

PORT OF PORT ANGELES

REQUEST FOR PROPOSALS

BANKING SERVICES

Submit proposals no later than

July 18, 2007

To the Port of Port Angeles office listed below.

Address to:

William R. James

Port of Port Angeles

338 West First Street

Port Angeles, WA 98362

Issued: May 18, 2007

1. INTRODUCTION

The Port of Port Angeles (“Port”) requires banking services from a qualified financial institution. The specific needs are outlined in the following Request for Proposal (“RFP”).

The Port of Port Angeles was established in 1923. It is located on the northern coast of the Olympic Peninsula with geographic borders coincident with those of Clallam County. The Port’s mission is to provide facilities and services required to support commerce and transportation; develop and expand economic opportunities associated with the Port’s properties; and to promote and encourage industrial, commercial, and recreational development in a manner which will enhance the quality of life within the Port District.

In addition to operating several marine terminals, the Port also operates two airports – one an international and the other a general aviation facility. The Port also manages a public log handling facility and two marinas. The Port also manages multiple industrial property sites.

2.0 MINIMUM QUALIFICATIONS OF FINANCIAL INSTITUTION

2.1 The financial institution must be a Federal chartered or State of Washington chartered banking institution. If the headquarters of the responding firm is not located within Clallam County limits, a branch office of the responding firm must be located within Clallam County and must be able to offer the full range of banking services required by this Request for Proposal.

2.2 The financial institution must be approved by the Washington Public Deposit Protection Commission as a qualified public depository. The qualified designation shall remain in effect for the duration of the contract period.

2.3 The financial institution shall be insured by the Federal Deposit Insurance Corporation (FDIC).

3.0 SCOPE OF WORK - Required Banking Services

3.1 Account Maintenance - The Port utilizes the following accounts:

3.1.1 General account. This account is used to conduct the Port's major treasury operations: investment portfolio transactions, check activity, direct deposit payroll, debt service payments, ACH activity, etc.

3.1.2 Holding (Savings) account. This account is used to conduct the Port's investment portfolio transactions and to clear debt service obligations. The current Market Rate Savings Account pays interest at a minimal level.

3.1.3 The Port will require two separate zero-balance accounts for processing claims and payroll checks. These "zero-balance" accounts should be cleared against the general account.

3.1.4 Advance travel account established pursuant to RCW 42.24.120 in the amount of \$3000.

3.1.5 Incidental account established pursuant to RCW 53.36.060 in the amount of \$2500.

3.2 Account Statements

3.2.1 The Port requires month-end statements of transactions for each account by the 7th working day of the following month. The bank is also to provide an account activity analysis of each account. The account analysis is to include, but may not be limited to:

- Ledger balance
- Collected balances
- Detail of adjustments
- Reserve requirement
- Credits/debits
- Detail of services and related costs
- Total cost of services
- Earnings allowance

3.2.2 All canceled checks will be returned to the Port in numerical order. The bank will provide statements to the Washington State Auditors upon request.

3.2.3 Identify and submit samples of reports (e.g. analysis and bank statements, on-line reporting sample reports, etc.).

3.2.4 Is your bank willing/able to develop customized reports? If so, provide pricing information on the Proposal Cost Sheet.

3.3 Account Earnings

3.3.1 The Port desires to earn maximum value on its funds.

3.3.2 Identify the proposed (if any) compensation method and formulas: (compensating balances, straight fees, other method or combination thereof).

3.3.3 Describe the bank's proposal to insure maximum earnings on idle funds in the Port's checking accounts at the end of the day.

3.3.4 How is the earnings allowance on collected balances calculated?

3.3.5 Describe the interval/time frame proposed to pay any additional fees not offset by service charge credit (i.e. monthly, quarterly, etc.) and to what extent the service charge credit/debit from one period can be carried forward to the next period.

3.3.6 What is the policy regarding negative collected balances? Identify the rate charged on negative collected balances.

3.4 Check Services

3.4.1 The financial institution shall accept, return and give credit for stopped, voided and canceled checks.

3.4.2 The Port will provide for the printing of checks at their own expense. The bank will be required to provide other banking supplies (e.g. security bank bags, encoded deposit slips, endorsement stamps, etc.) The cost of such supplies shall be charged to the Port's account. The bank shall furnish the Port with additional checking accounts as needed. Indicate any additional fees associated with these additional checking accounts on the Proposal Cost Sheet.

