 1, 2024. The new roster processes are contained in RCW 39.04.151-.152 and do not include any

provisions for limited public works.

7. Award. The City shall award all contracts to the lowest responsible bidder as defined in RCW 39.04.010 and RCW 39.04.350. The City reserves the right to reject any and all bids. In accordance with these small works roster procedures, and in accordance with the contract approval authority for public works contracts, the Mayor, or designee, shall execute and accept such contracts up to three hundred thousand dollars (\$300,000), or the current statutory bid limit in effect for RCW 39.04.152 (replacing repealed RCW 39.04.155). The City Council shall award and accept such contracts that exceed three hundred thousand dollars (\$300,000).

Section 3. Competitive Bidding Exemptions. In accordance with RCW 39.04.280, occasions may arise where competition among potential vendors is not required, including:

1. Emergencies. In the event of an emergency as defined in RCW 39.04.280, the Mayor, or designee, shall declare an emergency situation exists, waive competitive bidding requirements, and award all necessary contracts on behalf of the City to address the emergency situation. An "emergency" means any unforeseen circumstance beyond the control of the City that either: (a) presents 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 a contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the City Council or the Mayor and duly entered of record no later than two (2) weeks following the award of the contract.

2. Sole Source. As defined in RCW 39.04.280, sole source procurements may be made without soliciting other bids or quotations when: (a) the purchase is clearly and legitimately limited to a single supplier; or (b) there are special facilities or market conditions that result in only one source. The rationale for waiving the use of a competitive process due to a sole source procurement must be documented and provided to the Purchasing Department prior to contract award. The Mayor, or designee, shall execute sole source contracts up to fifty thousand dollars (\$50,000). The City Council shall award sole source contracts that exceed fifty thousand dollars (\$50,000).

Section 4. Intergovernmental Agreements. Pursuant to RCW 39.34, the City may enter into intergovernmental agreements with other localities. In accordance with RCW 39.34.040, all intergovernmental agreements must be listed on the City's website or other electronically retrievable public source.

1. Cooperative Purchasing Agreements. Under RCW 39.34, the City may make purchases using another agency's purchasing contract,

in the interest of cooperatively sharing resources. The City may piggyback on other local, state, and federal contracts, as well as various purchasing consortiums, which shall satisfy the City's own bidding requirements. The Mayor, or designee, shall execute cooperative purchasing agreements.

2. Interlocal and Interagency Agreements. Under RCW 39.34, the City may contract with other public agencies to perform governmental activities and deliver public services. The City Council shall award interlocal and interagency agreements.

Section 5. Severability. If any section, sentence, clause or phrase of this resolution should be held to be invalid or unconstitutional by a court or competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this resolution.

Section 6. Effective Date. This resolution will be effective immediately upon passage.

Section 7. Amend. Resolution No. 1604 of the City of Redmond, passed by the City Council on May 20, 2025, is hereby amended.

ADOPTED by the Redmond City Council this ____ day of ____
_____, 2025.

APPROVED:

ANGELA BIRNEY, MAYOR

ATTEST:

CHERYL XANTHOS, MMC, CITY CLERK

(SEAL)

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO:

Bidding and Signing Approval Levels

Last Updated: June 2025
Resolution No. 1604



Type of Purchase	Project Amount	Competitive Pricing Desirable Process	Who Approves/Signs?	Project Amount	Quotes/Informal Proposals Process	Who Approves/Signs?	Project Amount	Formal Competitive Process Process	Who Approves/Signs?
Operating Supplies & Equipment	Up to \$10,000	Informal quotes are not required but encouraged to obtain best pricing.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Director or Designee	\$10,001-\$200,000	Solicit 3 written bids. Director may waive use of competitive process by completing the Justification form.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Finance Director, COO or Mayor	Over \$200,000	Issue Invitation for Bid or Request for Proposal. Mayor or designee may waive use of competitive process by completing the Justification form.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Finance Director, COO or Mayor <u>Council Approval:</u> None
Operating Services, Repair & Maintenance, and General Services	Up to \$10,000	Informal quotes are not required but encouraged to obtain best pricing.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Director or Designee	\$10,001-\$50,000	Solicit 3 written bids. Director may waive use of competitive process by completing the Justification form.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Finance Director, COO or Mayor	Over \$50,000	Issue Invitation for Bid or Request for Proposal. Mayor or designee may waive use of competitive process by completing the Justification form.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Finance Director, COO or Mayor <u>Council Approval:</u> None

Bidding and Signing Approval Levels

Last Updated: June 2025
Resolution No. 1604



Type of Purchase	Project Amount	Competitive Pricing Desirable Process	Who Approves/Signs?	Project Amount	Quotes/Informal Proposals Process	Who Approves/Signs?	Project Amount	Formal Competitive Process Process	Who Approves/Signs?
Professional Services	Up to \$10,000	Informal quotes are not required but encouraged to obtain best pricing.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Director or Designee	\$10,001-\$50,000	Solicit 3 written bids. Director may waive use of competitive process by completing the Justification form.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Finance Director, COO or Mayor	Over \$50,000	Issue Invitation for Bid or Request for Proposal. Mayor or designee may waive use of competitive process by completing the Justification form.	<u>Purchase Req:</u> NBU Owner (Council provides authorization for the Mayor or Designee to sign)
Professional Services – Technology Services as defined in RCW 39.04.270 <i>Approval from TIS Department required for all software or technology related purchases.</i>	Up to \$10,000	Informal quotes are not required but encouraged to obtain best pricing.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Director or Designee	\$10,001-\$50,000	Solicit 3 written bids. Director may waive use of competitive process by completing the Justification form. If vendor chosen by competitive negotiation, must post RFP.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Finance Director, COO or Mayor	Over \$50,000	Issue Invitation for Bid or Request for Proposal. Mayor or designee may waive use of competitive process by completing the Justification form. Vendor may be chosen via a competitive negotiation rather than lowest bid.	<u>Purchase Req:</u> NBU Owner (Council provides authorization for the Mayor or Designee to sign)

Bidding and Signing Approval Levels

Last Updated: June 2025
Resolution No. 1604



Type of Purchase	Project Amount	Competitive Pricing Desirable Process	Who Approves/Signs?	Project Amount	Quotes/Informal Proposals Process	Who Approves/Signs?	Project Amount	Formal Competitive Process Process	Who Approves/Signs?
Instructional and Artistic Services	Up to \$10,000	Informal quotes are not required but encouraged to obtain best pricing.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Director or Designee	\$10,001-\$75,000	Solicit 3 written bids. Director may waive use of competitive process by completing the Justification form. Contracts over \$25,000 required to have cost recovery.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Director or Designee	Over \$75,000	Issue Invitation for Bid or Request for Proposal. Mayor or designee may waive use of competitive process by completing the Justification form. Contracts over \$25,000 required to have cost recovery.	<u>Purchase Req:</u> NBU Owner (Council provides authorization for the Mayor or Designee to sign)

Bidding and Signing Approval Levels

Last Updated: June 2025
Resolution No. 1604



Type of Purchase	Project Amount	Competitive Pricing Desirable Process	Who Approves/Signs?	Project Amount	Quotes/Informal Proposals Process	Who Approves/Signs?	Project Amount	Formal Competitive Process Process	Who Approves/Signs?
Contract Renewals (Non-Public Work)	Up to \$10,000	None if original agreement contained a renewal or extension provision.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Director, Finance Director or COO	\$10,001-\$50,000	None if original agreement contained a renewal or extension provision. Otherwise, see applicable purchase type for bidding requirements.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Finance Director, COO or Mayor	Over \$50,000 additional	None if original agreement contained a renewal or extension provision. Otherwise, see applicable purchase type for bidding requirements.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Finance Director, COO or Mayor <u>Council Approval:</u> None if original agreement contained a renewal or extension provision. Otherwise, Council approval required if (a) contract was not initially routed to Council but now the total cumulative contract amount is greater than the Council approval threshold for the purchase type; or (b) contract was routed to Council and now the total cumulative amendment amount exceeds the Council approval threshold.