3.5 Collected Funds Sweep

The Port desires to structure its investment, deposit and check redemption activity so that daily (at the close of the business day) the Port can invest all collected funds into an overnight investment. The daily collected balance remaining in the account after the day's deposits, disbursements and reserve requirements have been calculated will automatically receive an earnings allowance for the Port until the next banking day. In the unanticipated event that the Port makes an error resulting in a negative collected balance after posting of the Port's daily activity, the Port will pay the financial institution's uncollected charge. The collected balance will be invested under the provisions of a master agreement securing the Port's right to investment collateral. Other options will be considered as long as the Port's rights are secured and the options are in compliance with allowable investments for ports in the State of Washington.

3.6 Delivery and Deposit Services

3.6.1 The bank shall specify delivery services available such as messenger or armored car services and the associated costs per location. Ideally, the Port requests messenger service to and from the Port a minimum of once each working day by 3 pm. The messenger will pickup all checks processed for deposit into the primary bank account.

3.6.2 Describe your delivery service and identify your fee schedule on the Proposal Cost Sheet.

3.6.3 The bank shall provide disposable deposit bags as requested by the Port. The bank may receive direct payments or deposits to Port accounts other than from the Port. In these instances the bank shall provide the Port, on the next banking day, a receipt of the transaction. The bank shall automatically present (reprocess) returned deposited items a second time. The bank will confirm deposits on returned deposit slip.

3.7 Direct Payroll Deposit

3.7.1 The Port may in the future, provide employees with the option of direct deposit of payroll checks to the institution of their choice. If the Port implements such a procedure, when will funds be available to employees?

3.7.2 Specify the lead time that your bank requires. The Port is interested in the minimum lead time necessary. The bank should specify how many days and what time of day prior to the day of deposit that your bank requires direct deposit information.

3.8 Investment Services/Safekeeping

3.8.1 Investment activities of the Port are not related to the appointment of a bank to provide banking services. The bank must provide the Port with the means to conduct its investment activity, including but not limited to providing wire and safekeeping services if requested.

3.8.2 The bank shall be able to provide the following services:

3.8.2.1 Safekeeping the Port's securities and issuing a receipt for each security held in safekeeping.

3.8.2.2 Paying for securities purchased by the Port on a payment versus delivery system through the Federal Reserve.

3.8.2.3 Delivering securities sold by the Port on a payment versus delivery system through the Federal Reserve.

3.8.2.4 Collecting interest on its securities and depositing the interest in the Port's account.

3.8.2.5 Monthly statements summarizing all securities owned by the Port that are held in safekeeping.

3.8.3 The Port may invest with the State of Washington Local Government Investment Pool. These investments may involve a transaction with the pool on a daily basis. The bank will be required to send and receive funds from the pool.

3.8.4 Describe your safekeeping procedures and identify the fee structure on the Proposal Cost Sheet.

3.9 On-line Banking Transactions

3.9.1 The bank shall provide on line account balance and activity information for all Port bank accounts, to include:

3.9.1.1 Ability to view and download transaction detail of all Port accounts

3.9.1.2 Ability to transfer/upload files for positive pay plus daily transaction reports

3.9.1.3 Ability to transfer/upload files

3.9.1.4 Ability to receive account reconciliation and analysis data on-line

3.9.1.5 Ability to retrieve and download current and prior period monthly statements on-line

3.9.1.6 Ability to initiate on-line banking transactions (e.g. ACH, wires, stop payments, transfer funds to accounts at other banks)

3.9.2 Data Equipment Compatibility

The Port relies on on-line transactions and needs to ensure equipment and data compatibility. Provide the specifications needed for wire transfers, ACH debit /credit, balance reporting, etc. Identify any costs associated with automated data and equipment on the Proposal Cost Sheet.

3.10 Overdraft Protection

The bank shall provide the Port with overdraft protection including daylight overdrafts. The bank will honor all demands upon the Port's accounts including outgoing wire instructions by the Port. In the proposal, the bank shall state the cost of providing the overdraft protection, including (if used) a benchmark from which the bank will determine the interest to be charged on overdrafts, and current rates.

3.11 Wire Transfer Services

3.11.1 The bank shall be required to provide wire transfer services for transferring money to other institutions, along with appropriate security levels for wire transfer initiations and approvals. Wire service credits and debit notices shall be delivered to the Port each day.

3.11.2 Describe security procedures and cut-off time for same day transactions.

3.12 Escrow Agent Services

The Port shall require escrow agent services to administer and maintain retainage deposits from contractors who contract for public works projects in accordance with Revised Code of Washington 60.28.010.

3.13 Optional Services

The bank may specify other services it can provide to the Port of Port Angeles. Provide a brief description and anticipated cost of these optional services. See Proposal Cost Sheet. Indicate the suggested optional service(s) and associated cost(s).

4.0 CONTRACT PERIOD

The period of performance of the approved and awarded contract shall be for an initial three (3) year period with two (2), one (1) year renewal options.

5.0. SUBMITTAL REQUIREMENTS / EVALUATION CRITERIA

5.1 The submittals shall be evaluated on the completeness and quality of content as described below. Only those banks who supply complete information as required by this Request for Proposal will be considered for evaluation. One page is considered to be one side of a standard 8-1/2" x 11" piece of paper.

5.2 Cover Letter (required, worth 0 points)

5.2.1 Maximum number of pages shall be one (1).

5.2.2 The cover letter shall specifically stipulate that the bank accepts all terms and conditions contained in this Request for Proposal and the Port of Port Angeles model contract for professional services (Attachment #2). Suggestions for non-substantive modifications may be made, but the acceptance may not be conditional upon such modifications.

5.2.3 The letter shall name the persons authorized to represent the bank in any negotiations and the name of the person(s) authorized to sign any resultant contract. The letter shall be signed by an authorized representative of the bank.

5.3 Cost (worth 50 points)

5.3.1 The Port anticipates that proposed banking services will be compensated on a fee basis. All banks must indicate on the Proposal Cost Sheet your monthly fee per service and the total monthly fee as indicated.

5.3.2 The Port is also willing to consider other proposed compensation methods (e.g. compensating balances, straight fees, other method or combination thereof). See Item 3.3.2 above. Indicate on a separate sheet of paper your proposed compensation methods. The proposed compensation methods are subject to negotiation.

5.4 Proposal Methodology and Approach (worth 20 points)

In this Section, the bank will outline their methodology to accomplish the requirements outlined in Section 3 of this RFP. Specifically, this Section should address:

- Bank's understanding of project objectives
- Outline of work approach and task-specific methodology
- Quality assurance review responsibility and procedures

5.5 Firm Background, Qualifications, and General Experience (worth 20 points)

This criterion relates to the firm's capabilities and resources in doing the work contained in this RFP.

- Provide a brief description of your firm, its size, and location of current office facilities
- Provide at least three verifiable references (company name, address, phone, point of contact with current telephone number if different than company phone).
- Similar projects, by type and location, which have been performed within the last five years, that best characterize work quality.
- Similar projects the firm has done with other government agencies, especially ports.
- Internal procedures and policies associated or related to work quality (quality control, quality assurance program).
- Management and organizational structure (Provide a current organizational chart of the firm including the organizational structure of the proposed branch/firm location that will be supporting the Port under this proposal)
- Name of audit firm(s) used in the last five (5) years. Include a current point of contact, telephone and address information.
- Financial statements from the last two (2) fiscal years

5.6 Experience and Education of Assigned Staff (worth 10 points)

The minimum qualifications of the staff assigned work under this contract will be a minimum of five years experience performing the types of duties required by the specific project. The response shall include the following:

- Provide resumes of key personnel
- Professional education of assigned staff
- Experience of assigned staff
- Assigned staff experience on similar or related work of the type required for this contract

6.0 GENERAL PROPOSAL INSTRUCTIONS

6.1 Copies - Respondents must submit one (1) original and three (3) copies.

6.2 Submission - Proposals must be enclosed in a sealed envelope and mailed or delivered to the Port of Port Angeles, Attention: William James, Treasurer, 338 West First Street, Port Angeles, WA 98362. The outside of the envelope shall plainly identify the subject of the proposal and the name and address of the firm. The proposal shall become part of exhibit "B" of the final contract. The Port reserves the right to reject any or all proposals and is not liable for any costs incurred by the firm in preparation or presentation of its proposal. All proposals will become part of the public file, and subject to public disclosure, without obligation to the Port of Port Angeles. Electronic proposals shall not be accepted.

6.3 Late Proposals - Proposals received after the scheduled closing time for filing will not be accepted.

6.4 Request For Proposal (RFP) Clarification - Respondents who request a clarification of the RFP requirements must submit questions in writing to the Port of Port Angeles, Attention: William R. James, Treasurer. Written questions must be received by the Port of Port Angeles no later than June 18, 2007. The Port may issue a response, in the form of an addendum to the RFP, if a substantive clarification is in order. The addendum will be posted on the Port's Web Site at the following URL:

<http://www.portofpa.com>

6.5 Oral Clarification - Oral instructions or information concerning the RFP given out by Port of Port Angeles agents to prospective respondents shall not bind the Port and may be cause for disqualification.

6.6 Cost of Proposal – This RFP does not commit the Port to pay any costs incurred by any respondents in the submission of a proposal or in making studies or designs for the preparation thereof, or for procuring or contracting for the services to be furnished under the RFP.