Bidding and Signing Approval Levels

Last Updated: June 2025
Resolution No. 1604



Type of Purchase	Project Amount	Competitive Pricing Desirable Process	Who Approves/Signs?	Project Amount	Quotes/Informal Proposals Process	Who Approves/Signs?	Project Amount	Formal Competitive Process Process	Who Approves/Signs?
Sole Source RCW 39.04.280	Up to \$10,000	Complete the Non-Competitive Procurement Justification form available on the City's intranet.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Director or Designee	\$10,001-\$50,000	Complete the Non-Competitive Procurement Justification form available on the City's intranet.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Finance Director, COO or Mayor	Over \$50,000	Complete the Non-Competitive Procurement Justification form available on the City's intranet.	<u>Purchase Req:</u> NBU Owner <u>Council Approval:</u> Agreement Over \$50,000 (Council provides authorization for the Mayor or Designee to sign)
Intergovernmental Cooperative Purchasing Agreements		No requirement for competition when purchasing from a State contract or through an approved interlocal agreement for items approved through the budget process.	<u>Cooperative Agreement:</u> Finance Director or Fiscal Services Manager Use purchase type for approval of Agreements sourced through approved Interlocal Agreements.						

Bidding and Signing Approval Levels

Last Updated: June 2025
Resolution No. 1604



Type of Purchase	Project Amount	Competitive Pricing Desirable Process	Who Approves/Signs?	Project Amount	Quotes/Informal Proposals Process	Who Approves/Signs?	Project Amount	Formal Competitive Process Process	Who Approves/Signs?
Interlocal (Interagency) Agreements, Grants		No requirement for competition, unless grant specifies differently	<u>Council Approval</u> : All <u>Agreement</u> : Council provides authorization for the Mayor or designee to sign						
Architectural and Engineering Services RCW 39.80	Up to \$10,000	Advertise or review at least one Statement of Qualifications.	<u>Purchase Req</u> : NBU Owner <u>Agreement</u> : Director, Finance Director or COO	\$10,001-\$50,000	Advertise or review at least 3 Statements of Qualifications from the current roster.	<u>Purchase Req</u> : NBU Owner <u>Agreement</u> : Director, Finance Director or COO	Over \$50,000	Advertise or review at least 3 Statements of Qualifications from the current roster.	<u>Purchase Req</u> : NBU Owner (Council provides authorization for the Mayor or Designee to sign)

Bidding and Signing Approval Levels

Last Updated: June 2025
Resolution No. 1604



Type of Purchase	Project Amount	Competitive Pricing Desirable Process	Who Approves/Signs?	Project Amount	Quotes/Informal Proposals Process	Who Approves/Signs?	Project Amount	Formal Competitive Process	Who Approves/Signs?
Public Works RCW 39.04 & 35.23.352 Amounts may be adjusted to match revisions in RCW limits. All amounts must include sales tax.	Less than \$75,500 \$40,000 single craft or Less than \$150,000 \$116,155 multiple craft	Formal competitive process not required; however, preference is to obtain several quotes.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Director, Finance Director or COO	Greater than \$75,500 \$40,000 single craft or \$150,000 \$116,155 multiple craft but less than \$350,000 \$300,000	Formal competitive bidding or small works roster, including the limited public works process , may be used if developed in accordance with RCW 39.04.152. For the limited public works process (up to \$50,000), solicit 3 written bids.	<u>Purchase Req:</u> NBU Owner <u>Agreement:</u> Director, Finance Director or COO if less than \$300,000; <u>Council provides authorization for the Mayor or Designee to sign if over \$300,000</u>	Over \$350,000 \$300,000	Formal competitive bid process.	<u>Purchase Req:</u> NBU Owner (Council provides authorization for the Mayor or Designee to sign)

Bidding and Signing Approval Levels

Last Updated: June 2025
Resolution No. 1604



Type of Purchase	Project Amount	Competitive Pricing Desirable Process	Who Approves/Signs?	Project Amount	Quotes/Informal Proposals Process	Who Approves/Signs?	Project Amount	Formal Competitive Process Process	Who Approves/Signs?
Change Orders on Public Works	Total Project <= \$300,000 Increase keeps total to <= \$300,000 Increase takes total > \$300,000	If agreement has a contingency amount clearly noted in the agreement language, Director or designee may sign until amount exceeds. Then these rules apply.	<u>Agreement:</u> Director or Designee Finance Director, COO or Mayor						
Change Orders on Public Works	Total Project > \$300,000 Accum. increase <= 10% of project cost Accum. Increase > 10% of project cost	If agreement has a contingency amount clearly noted in the agreement language, Director or designee may sign until amount exceeds. Then these rules apply.	<u>Agreement:</u> Director or Designee Finance Director, COO or Mayor. May require Council authorization.						



Memorandum

Date: 7/8/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-398

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
---------	----------------	--------------

DEPARTMENT STAFF:

Finance	Haritha Narra	Deputy Finance Director
Finance	Adam O'Sullivan	Financial Services Manager

TITLE:

Purchasing Process Improvements: Council Signing Authority Limit for Instructional and Artistic Services

OVERVIEW STATEMENT:

Council will be presented with a detailed rationale for updating the current instructional and artistic services \$75,000 signing limit, including cost trends, administrative impacts, and efficiency gain.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Purchasing Policy, Resolution No. 1604
- **Required:**
N/A
- **Council Request:**
Council requested the City review its purchasing policies and procedures.
- **Other Key Facts:**
N/A

OUTCOMES:

Process and policy improvements will bring efficiencies for staff, City Council, and vendors.