6.7 Conflict of Interest – The Port and respondent filing a proposal hereby both certify that no officer, agent or employee of the Port, who has pecuniary interest in this RFP, shall participate in any manner in the preparation of this RFP or evaluation of responses to this RFP, or in the contract negotiations;

furthermore, the respondent certifies that the proposal is made in good faith without fraud, collusion or connection of any kind with any other respondent of the same call for proposals, and that the respondent is competing solely in its own behalf without connection with or obligation to, any undisclosed person or firm. No Port commissioner or employee shall participate in the authorization, approval, or award of a banking services contract to a respondent in which he or she is beneficially interested.

6.8 Investigation – The Consultant shall make all investigations necessary to inform it regarding the service(s) to be performed under this RFP.

6.9 Rejection of Proposals – The Port reserves the right to reject any or all responses to the RFP without incurring any liability thereto.

6.10 Notice of Assignment – The Port of Port Angeles will not recognize any assignment or transfer of any interest in the contract without written notice to and written acceptance by the Executive Director of the Port of Port Angeles.

6.11 Public Disclosure of Proposals - Any information provided to the Port pursuant to this RFP is subject to public disclosure pursuant to public records law. Any information that is deemed by the Respondent to be exempt from disclosure should be plainly marked and separated from the remainder of the proposal.

6.12 Ownership of Documents – Unless otherwise provided, all materials produced under this contract shall be considered “works for hire” as defined by the U.S. Copyright Act and shall be owned by the Port of Port Angeles. (See “Copyright Provisions”, General Terms and Conditions of the Port of Port Angeles model Professional Services Contract, Attachment #2.)

6.13 Oral Presentations - The Port may conduct discussions with one or more firms and shall negotiate a contract with the most qualified firm for the services at a price which the Port determines is fair and reasonable. If the Port is unable to negotiate a satisfactory contract with the firm, the Port shall formally terminate negotiations and shall select other firm(s) to conduct negotiations.

7.0 ATTACHMENTS

7.1 Attachment #1 – Cost Sheet

7.2 Attachment #2 – Port of Port Angeles Model Professional Services Contract (subject to modification by the Port prior to mutual acceptance of the banking services contract)

7.3 Attachment #3 – Port of Port Angeles Financial Statement

Attachment #1

Proposal Cost Sheet

Banking Services

1.0 The Port anticipates that proposed banking services will be compensated on a fee basis. The Port is also willing to consider other proposed compensation methods (e.g. compensating balances, straight fees, other method or combination thereof). See Item 3.3.2 above.

2.0 Complete all items on the cost sheet and attach any supplemental material you wish. If your financial institution does not or cannot provide a particular service, please indicate. The Port retains the

right to select any and/or all items listed in this questionnaire as services to be provided by the financial institution receiving the contract. Statistics have been included in the proposal documents in order to provide as much information as possible to qualified financial institutions. The information is, to the best of our knowledge, a true representation of the Port's historical experience, but the Port is not representing that these statistics will necessarily hold true for the future.

3.0 The undersigned hereby declares that he/she has read the above RFP, understands the General Terms and Conditions and has determined all situations affecting the services as required by the Scope of Work.

Proposal Cost Sheet

Banking Services

Description	Unit Price	Average Monthly Activity	Monthly Cost	Comments
1. Cash deposits – units		8,698		
2. Monthly deposits – dollars		284,667		
Deposits – general		283,629		
Deposits – revolving		1,039		
3. Total accounts		4		
4. Zero Balance Accounts		2		
5. Total checks – All Accounts		249		
6. Account Statements - postage		4		
7. Deposit Slip Orders		.33		
8. Deposit Items – on Current Service Provider		130		
9. Deposit Items – Washington State		201		
10. Deposit Items – Direct Send		7		
11. Deposit Items – Other Fed Districts		77		
12. Deposit Items – 12 th Fed District		108		
13. P.A. Deposits Posted		36		
14. Image services (i.e. microfilming, CD rom ,)		--		
15. ACH Credit Received Item		11		

16. ACH Debit Received Item		2		
17. Automated Balance Reporting		1		
18. NSF: Redeposit Items		.33		
19. Overdraft Items		0		
20. Overnight sweep accounts		--		
21. Positive-pay services		--		
22. Reconciliation services		--		
23. Stop Payment Orders		--		
24. Vault Deposits Posted		--		
25. Safekeeping and custody arrangements		--		

Description	Unit Price	Average Monthly Activity	Monthly Cost	Comments
26. Software – monthly maintenance fee		--		
27. Wire Advice – Mail		.33		
28. Wire Out – Manual		.33		
29. Earnings Allowance		--		
32. Canadian Deposited Items		.17		

33. Money Market Account – Deposits		??		
34. Money Market Account – Withdrawals		??		
35. Money Market Account – Balance		??		
36. Money Market Account – Interest Rate		??		
				**TOTAL MONTHLY COST (ADD COLUMN)

****Pricing Adjustments:** Prices in proposals are valid for the initial year of the contract. Annually, the price per unit of service may be adjusted. The bank must state its adjustment factor.

Adjustment factor: _____

Bank: _____

Bank HQ Address: _____

Bank Branch Address (serving the Port): _____

Bank Phone: _____

Bank Fax: _____

Signature of Authorized Official: _____

Authorized Official (Print): _____

Port of Port Angeles

Banking Services

1.				
2.				
3.				
4.				
5.				
6.				
7.				

Bank: _____

Bank Address: _____

Bank Branch Address (serving the Port): _____

Bank Phone: _____

Bank Fax: _____

Signature of Authorized Official: _____

Authorized Official (Print): _____

ATTACHMENT #2

PERSONAL SERVICES CONTRACT

BETWEEN

PORT OF PORT ANGELES

AND

XXXXXXX

CONTRACT NUMBER XXXXXX

This Contract is made and entered into by and between the Port of Port Angeles, Port Angeles, Washington, hereinafter referred to as the "PORT", and XXXXXXXX hereinafter referred to as "CONSULTANT."

Name of CONSULTANT: XXXXXXXXXXXXXXXX

Address: XXXXXXXXXXXX

City, State & Zip Code: XXXXXXXXXXXXX

Washington State UBI Number: XXXXXXXXX

Federal ID Number: XXXXXXXXXXXX

SCOPE OF WORK

A. The CONSULTANT will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth in CONSULTANT's Proposal dated XXXXXXXXX and attached as Exhibit B.

B. Exhibit A contains the General Terms and Conditions governing work to be performed under this contract, the nature of the working relationship between the PORT and the CONSULTANT, and specific obligations of both parties.

The CONSULTANT's key staff performing work under this Contract will be as listed below:

And other CONSULTANT staff and sub-consultants as required to complete tasks as outlined in CONSULTANT's proposal dated XX/XX/07:

--

It is understood the personnel named above will be responsible throughout the period of this contract. All oral reports required under this Contract must be presented to William James. All written reports required under this Contract must be delivered to William James, Port of Port Angeles, 338 West First Street, Port Angeles, Washington, 98362.

PERIOD OF PERFORMANCE

Subject to other contract provisions, the period of performance under this contract will be from date of contract signing through XXXXXXXXX unless completed sooner.

COMPENSATION AND PAYMENT

PORT shall pay an amount not to exceed \$XXXXXXX for all services necessary to the performance of work as set forth in Exhibit B unless authorized by prior written consent of the PORT's Executive Director. CONSULTANT shall be and herein declares that CONSULTANT is an independent contractor for all purposes and shall be entitled to no compensation other than the compensation provided for under this Contract. CONSULTANT's compensation for services rendered shall be based on the negotiated and approved costs as expressed in Exhibit B.

BILLING PROCEDURES

The CONSULTANT shall render invoices together with a detailed statement of the contract services performed for which the CONSULTANT is seeking compensation. These invoices shall include such information as is necessary for the PORT to determine the exact nature of all expenditures. CONSULTANT's compensation shall not exceed the amount stated in Exhibit B of this contract. Each

invoice will clearly indicate that it is for services rendered in performance under "Contract Number XXXXXXXXXXXXXXXX". Invoices received on or before the twenty-fifth of the month shall be paid on or about the sixteenth of the following month.

Payment shall be considered timely if made by the PORT within thirty (30) days after receipt of properly completed invoices. Payment shall be sent to the address designated by the CONSULTANT.

The PORT may, in its sole discretion, terminate the contract or withhold payments claimed by the CONSULTANT for services rendered if the CONSULTANT fails to satisfactorily comply with any term or condition of this contract. No notification is required to terminate the contract in this situation.

No payments in advance or in anticipation of services or supplies to be provided under this contract shall be made by the PORT.

CONTRACT MANAGEMENT

The Representative for each of the parties shall be the contact person for all communications and billings regarding the performance of this Contract.