Date: 7/8/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-398

Type: Committee Memo

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

\$200,000 (this is the amount allocated specifically for Purchasing Process improvement work)

- \$75,000 in 2025
- \$125,000 in 2026

Approved in current biennial budget: ☒ Yes ☐ No ☐ N/A

Budget Offer Number:

297 (Fiscal Accountability)

Budget Priority:

Strategic and Responsive

Other budget impacts or additional costs: ☐ Yes ☐ No ☒ N/A

If yes, explain:

N/A

Funding source(s):

General Fund

Budget/Funding Constraints:

N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
3/25/2025	Study Session	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
------	---------	------------------

Date: 7/8/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-398

Type: Committee Memo

8/4/2025	Business Meeting	Approve
----------	------------------	---------

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

Attachment A: PowerPoint: Council Signing Authority Limit for Instructional and Artistic Services

Policy Review

Contract Signing Authority Limits – Proposed Change

Agenda

- Council Signing Authority (Instructional & Artistic Services)
 - Type of Contracts
 - Number of Contracts
- Key Drivers
 - Inflation
 - Program/Service Cost
 - Administrative Cost
 - Jurisdiction Threshold Comparison
- Recommendation & Next Steps

Council Signing Authority and Proposed Changes

Type of Purchase	Current Threshold	Proposed Threshold
Operating Supplies & Equipment	None	None
Operating Services, Repair & Maintenance, and General Services	None	None
Professional Services (including Technology)	Over \$50,000 total project	Over \$150,000 total project
Instructional & Artistic Services	Over \$75,000 total project	Over \$150,000 total project
Architectural & Engineering Services	Over \$50,000 total project	Over \$150,000 total project
Public Works	Over \$300,000 total project	Over \$700,000 total project
Sole Source	Over \$50,000 total project	Over \$50,000 total project
Interlocal Agreements (including Grants)	All	All
Collective Bargaining Agreements	All	All

Types of Contracts

- Parks & Recreational Programs/classes
- Parks & Recreational Camps
- Artistic Services

Contracts - Council Review

YEAR	Council Approval Not Required	Council Approval CURRENT Signing Limit	Council Approval PROPOSED Signing Limit
	# of Contracts Under \$75K	# of Contracts \$75K - \$150K	# of Contracts Over \$150K
2020	47	1	0
2021	61	1	0
2022	57	2	0
2023	79	5	1
2024	89	8	0
2025 to Date	57	4	0

Routine agreements that would be handled administratively under the new proposed limit:

- Nature Vision: Outdoor preschool programming
- RSCC: Artwork installation on connector wall
- Eastside Skill Samurai: Youth summer camps

Key Drivers and Benefits of Policy Update

- Align with inflation (CPI-W) since 2018
- Accounts for rising program and service costs surpassing current signing limits
- Lower administrative overhead per contract
 - Reduces staff time preparing routine Council agenda items
 - Streamlines internal review and approval processes
- Avoids delays for vendors and program delivery

Inflation and Program/Service Cost

- Overall cumulative inflation (Seattle-Tacoma-Bellevue CPI-W) is up by 35% since 2018.
- Program/service contract costs have increased 110% since 2018.

	Cost per Resident Participant						
Nature Vision	2018	2019	2021	2022	2023	2024	2025
Nature Adventure Day Camp	164.45	180.70	227.50	250.25	276.25	318.50	351.00

Administrative Cost

Per Agenda Item	No. of FTEs	Total Hours	Total Estimated Cost
Pre-Work	7	10	\$1,114.72
Meetings	19	11.5	\$1,493.99
<i>Internal Services</i>		4.5	\$588.13
<i>Committee of the Whole</i>		4.75	\$611.36
<i>Council Meetings</i>		2.25	\$294.50
Legistar System	6	5.9	\$678.33
Totals		27.4	\$3,287.04

- Each Council-reviewed contract costs the City an average of \$3,200 in staff/council time
- In 2024, 8 contracts under \$150K went to Council, totaling over \$25,000 in administrative costs

Contract Approval Thresholds – by City

City Name	Council Signing Authority Limit
City of Arlington	> \$150,000
City of Bellevue	> \$350,000
City of Bothell	> \$100,000
City of Issaquah	> \$300,000
City of Kirkland	> \$75,000
City of Redmond	> \$75,000
City of Seattle	> \$789,000
City of Vancouver	> \$300,000
City of Woodinville	> \$50,000

Notes

- Information was gathered in 2024

Recommendation and Next steps

- Signing Limit increase for Instructional and Artistic services from \$75,000 to \$150,000 per project cost
- Report (monthly) the list of contracts between \$75,000 and \$150,000 per project cost
- Updated Resolution will be presented to Council on August 4, 2025.
- Review Signing Limits for Architectural and Engineering Services Contracts during September 9 FAC meeting.

Thank You

Any Questions?

Kelley Cochran, Finance Director: 425-556-2748

Haritha Narra, Deputy Finance Director: 425-556-2163

Adam O'Sullivan, Financial Services Manager: 425-556-2199





Memorandum

Date: 7/8/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-389

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Executive	Malisa Files, COO	425-556-2166
-----------	-------------------	--------------

DEPARTMENT STAFF:

N/A	N/A	N/A
-----	-----	-----

TITLE:

Amendment to the King County Memorandum of Understanding for the Opioid Abatement Council (OAC)

OVERVIEW STATEMENT:

In June 2022, the City Council approved participation in the One Washington Memorandum of Understanding (MOU) to participate in the settlement agreements against opioid distributors and retailers. The One Washington MOU outlined the requirements to create a regional Opioid Abatement Council (OAC) to monitor distributions, expenditures, re-allocations and disputes related to the settlement funds. Redmond City Council approved the MOU for participation in King County's OAC on June 20, 2023. The OAC is proposing two changes to the original agreement as described below.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
One Washington Memorandum of Understanding
- **Required:**
Per City Policy, interlocal agreements between agencies must be approved by Council and participation in the regional OAC is required under the One Washington MOU approved by Council in 2022.
- **Council Request:**
N/A
- **Other Key Facts:**
The City of Redmond cannot utilize the opioid settlement funds without participating in the OAC.

OUTCOMES:

In June 2022, Redmond signed on to the One Washington Memorandum of Understanding that allowed the City to participate in the state opioid settlements. Redmond has participated in four opioid settlements, including:

- Amerisource Bergen Corporation, Cardinal Health, Inc, and McKesson Corporation
- CVS, Walgreens, Walmart, TEVA and Allergan
- Johnson & Johnson Corporation
- Kroger

The total the City is set to receive is approximately \$2.087 million over a number of years. To date the City has collected approximately \$735,000. Allowable uses of the funds include law enforcement expenditures relating to the opioid epidemic, education of law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs, connecting those who need help to the help they need (connections to care) as well as other abatement strategies.

The One Washington MOU created an Opioid Abatement Council (OAC) whose duties include:

- Monitor the opioid fund allocations
- Set requirements for and gather participant data
- Maintain a dashboard of the participant data
- Review reports
- Reallocate funds if an entity drops out of participation
- Resolve complaints among participants
- Consider remedial actions if a participant does not abide by the One Washington MOU

Redmond remits \$10,000 annually to King County to administer the OAC.

After working under the OAC memorandum of understanding for two years, King County has requested some changes to the original agreement. As mentioned, the parties are contributing funds to cover OAC administrative costs. While the OAC originally anticipated being able to credit back unused portions of the parties' contributions on a yearly basis, the disbursements of opioid settlement funds are not being spread evenly over the settlement period. Unexpectedly, there were large disbursements in 2023 and 2024. As a result, the parties' contributions to OAC administrative costs in the earlier years will exceed annual costs and in the later years, will be less than needed to cover annual OAC administrative costs. With current planned staffing levels necessary to administer OAC through 2039, if the OAC were to annually credit back the unused contributions, the OAC Administrator will incur funding deficits starting in 2028, and significant deficits by 2033.

To address this situation, the OAC is proposing to carry the parties' excess contributions from the early years into the later years to cover the OAC administrative costs over the entire settlement period (through 2039). Instead of crediting cities back unspent funds yearly, the OAC Administrator would hold back credits to cover the deficits as needed, potentially until the end of the settlement period. The OAC Administrator would provide an administrative budget forecast update yearly at the annual open OAC meeting. At the end of the settlement period, the OAC Administrator would credit back all unspent contributions.

In order to effectuate this change, the OAC proposes the following change to the King County Regional OAC agreement:

Section 6.F: If the amount contributed by a Party to the OAC Administrative Costs fund under Section 6.B in a year exceeds that Party's proportionate share of the OAC Administrative Costs for that year, King County Treasury shall retain some or all of the excess amount in the OAC Administrative Costs fund for payment of OAC Administrative Costs in later years and reduce that Party's required contribution for the following year by that same amount. Any excess

contributions remaining in the fund after termination and payment of all OAC Administrative Costs will be returned to the contributing Party for use as authorized by the MOU.

Secondly, to allow for future modifications of the OAC Agreement similar to the change requested above, the OAC is proposing replacing Section 9 with the following:

This Agreement may be amended as follows:

- (1) The OAC shall provide all Parties with written notice of the proposed amendment.
- (2) Any Party objecting to the amendment shall have ninety (90) days to provide the OAC with a written objection.
- (3) If one or more Party(ies) objects, the proposed amendment is rejected.
- (4) If no Party objects to the proposed amendment within 90 days of the notice described in (1) above, the OAC shall schedule a vote on the proposed amendment.
- (5) If unanimously approved by all four members of the OAC, the amendment is adopted and effective immediately.
- (6) If an amendment is adopted, the OAC shall provide the Parties with written notice of the amendment and the effective date.

Notwithstanding the above, the OAC may by unanimous vote of all four OAC members and without prior notice to the Parties, amend the definitions of Opioid Litigation and National Settlement Agreements in order to make this Agreement applicable to future opioid litigation settlements.

These amendments are contained in the redlined OAC Agreement in Attachment A with a clean copy of the MOU in Attachment B.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

The total administrative cost to participate in the Opioid Abatement Council equals \$10,000 annually.

Approved in current biennial budget:

☒ **Yes**

☐ **No**

☐ **N/A**

Budget Offer Number:

N/A

Budget Priority:

Safe and Resilient

Date: 7/8/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-389

Type: Committee Memo

Other budget impacts or additional costs: ☐ Yes ☒ No ☐ N/A

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
6/13/2023	Committee of the Whole - Finance, Administration, and Communications	Receive Information
6/20/2023	Business Meeting	Approve

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
7/15/2025	Business Meeting	Approve

Time Constraints:

King County has asked all participating cities to approve the amendments on or before July 15, 2025.

ANTICIPATED RESULT IF NOT APPROVED:

If the MOU is not approved, Redmond could not spend the remainder of the opioid abatement funds until the City is again part of the OAC or creates an OAC specifically for Redmond.

ATTACHMENTS:

Attachment A: King County Opioid Abatement Redlined Memorandum of Understanding

Attachment B: Final King County Opioid Abatement Memorandum of Understanding

Attachment A
KING COUNTY REGIONAL AGREEMENT
OPIOID ABATEMENT COUNCIL

This regional agreement for an opioid abatement council is entered into among King County and the cities of Auburn, Bellevue, Bothell, Burien, Covington, Des Moines, Enumclaw, Federal Way, Issaquah, Kenmore, Kent, Kirkland, Lake Forest Park, Maple Valley, Mercer Island, Newcastle, Redmond, Renton, Sammamish, SeaTac, Seattle, Shoreline, Snoqualmie, Tukwila and Woodinville, each a “Party” and jointly “Parties.”

SECTION 1. RECITALS

WHEREAS, the State of Washington and other local governments have engaged in litigation with entities who manufacture, distribute, and dispense prescription opioids; and

WHEREAS, the opioid litigation has resulted in various settlements and/or judgments with direct money payments to be made to the state and its eligible political subdivisions; and

WHEREAS, the One Washington Memorandum of Understanding Between Washington Municipalities (“the MOU”), attached hereto with Exhibits A, B, and C, and incorporated by reference, which has been previously approved and executed by the Parties, requires the formation of an opioid abatement council; and

WHEREAS, the undersigned Parties do hereby adopt and implement this Agreement for the creation of the King County Regional Opioid Abatement Council (“OAC”), to be bound by the terms of this Agreement, the MOU and exhibits thereto, the settlement agreement provisions, and any applicable state statute(s).

NOW, THEREFORE, it is hereby agreed by the Parties:

SECTION 2. DEFINITIONS

1. “Approved Purposes” refers to the strategies specified and set forth in Exhibit A to the MOU.
2. “OAC Administrator” shall mean King County, the Party who shall perform the duties assigned to the OAC Administrator in Section 4.C.
3. “Opioid Funds” shall mean monetary amounts obtained through a settlement, judgment or any other manner from the Opioid Litigation.
4. “Opioid Litigation” shall mean the litigation between state and/or local jurisdictions and Johnson & Johnson, and distributors AmerisourceBergen, Cardinal Health, and McKesson; and the national opioid settlement agreements involving Teva Pharmaceutical Industries, Allergan, Walgreens, Walmart, and CVS.
5. “National Settlement Agreement(s)” or “Settlement(s)” means the national opioid settlement agreements involving Johnson & Johnson, and distributors AmerisourceBergen, Cardinal Health, and

McKesson; and the national opioid settlement agreements involving Teva Pharmaceutical Industries, Allergan, Walgreens, Walmart, and CVS.

SECTION 3. PARTICIPATING ENTITIES

The Parties to this Agreement are the political subdivisions in King County entitled to direct payment of Opioid Funds pursuant to the National Settlement Agreements derived from the Opioid Litigation.

SECTION 4. CREATION OF THE KING COUNTY REGIONAL OAC

Consistent with the MOU Exhibits A, B and C, the Parties create and establish the OAC to perform the duties and functions set forth in the MOU and herein.

A. OAC Members

1. **Membership** – Representation on the OAC shall be roughly proportional to Opioid Fund distribution with a total of four party representatives: two from King County, one from the City of Seattle, and one chosen by the remaining Parties. All persons who serve on the OAC must have prior work or educational experience pertaining to one or more of the Approved Purposes.
2. **Chair** – As the OAC Administrator, one of the King County representatives to the OAC shall be the chairperson to preside at and lead all meetings of the OAC and to act as the representative of the OAC in any matters contemplated by the MOU. The chairperson is entitled to vote on all OAC business and at King County's discretion, the role of chairperson may alternate between the two King County OAC representatives.
3. **OAC Vacancies** – In the event the OAC has a vacancy, the Party or Parties whose representative vacated the position shall select a new member for the OAC.
4. **Alternates** – Parties may designate alternate representatives to serve on the OAC in the absence of the Party or Parties' primary representative. Alternates must meet the same work/educational experience requirements as primary representatives.