Representative for CONSULTANT is:	Representative for PORT is:
Mr./Ms. XXXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX Phone: XXXXXXXX Fax: XXXXXXXXXXX	William James Port of Port Angeles 338 West First Street Port Angeles, WA 98362 Phone: (360) 417-3423 Fax: (360) 452-3959

INSURANCE

The CONSULTANT shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the PORT should there be any losses, claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the CONSULTANT, while performing under the terms of this contract. The CONSULTANT shall provide insurance coverage, which shall be maintained in full force and effect during the term of this Contract, as follows:

Commercial General Liability Insurance Policy - Provide a Commercial General Liability Insurance Policy, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity but no less than \$5,000,000 aggregate / \$1,000,000 per occurrence.

Automobile Liability - All vehicles used by the CONSULTANT in the performance of this contract will have automobile liability insurance. The minimum limit for automobile liability is \$1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.

Workers Compensation coverage as required under section labeled "Industrial Insurance Coverage" in Exhibit A, General Terms and Conditions.

Banker's Blanket Bond coverage - including:

- a. Consultants Errors or Omissions or Professional Liability: \$5,000,000 per occurrence;
- b. Bankers Professional Liability Insurance with All Risk coverage for limits of \$5,000,000 per occurrence;
- c. Electronic Fund Transfer and Computer Fraud Insurance with limits of \$5,000,000 per occurrence;
- d. Directors and Officers Liability Insurance with a limit of \$5,000,000 per occurrence;
- e. Trust Department Errors and Omissions Liability with limits of \$5,000,000 per claim.

The insurance required shall be issued by an insurance company authorized to do business within the State of Washington, and shall name the Port, its agents and employees as additional insured under the insurance policy (ies). All policies shall be primary to any other valid and collectable insurance. CONSULTANT shall instruct the insurers to give PORT 30 days advance notice of any insurance cancellation.

CONSULTANT shall submit to PORT within 7 days of the contract effective date, a certificate of insurance that outlines the coverage and limits defined in this INSURANCE section. CONSULTANT shall submit renewal certificates as appropriate during the term of the contract.

ASSURANCES

PORT and the CONSULTANT agree that all activity pursuant to this Contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

ORDER OF PRECEDENCE

Each of the Exhibits listed below is by this reference hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order:

Applicable Federal and State of Washington statutes and regulations

The contract and all applicable change orders

Exhibit A – General Terms and Conditions

Exhibit B – Consultant Proposal

Any other provision, term or material incorporated herein by reference or otherwise incorporated.

ENTIRE AGREEMENT

This contract including referenced exhibits represents all the terms and conditions agreed upon by the parties. No other understandings or representations, oral or otherwise, regarding the subject matter of this contract shall be deemed to exist or to bind any of the parties hereto.

CONFORMANCE

If any provision of this contract violates any statute or rule of law of the United States of America or the State of Washington, it is considered modified to conform to that statute or rule of law.

APPROVAL

This contract shall be subject to the written approval of the Agent and shall not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT, consisting of 5 (five) pages and Exhibits A and B (or as applicable), is executed by the persons signing below who warrant that they have the authority to execute the contract.

XXXXXXXXXXXXXXXXXX

PORT OF PORT ANGELES

By _____

By _____

XXXXXXXXXXXX

Robert E. McChesney

Title: XXXXXXXXXXXX

Title: Executive Director

Date: _____

Date: _____

STATE OF WASHINGTON)

)

County of _____)

This is to certify that on this _____ day of _____, _____ personally appeared before me _____ to me known to be the individual described in and who

executed the foregoing instrument, and acknowledged that ____ signed the same as a free and voluntary act and deed, for the uses and purposes therein mentioned.

Given my hand and official seal this _____ day of _____, 20_____.

Notary Public in and for the State of

Washington

Residing in _____

EXHIBIT A

GENERAL TERMS AND CONDITIONS.

ACCESS TO DATA -- In compliance with chapter 39.29 RCW, the CONSULTANT shall provide access to data generated under this contract to PORT and its duly authorized agents at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the CONSULTANT's reports, including computer models and methodology for those models.

ADVANCE PAYMENTS PROHIBITED -- No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the PORT.

AMENDMENTS -- This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

ASSIGNMENT -- The work to be provided under this contract, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

ATTORNEYS' FEES -- In the event of litigation or other action brought to enforce contract terms, the prevailing party shall be entitled to award of its reasonable attorney fees and costs.

CONFIDENTIALITY / SAFEGUARDING OF INFORMATION -- The use or disclosure by any party of any information concerning the PORT, designated confidential by the PORT, which is not otherwise in the public domain, for any purpose not directly connected with the administration of the PORT's or the CONSULTANT's responsibilities with respect to services provided under this Contract is prohibited except by written consent of the PORT or its attorney.