B. Duties of the OAC

1. **Oversight** – As provided in this Agreement, the OAC shall monitor distribution, expenditure, re-allocation, and dispute resolution related to the Parties' allocations of Opioid Funds for Approved Purposes within the King County Region.
2. **Data Requirements** – The OAC shall determine what data and in what form and under what timelines the Parties must provide to the OAC Administrator regarding the Parties' Opioid Fund allocation expenditures.
3. **Reports** – The OAC shall annually review reports prepared by the OAC Administrator of the Parties' Opioid Funds allocation expenditures for compliance with the Approved Purposes and the terms of the MOU and any Settlement.
4. **Re-Allocation of Opioid Funds** – If the OAC is notified that a Party will forego some or all of its allocation of Opioid Funds, the OAC shall:
 - (i) Request and then approve or deny proposals from other Parties -and/or community groups for use of the allocation within the King County Region; and

- (ii) Direct the trustee responsible for releasing Opioid Funds to distribute the allocation to the Party(ies) and/or community group(s) whose proposals were approved by the OAC.
- 5. **Reporting** – The OAC shall report and make publicly available all decisions on Opioid Fund allocation and re-allocation applications, proposals, distributions, and expenditures by the OAC and the Parties.
- 6. **Dashboard** – The OAC shall develop and maintain a centralized public dashboard or other repository for the publication of expenditure data from the OAC and the Parties that receive Opioid Funds. The dashboard or repository shall be updated at least annually.
- 7. **Outcome Data** – If necessary, the OAC shall require and collect additional outcome-related data from the Parties to evaluate the use of the Opioid Funds.
- 8. **Complaints** – The OAC shall establish a process for hearing complaints and resolving disputes by Parties regarding the alleged failure of the OAC or a Party to (1) use Opioid Funds for Approved Purposes or (2) comply with reporting requirements.
- 9. **Noncompliance** – If the OAC finds that a Party’s expenditure of its allocation of Opioid Funds did not comply with the Approved Purposes or the MOU, or that the Party otherwise misused its allocation of Opioid Funds, the OAC may take remedial action against the alleged offending Party. Such remedial action is left to the discretion of the OAC and may include notifying the Settlement Fund Administrator of the noncompliant expenditure(s) and requesting suspension of direct payments to the offending Party and redistribution of that Party’s remaining allocation of Opioid Funds to the other Parties.

C. Duties of the OAC Administrator

- 1. **Receipt of Expenditure Reports** – The OAC Administrator shall receive and maintain the expenditure reports provided by the Parties pursuant to Section B.5 and shall provide them to the members of the OAC for the annual review required under Section C.2.
- 2. **Re-Allocation** – The OAC Administrator shall be responsible for requesting proposals, notifying the Settlement trustee as required, and maintaining records of distribution decisions for Opioid Funds subject to re-allocation under Section C.3.
- 3. **Reporting** –
 - (i) The OAC Administrator shall fulfill the OAC’s responsibilities for collecting data, preparing reports, and making information publicly available, including through the development, maintenance, and annual updating of a centralized public dashboard or other repository.
 - (ii) The OAC Administrator shall set deadlines for the Parties to submit data to the OAC and the OAC shall not be responsible for any deficiencies in data or reports due to the failure of a Party to meet those deadlines or the reporting requirements under Section D.
 - (iii) Nothing in this Section C shall relieve a Party of its responsibilities to maintain, report, and produce data or records as required by Section D, the MOU, and/or any Settlement.

4. **Outcome Data** – If the OAC determines that outcome-related data will be collected, the OAC Administrator will receive such data from the Parties and prepare any related reports as directed by the OAC.
5. **Records Retention** – The OAC Administrator shall maintain OAC records for no less than five (5) years and shall make such records available for review by other Parties or the public. Records requested by the public shall be produced in accordance with the Washington Public Records Act, chapter 42.56 RCW. Nothing in this section supplants any Party's obligations to retain and produce its own records as provided in this Agreement.
6. **Accounting of Administrative Expenses** – The OAC Administrator shall prepare the annual accounting of OAC administrative expenses.

D. Duties of the Parties

1. **Notice of OAC Representative** – Parties shall notify the OAC Administrator of its OAC representative and alternate, if any, and shall timely fill vacancies.
2. **Use and Distribution of Opioid Funds** – Parties shall maintain full discretion over the use and distribution of their allocation of Opioid Funds, provided the Opioid Funds are used solely for Approved Purposes.
3. **Notice to Forego Allocation** – If a Party chooses to forego its allocation of Opioid Funds, it will notify the OAC so the funds can be re-allocated as provided in Section B.4. A Party's notice that it will forego its allocation of Opioid Funds shall apply to all future allocations unless the Party notifies the OAC otherwise. A Party is excused from the reporting requirements set forth in this Agreement for any allocation of Opioid Funds it foregoes.
4. **Allocation Amount** – If a Party disputes the amount it receives from its allocation of Opioid Funds, the Party shall resolve the dispute with the Settlement Fund Administrator. However, the Party shall alert the OAC within sixty (60) days of discovering the information underlying the dispute. Failure to alert the OAC within this timeframe shall not constitute a waiver of the Party's right to seek recoupment of any deficiency in its allocation.
5. **Collaboration** – Parties may agree and elect to share, pool, or collaborate with their respective allocation of Opioid Funds as long as such sharing, pooling, or collaboration is used for Approved Purposes and complies with the MOU and the Settlements.
6. **Proposal Methodology** – Parties shall develop and implement a methodology for obtaining, receiving, and reviewing proposals for use of their allocation of Opioid Funds.
7. **Community-Based Input** – Parties shall ensure an opportunity for community-based input on priorities for Opioid Fund allocation strategies.
8. **Reporting** – Parties shall report to the OAC Administrator on all expenditures of Opioid Fund allocations. The specific data to be provided shall be determined by the OAC.
9. **OAC Administrative Payment** – As further described in Section 6, each Party shall contribute 10% of its annual Opioid Funds allocation to pay for OAC Administrative Costs.

10. **Party's Administrative Costs** – After the 10% OAC Administrative Costs contribution, the administrative costs for a Party to administer its allocation of Opioid Funds shall not exceed 10% of the remaining allocation or actual costs, whichever is less.

11. **Records Retention** – Parties shall maintain all records related to the receipt and expenditure of Opioid Funds for no less than five (5) years and shall make such records available for review by other Parties, the OAC, or the public. Records requested by the public shall be produced in accordance with the Washington Public Records Act, chapter 42.56 RCW. Records requested by another Party or the OAC shall be produced within twenty-one (21) days of the date the record request was received. Nothing in this Agreement supplants any Party's obligations under the Washington Public Records Act.

SECTION 5. OAC ACTION

- A. The OAC shall take action by way of motion and such motions shall be adopted if approved by a favorable majority vote.
- B. Any action by the OAC shall not be effective unless approved by a quorum of the members. The OAC quorum shall be a simple majority of its members.

SECTION 6. FINANCING OF OAC ADMINISTRATIVE COSTS

- A. The OAC Administrator shall act as the fiscal agent for the OAC and shall hold funds and pay, either directly or through reimbursement, administrative costs related to the OAC ("OAC Administrative Costs").
- B. Each Party shall contribute 10% of its allocation of Opioid Funds to an appropriate fund or account held by King County Treasury to pay for OAC Administrative Costs. The OAC Administrator shall annually calculate and notify King County Treasury of the amount of each Party's required contribution. Within 90 (ninety) days of receiving notification, King County Treasury shall transfer the appropriate amounts from each Party's Real Estate Excise Tax (REET) account to the OAC Administrative Costs fund or account.
- C. Each Party's share of responsibility for annual OAC Administrative Costs shall be proportionate to the number of Opioid Funds the Party received in that year as compared to the amount received by other Parties.
- D. OAC administrative expenses shall not exceed 10% of the Parties' combined annual Opioid Funds received or actual costs, whichever is less. This does not preclude a Party from using 10% of its remaining allocation of Opioid Funds, after it's OAC Administrative Cost contribution, for its own administrative costs as outlined in the MOU and in Section D.10.

- E. In the first quarter of each year beginning in 2024, OAC Administrator shall provide the Parties with an annual accounting for the prior year of all actual OAC Administrative Costs along with the allocation showing each Party's proportionate share of the costs.

F. If the amount contributed by a Party to the OAC Administrative Costs fund under Section 6.B in a year exceeds that Party's proportionate share of the OAC Administrative Costs for that year, King County Treasury shall retain some or all of the excess amount in the OAC Administrative Costs fund for payment of OAC Administrative Costs in later years and reduce that Party's required contribution for the following year by that same amount. Any excess contributions remaining in the fund after termination and payment of all OAC Administrative Costs will be returned to the contributing Party for use as authorized by the MOU.

Formatted: Font: Bold

~~F. If the amount transferred from a Party's REET account to the OAC Administrative Costs fund or account under Section 6.B in a year exceeds that Party's proportionate share of the OAC Administrative Costs for that year, King County Treasury shall either: (1) return the excess amount to the Party's REET account within sixty days after the annual accounting required in Section 7.C was provided to Parties. An amount equal to any excess returned to a Party's REET account must be re-allocated by the Party to a purpose authorized by the MOU Exhibit A.~~

SECTION 7. DURATION

This Agreement shall be effective for the time period that the political subdivisions receive payments under any of the current Opioid Litigation claims and shall continue to be effective until one year after the final payment of such funds.

SECTION 8. TERMINATION

This Agreement shall be self-terminating one year after the final distribution of funds and all reporting finalized through or by the Parties to the MOU.

SECTION 9. MODIFICATIONS OR AMENDMENTS

This Agreement may be amended as follows:

Formatted: Font: Bold

- (1) The OAC shall provide all Parties with written notice of the proposed amendment.
- (2) Any Party objecting to the amendment shall have ninety (90) days to provide the OAC with a written objection.
- (3) If one or more Party(ies) objects, the proposed amendment is rejected.
- (1) If no Party objects to the proposed amendment within 90 days of the notice described in (1) above, the OAC shall schedule a vote on the proposed amendment.
- (2) If unanimously approved by all four members of the OAC, the amendment is adopted and effective immediately.
- (3) If an amendment is adopted, the OAC shall provide the Parties with written notice of the amendment and the effective date.

This Agreement may be modified or amended upon written agreement by all participating Parties, except that the ~~Notwithstanding the above, the OAC may by unanimous vote of all four OAC members and without prior notice to the Parties,~~ amend the definitions of Opioid Litigation and

Formatted: Space After: 0 pt, Line spacing: single

Formatted: Font: Bold

National Settlement Agreements in order to make this Agreement applicable to future opioid litigation settlements. Any modifications or amendments to the Agreement must be consistent with the terms of the MOU and the Settlements.

SECTION 10. HEADINGS

The article headings in this Agreement have been inserted solely for the purpose of convenience and ready reference. In no way do they purport to, and shall not be deemed to, define, limit, or extend the scope or intent of the articles to which they appertain.

SECTION 11. ENTIRE AGREEMENT

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same.

This Agreement sets forth the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous discussions and agreements. Understandings, representations, or warranties not contained in this Agreement or a written amendment hereto shall not be binding on any Party.

SECTION 12. SEVERABILITY

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

In the event any portion of this Agreement should become invalid or unenforceable, the remainder of the Agreement shall remain in full force and effect.

SECTION 13. NON-DISCRIMINATION

The Parties, their employees, and agents shall not discriminate against any person based on any reason prohibited by Washington state or federal law as adopted or subsequently amended.

SECTION 14. COMPLIANCE WITH LAWS

The Parties shall observe all federal, state, and local laws, ordinances, and regulations, to the extent that they may be applicable to the terms of this Agreement.

SECTION 15. GOVERNING LAW; VENUE

This Agreement has and shall be construed as having been made and delivered in the State of Washington, and the laws of the State of Washington shall be applicable to its construction and enforcement. Any action at law, suit in equity, or judicial proceeding for the enforcement of this

Agreement or any provisions hereto shall be instituted only in courts of competent jurisdiction within King County, Washington, unless relocation or commencement elsewhere is required by law.

WHEREFORE, the undersigned executive authorities do hereby approve and adopt the Agreement as set forth herein.

Done on this ____ day of _____, 2023.

Name and Title _____

On Behalf Of _____

Attachment A
KING COUNTY REGIONAL AGREEMENT
OPIOID ABATEMENT COUNCIL

This regional agreement for an opioid abatement council is entered into among King County and the cities of Auburn, Bellevue, Bothell, Burien, Covington, Des Moines, Enumclaw, Federal Way, Issaquah, Kenmore, Kent, Kirkland, Lake Forest Park, Maple Valley, Mercer Island, Newcastle, Redmond, Renton, Sammamish, SeaTac, Seattle, Shoreline, Snoqualmie, Tukwila and Woodinville, each a “Party” and jointly “Parties.”

SECTION 1. RECITALS

WHEREAS, the State of Washington and other local governments have engaged in litigation with entities who manufacture, distribute, and dispense prescription opioids; and

WHEREAS, the opioid litigation has resulted in various settlements and/or judgments with direct money payments to be made to the state and its eligible political subdivisions; and

WHEREAS, the One Washington Memorandum of Understanding Between Washington Municipalities (“the MOU”), attached hereto with Exhibits A, B, and C, and incorporated by reference, which has been previously approved and executed by the Parties, requires the formation of an opioid abatement council; and

WHEREAS, the undersigned Parties do hereby adopt and implement this Agreement for the creation of the King County Regional Opioid Abatement Council (“OAC”), to be bound by the terms of this Agreement, the MOU and exhibits thereto, the settlement agreement provisions, and any applicable state statute(s).