CONFLICT OF INTEREST -- Notwithstanding any determination by the Executive Ethics Board or other tribunal, the PORT may, in its sole discretion, by written notice to the CONSULTANT terminate this contract if it is found after due notice and examination by the Agent that there is a violation of the Code of Ethics for Municipal Officers-Contract Interests, Chapter 42.23 RCW; the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the CONSULTANT in the procurement of, or services under this contract.

If this contract is terminated as provided above, the PORT shall be entitled to pursue the same remedies against the CONSULTANT as it could pursue in the event of a breach of the contract by the CONSULTANT. The rights and remedies of the PORT provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. .

COVENANT AGAINST CONTINGENT FEES -- The CONSULTANT warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the CONSULTANT for the purpose of securing business. The PORT shall have the right, in the event of breach of this clause by the CONSULTANT, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

DEFINITIONS -- As used throughout this contract, the following terms shall have the meaning set forth below:

- A. "PORT" shall mean the PORT OF PORT ANGELES, PORT ANGELES, WA., or any of the officers or other officials lawfully representing that PORT.
- B. "AGENT" shall mean the Executive Director, Port of Port Angeles, WA and/or the delegate authorized in writing to act on the Director's behalf.
- C. "CONSULTANT" shall mean that financial institution performing service(s) under this contract, and shall include all employees of the CONSULTANT

GOVERNING LAW -- This Contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this Contract, venue shall be proper only in Clallam County. The CONSULTANT, by execution of this agreement, acknowledges the jurisdiction of the courts of the State of Washington in this matter.

INDEMNIFICATION -- CONSULTANT agrees to hold PORT harmless, and to indemnify and defend PORT against any and all claims of third parties arising out of CONSULTANT's negligent performance under this Agreement, provided however, that the CONSULTANT shall not be required to so indemnify the PORT against liability for damages caused by or resulting from the sole negligence of the PORT, its agents or employees; and provided further that if such damages are caused by or result from the concurrent negligence of the PORT or its agents or employees and of the CONSULTANT or its agents, consultants or employees, then the CONSULTANT's indemnity shall be limited to the extent of the negligence by the CONSULTANT or its agents, consultants or employees.

INDEPENDENT CAPACITY OF THE CONSULTANT -- The parties intend that an independent contractor relationship will be created by this contract. The CONSULTANT and its employees or agents performing under this contract are not employees or agents of the PORT. The CONSULTANT will not hold itself out as or claim to be an officer or employee of the PORT by reason hereof, nor will the CONSULTANT make

any claim of right, privilege or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the CONSULTANT.

INDUSTRIAL INSURANCE COVERAGE – The CONSULTANT shall comply with the provisions of Title 51 RCW, Industrial Insurance. Prior to performing work under this contract, the CONSULTANT shall provide or purchase industrial insurance coverage for the CONSULTANT’s employees, as may be required of an “employer” as defined in Title 51 RCW, and shall maintain full compliance with Title 51RCW during the course of this contract. If the CONSULTANT fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, the PORT may collect from the CONSULTANT the full amount payable to the Industrial Insurance accident fund. The PORT may deduct the amount owed by the CONSULTANT to the accident fund from the amount payable to the CONSULTANT by the PORT under this contract, and transmit the deducted amount to the Department of Labor and Industries, Division of Insurance Services. This provision does not waive any of L&I’s rights to collect from the CONSULTANT. CONSULTANT agrees to defend, indemnify, and hold the Port harmless from all liability or expense (including litigation), damages, claims, and liabilities arising from or connected to the presence of CONSULTANT’S employees on Port premises under this contract. CONSULTANT acknowledges that it expressly and specifically waives immunity under the industrial insurance statute of the state of Washington, Title 51 RCW, for purposes of this indemnification provision and further acknowledges that this waiver was mutually negotiated by the parties.

LICENSING -- The CONSULTANT shall comply with all applicable local, state, and federal laws and licensing, requirements, necessary for the performance of this contract.

LIMITATION OF AUTHORITY – Only the Agent shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract on behalf of the Port. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the Agent.

NONDISCRIMINATION - During the performance of this Contract, the CONSULTANT shall comply with all applicable federal and state nondiscrimination laws, regulations and policies. Those requirements are hereby incorporated by reference and include, but are not limited to:

- A. Nondiscrimination in Employment: The CONSULTANT shall not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin, creed, marital status, age, or the presence of any sensory, mental or physical handicap.
- B. Nondiscrimination in Business Services: The CONSULTANT shall not, on grounds of race, color, sex, religion, national origin, creed, marital status, age or the presence of any sensory, mental or physical handicap:
 - 1. Deny an individual any services or other benefits provided to the public.