NOW, THEREFORE, it is hereby agreed by the Parties:

SECTION 2. DEFINITIONS

1. “Approved Purposes” refers to the strategies specified and set forth in Exhibit A to the MOU.
2. “OAC Administrator” shall mean King County, the Party who shall perform the duties assigned to the OAC Administrator in Section 4.C.
3. “Opioid Funds” shall mean monetary amounts obtained through a settlement, judgment or any other manner from the Opioid Litigation.
4. “Opioid Litigation” shall mean the litigation between state and/or local jurisdictions and Johnson & Johnson, and distributors AmerisourceBergen, Cardinal Health, and McKesson; and the national opioid settlement agreements involving Teva Pharmaceutical Industries, Allergan, Walgreens, Walmart, and CVS.
5. “National Settlement Agreement(s)” or “Settlement(s)” means the national opioid settlement agreements involving Johnson & Johnson, and distributors AmerisourceBergen, Cardinal Health, and

McKesson; and the national opioid settlement agreements involving Teva Pharmaceutical Industries, Allergan, Walgreens, Walmart, and CVS.

SECTION 3. PARTICIPATING ENTITIES

The Parties to this Agreement are the political subdivisions in King County entitled to direct payment of Opioid Funds pursuant to the National Settlement Agreements derived from the Opioid Litigation.

SECTION 4. CREATION OF THE KING COUNTY REGIONAL OAC

Consistent with the MOU Exhibits A, B and C, the Parties create and establish the OAC to perform the duties and functions set forth in the MOU and herein.

A. OAC Members

1. **Membership** – Representation on the OAC shall be roughly proportional to Opioid Fund distribution with a total of four party representatives: two from King County, one from the City of Seattle, and one chosen by the remaining Parties. All persons who serve on the OAC must have prior work or educational experience pertaining to one or more of the Approved Purposes.
2. **Chair** – As the OAC Administrator, one of the King County representatives to the OAC shall be the chairperson to preside at and lead all meetings of the OAC and to act as the representative of the OAC in any matters contemplated by the MOU. The chairperson is entitled to vote on all OAC business and at King County's discretion, the role of chairperson may alternate between the two King County OAC representatives.
3. **OAC Vacancies** – In the event the OAC has a vacancy, the Party or Parties whose representative vacated the position shall select a new member for the OAC.
4. **Alternates** – Parties may designate alternate representatives to serve on the OAC in the absence of the Party or Parties' primary representative. Alternates must meet the same work/educational experience requirements as primary representatives.

B. Duties of the OAC

1. **Oversight** – As provided in this Agreement, the OAC shall monitor distribution, expenditure, re-allocation, and dispute resolution related to the Parties' allocations of Opioid Funds for Approved Purposes within the King County Region.
2. **Data Requirements** – The OAC shall determine what data and in what form and under what timelines the Parties must provide to the OAC Administrator regarding the Parties' Opioid Fund allocation expenditures.
3. **Reports** – The OAC shall annually review reports prepared by the OAC Administrator of the Parties' Opioid Funds allocation expenditures for compliance with the Approved Purposes and the terms of the MOU and any Settlement.
4. **Re-Allocation of Opioid Funds** – If the OAC is notified that a Party will forego some or all of its allocation of Opioid Funds, the OAC shall:
 - (i) Request and then approve or deny proposals from other Parties and/or community groups for use of the allocation within the King County Region; and

- (ii) Direct the trustee responsible for releasing Opioid Funds to distribute the allocation to the Party(ies) and/or community group(s) whose proposals were approved by the OAC.
- 5. **Reporting** – The OAC shall report and make publicly available all decisions on Opioid Fund allocation and re-allocation applications, proposals, distributions, and expenditures by the OAC and the Parties.
- 6. **Dashboard** – The OAC shall develop and maintain a centralized public dashboard or other repository for the publication of expenditure data from the OAC and the Parties that receive Opioid Funds. The dashboard or repository shall be updated at least annually.
- 7. **Outcome Data** – If necessary, the OAC shall require and collect additional outcome-related data from the Parties to evaluate the use of the Opioid Funds.
- 8. **Complaints** – The OAC shall establish a process for hearing complaints and resolving disputes by Parties regarding the alleged failure of the OAC or a Party to (1) use Opioid Funds for Approved Purposes or (2) comply with reporting requirements.
- 9. **Noncompliance** – If the OAC finds that a Party’s expenditure of its allocation of Opioid Funds did not comply with the Approved Purposes or the MOU, or that the Party otherwise misused its allocation of Opioid Funds, the OAC may take remedial action against the alleged offending Party. Such remedial action is left to the discretion of the OAC and may include notifying the Settlement Fund Administrator of the noncompliant expenditure(s) and requesting suspension of direct payments to the offending Party and redistribution of that Party’s remaining allocation of Opioid Funds to the other Parties.

C. Duties of the OAC Administrator

- 1. **Receipt of Expenditure Reports** – The OAC Administrator shall receive and maintain the expenditure reports provided by the Parties pursuant to Section B.5 and shall provide them to the members of the OAC for the annual review required under Section C.2.
- 2. **Re-Allocation** – The OAC Administrator shall be responsible for requesting proposals, notifying the Settlement trustee as required, and maintaining records of distribution decisions for Opioid Funds subject to re-allocation under Section C.3.
- 3. **Reporting** –
 - (i) The OAC Administrator shall fulfill the OAC’s responsibilities for collecting data, preparing reports, and making information publicly available, including through the development, maintenance, and annual updating of a centralized public dashboard or other repository.
 - (ii) The OAC Administrator shall set deadlines for the Parties to submit data to the OAC and the OAC shall not be responsible for any deficiencies in data or reports due to the failure of a Party to meet those deadlines or the reporting requirements under Section D.
 - (iii) Nothing in this Section C shall relieve a Party of its responsibilities to maintain, report, and produce data or records as required by Section D, the MOU, and/or any Settlement.

4. **Outcome Data** – If the OAC determines that outcome-related data will be collected, the OAC Administrator will receive such data from the Parties and prepare any related reports as directed by the OAC.
5. **Records Retention** – The OAC Administrator shall maintain OAC records for no less than five (5) years and shall make such records available for review by other Parties or the public. Records requested by the public shall be produced in accordance with the Washington Public Records Act, chapter 42.56 RCW. Nothing in this section supplants any Party's obligations to retain and produce its own records as provided in this Agreement.
6. **Accounting of Administrative Expenses** – The OAC Administrator shall prepare the annual accounting of OAC administrative expenses.

D. Duties of the Parties

1. **Notice of OAC Representative** – Parties shall notify the OAC Administrator of its OAC representative and alternate, if any, and shall timely fill vacancies.
2. **Use and Distribution of Opioid Funds** – Parties shall maintain full discretion over the use and distribution of their allocation of Opioid Funds, provided the Opioid Funds are used solely for Approved Purposes.
3. **Notice to Forego Allocation** – If a Party chooses to forego its allocation of Opioid Funds, it will notify the OAC so the funds can be re-allocated as provided in Section B.4. A Party's notice that it will forego its allocation of Opioid Funds shall apply to all future allocations unless the Party notifies the OAC otherwise. A Party is excused from the reporting requirements set forth in this Agreement for any allocation of Opioid Funds it foregoes.
4. **Allocation Amount** – If a Party disputes the amount it receives from its allocation of Opioid Funds, the Party shall resolve the dispute with the Settlement Fund Administrator. However, the Party shall alert the OAC within sixty (60) days of discovering the information underlying the dispute. Failure to alert the OAC within this timeframe shall not constitute a waiver of the Party's right to seek recoupment of any deficiency in its allocation.
5. **Collaboration** – Parties may agree and elect to share, pool, or collaborate with their respective allocation of Opioid Funds as long as such sharing, pooling, or collaboration is used for Approved Purposes and complies with the MOU and the Settlements.
6. **Proposal Methodology** – Parties shall develop and implement a methodology for obtaining, receiving, and reviewing proposals for use of their allocation of Opioid Funds.
7. **Community-Based Input** – Parties shall ensure an opportunity for community-based input on priorities for Opioid Fund allocation strategies.
8. **Reporting** – Parties shall report to the OAC Administrator on all expenditures of Opioid Fund allocations. The specific data to be provided shall be determined by the OAC.
9. **OAC Administrative Payment** – As further described in Section 6, each Party shall contribute 10% of its annual Opioid Funds allocation to pay for OAC Administrative Costs.

10. **Party's Administrative Costs** – After the 10% OAC Administrative Costs contribution, the administrative costs for a Party to administer its allocation of Opioid Funds shall not exceed 10% of the remaining allocation or actual costs, whichever is less.

11. **Records Retention** – Parties shall maintain all records related to the receipt and expenditure of Opioid Funds for no less than five (5) years and shall make such records available for review by other Parties, the OAC, or the public. Records requested by the public shall be produced in accordance with the Washington Public Records Act, chapter 42.56 RCW. Records requested by another Party or the OAC shall be produced within twenty-one (21) days of the date the record request was received. Nothing in this Agreement supplants any Party's obligations under the Washington Public Records Act.

SECTION 5. OAC ACTION

- A. The OAC shall take action by way of motion and such motions shall be adopted if approved by a favorable majority vote.
- B. Any action by the OAC shall not be effective unless approved by a quorum of the members. The OAC quorum shall be a simple majority of its members.

SECTION 6. FINANCING OF OAC ADMINISTRATIVE COSTS

- A. The OAC Administrator shall act as the fiscal agent for the OAC and shall hold funds and pay, either directly or through reimbursement, administrative costs related to the OAC ("OAC Administrative Costs").
- B. Each Party shall contribute 10% of its allocation of Opioid Funds to an appropriate fund or account held by King County Treasury to pay for OAC Administrative Costs. The OAC Administrator shall annually calculate and notify King County Treasury of the amount of each Party's required contribution. Within 90 (ninety) days of receiving notification, King County Treasury shall transfer the appropriate amounts from each Party's Real Estate Excise Tax (REET) account to the OAC Administrative Costs fund or account.
- C. Each Party's share of responsibility for annual OAC Administrative Costs shall be proportionate to the number of Opioid Funds the Party received in that year as compared to the amount received by other Parties.
- D. OAC administrative expenses shall not exceed 10% of the Parties' combined annual Opioid Funds received or actual costs, whichever is less. This does not preclude a Party from using 10% of its remaining allocation of Opioid Funds, after it's OAC Administrative Cost contribution, for its own administrative costs as outlined in the MOU and in Section D.10.

- E. In the first quarter of each year beginning in 2024, OAC Administrator shall provide the Parties with an annual accounting for the prior year of all actual OAC Administrative Costs along with the allocation showing each Party's proportionate share of the costs.
- F. If the amount contributed by a Party to the OAC Administrative Costs fund under Section 6.B in a year exceeds that Party's proportionate share of the OAC Administrative Costs for that year, King County Treasury shall retain some or all of the excess amount in the OAC Administrative Costs fund for payment of OAC Administrative Costs in later years and reduce that Party's required contribution for the following year by that same amount. Any excess contributions remaining in the fund after termination and payment of all OAC Administrative Costs will be returned to the contributing Party for use as authorized by the MOU.

SECTION 7. DURATION

This Agreement shall be effective for the time period that the political subdivisions receive payments under any of the current Opioid Litigation claims and shall continue to be effective until one year after the final payment of such funds.

SECTION 8. TERMINATION

This Agreement shall be self-terminating one year after the final distribution of funds and all reporting finalized through or by the Parties to the MOU.

SECTION 9. MODIFICATIONS OR AMENDMENTS

This Agreement may be amended as follows:

- (1) The OAC shall provide all Parties with written notice of the proposed amendment.
- (2) Any Party objecting to the amendment shall have ninety (90) days to provide the OAC with a written objection.
- (3) If one or more Party(ies) objects, the proposed amendment is rejected.
- (4) If no Party objects to the proposed amendment within 90 days of the notice described in (1) above, the OAC shall schedule a vote on the proposed amendment.
- (5) If unanimously approved by all four members of the OAC, the amendment is adopted and effective immediately.
- (6) If an amendment is adopted, the OAC shall provide the Parties with written notice of the amendment and the effective date.

Notwithstanding the above, the OAC may by unanimous vote of all four OAC members and without prior notice to the Parties, amend the definitions of Opioid Litigation and National Settlement Agreements in order to make this Agreement applicable to future opioid litigation settlements. Any modifications or amendments to the Agreement must be consistent with the terms of the MOU and the Settlements.

SECTION 10. HEADINGS

The article headings in this Agreement have been inserted solely for the purpose of convenience and ready reference. In no way do they purport to, and shall not be deemed to, define, limit, or extend the scope or intent of the articles to which they appertain.

SECTION 11. ENTIRE AGREEMENT

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same.

This Agreement sets forth the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous discussions and agreements. Understandings, representations, or warranties not contained in this Agreement or a written amendment hereto shall not be binding on any Party.

SECTION 12. SEVERABILITY

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

In the event any portion of this Agreement should become invalid or unenforceable, the remainder of the Agreement shall remain in full force and effect.

SECTION 13. NON-DISCRIMINATION

The Parties, their employees, and agents shall not discriminate against any person based on any reason prohibited by Washington state or federal law as adopted or subsequently amended.

SECTION 14. COMPLIANCE WITH LAWS

The Parties shall observe all federal, state, and local laws, ordinances, and regulations, to the extent that they may be applicable to the terms of this Agreement.

SECTION 15. GOVERNING LAW; VENUE

This Agreement has and shall be construed as having been made and delivered in the State of Washington, and the laws of the State of Washington shall be applicable to its construction and enforcement. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provisions hereto shall be instituted only in courts of competent jurisdiction within King County, Washington, unless relocation or commencement elsewhere is required by law.

WHEREFORE, the undersigned executive authorities do hereby approve and adopt the Agreement as set forth herein.

Done on this ____ day of _____, 2023.

Name and Title _____
On Behalf Of _____