2. Provide any service(s) or other benefits to an individual which are different, or are provided in a different manner from those provided to other members of the public.
3. Subject an individual to segregation or separate treatment in any manner related to the receipt of any service(s) or other benefits provided to other members of the public.

PUBLICITY -- The CONSULTANT agrees to submit to the PORT all advertising and publicity matters relating to this Contract which, in the PORT's judgment, PORT's name can be implied or is specifically mentioned. The CONSULTANT agrees not to publish or use such advertising and publicity matters without the prior written consent of the PORT.

RECORDS MAINTENANCE -- The CONSULTANT shall maintain complete financial records relating to this contract and the services rendered including all books, records, documents, magnetic media, receipts, invoices and other evidence relating to this contract and performance of the services described herein, including but not limited to, accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract. CONSULTANT shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review, or audit by the PORT, the Office of the State Auditor, and federal and state officials so authorized by law, rule, regulation, or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

REGISTRATION WITH DEPARTMENT OF REVENUE -- The CONSULTANT shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

RIGHT OF INSPECTION -- The CONSULTANT shall provide right of access to its facilities to the PORT, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to audit, monitor, or evaluate performance, compliance, and/or quality assurance under this contract.

SAVINGS -- If funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the PORT may terminate the contract under the "Termination for Convenience" clause, without the ten day notice requirement, subject to renegotiation at the PORT's discretion under those new funding limitations and conditions.

SEVERABILITY -- The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

SITE SECURITY -- While on PORT premises, CONSULTANT, its agents, employees, or sub-consultants shall conform in all respects with physical, fire or other security regulations.

SUBCONTRACTING -- The CONSULTANT shall not enter into subcontracts for any of the work contemplated under this Contract without obtaining prior written approval of the PORT OF PORT ANGELES, which shall not be unreasonably withheld.

TAXES – All payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the CONSULTANT or its staff shall be the sole responsibility of the CONSULTANT.

TERMINATION FOR CAUSE – In the event the PORT determines the CONSULTANT has failed to comply with the conditions of this contract in a timely manner, the PORT has the right to suspend or terminate this Contract. This PORT shall notify the CONSULTANT in writing of the need to take corrective action. If corrective action is not taken within 3 days, the contract may be terminated. The PORT reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the CONSULTANT from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the CONSULTANT or a decision by the PORT to terminate the contract.

In the event of termination, the CONSULTANT shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g. cost of the competitive bidding, mailing, advertising and staff time. The termination shall be deemed to be a "Termination for Convenience" if it is determined that the CONSULTANT: (1) was not in default, or (2) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the PORT provided in this contract are not exclusive and are in addition to any other rights and remedies provided by law.

TERMINATION FOR CONVENIENCE --, The PORT may, by 10 days written notice, terminate this contract, in whole or in part. If this contract is so terminated, the PORT shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

TERMINATION PROCEDURES -- Upon termination of this contract, the PORT, in addition to any other rights provided in this contract, may require the CONSULTANT to deliver to the PORT any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The PORT shall pay to the CONSULTANT the agreed upon price, if separately stated, for completed work and services accepted by the PORT, and the amount agreed upon by the CONSULTANT and the PORT for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services which are accepted by the PORT, and (iv) the protection and preservation of property, unless the termination is for default, in which case the PORT shall determine the extent of the liability of the PORT. The PORT may withhold from any amounts due the CONSULTANT such sum as the PORT determines to be necessary to protect the PORT against potential loss or liability.

The rights and remedies of the PORT provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

TREATMENT OF ASSETS – A. Title to all property furnished by the PORT shall remain in the PORT.

B. Any property of the PORT furnished to the CONSULTANT shall, unless otherwise provided herein or approved by the PORT, be used only for the performance of this contract.

C. The CONSULTANT shall be responsible for any loss or damage to property of the PORT which results from the negligence of the CONSULTANT or which results from the failure on the part of the CONSULTANT to maintain and administer that property in accordance with applicable laws, regulations, or sound management practices.

D. If any PORT property is lost, destroyed or damaged, the CONSULTANT shall immediately notify the PORT and shall take all reasonable steps to protect the property from further damage.

E. The CONSULTANT shall surrender to the PORT all property of the PORT prior to settlement upon completion, termination or cancellation of this contract.

F. All reference to the CONSULTANT under this clause shall also include CONSULTANT's employees or agents.

WAIVER -- Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this contract unless stated to be such in writing and signed by the PORT.

END OF EXHIBIT A