

COUNTY ORIGINAL

WHATCOM COUNTY
CONTRACT NO.
201603027

**INTERLOCAL AGREEMENT
FOR PAYROLL SERVICES**

THIS Agreement is made and entered into in Whatcom County, Washington, pursuant to RCW 39.34.080, between Whatcom County ("COUNTY"), and the **WHATCOM CEMETERY DISTRICT #11**, a junior taxing district in the State of Washington ("DISTRICT").

WHEREAS, the COUNTY and the DISTRICT desire to enter into a interlocal agreement for the COUNTY to perform certain services and/or tasks set forth below requiring specialized skills and other supportive capabilities of the COUNTY; and

WHEREAS, the COUNTY represents that it is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise, where required, to perform the services and/or tasks set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the parties hereto agree as follows:

1. SCOPE OF SERVICES

The COUNTY shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary, as are designated in the responsibilities of the COUNTY throughout this Agreement and as described in Exhibit A, attached and incorporated herein.

2. TERM

Services performed under this contract shall begin on January 1, 2016, and shall continue through December 31, 2018, for the issuance of warrants; and through February 28, 2019, for the submission of required annual reports to vendors, employees, the Internal Revenue Service, the Social Security Administration, and DISTRICT. Contract may be amended as specified in Section 7 or terminated as specified in Section 8.

3. COMPENSATION AND METHOD OF PAYMENT

Payment for services provided shall be made following the performance of such services, unless otherwise permitted by law and approved in writing by the COUNTY and the DISTRICT. No payment shall be made for any service rendered by the COUNTY except for services identified and set forth in this Agreement, including Exhibit A. Fees for services shall be in accordance with the fee schedule attached as Exhibit B. Exhibit B may be revised on a calendar year basis no later than October 31st of the prior contract year beginning October 31, 2016 for the year 2017.

4. ADMINISTRATION

This Agreement shall be administered for the COUNTY by **Brad Bennett, Finance Manager**, and for the DISTRICT by **Roderic Perry, Commissioner**.

5. INDEMNIFICATION

Each party agrees to be responsible and assume tort liability for its own wrongful acts or omissions, or those of its officers, agents, or employees, to the fullest extent required by law, and agrees to save, indemnify, defend and hold the other party harmless from any such tort liability. In the case of negligence or wrongful acts by both the COUNTY and the DISTRICT, any damages allowed shall be levied in proportion to the percentage of fault attributable to each party, and each party shall have the right to seek contribution from the other party in proportion of the percentage of negligence attributable to the other party.

The DISTRICT shall indemnify the COUNTY against all liability and loss in connection with, and shall assume full responsibility for, payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, workman's compensation, social security and income tax laws, for the DISTRICT and any employees or volunteers of the DISTRICT.

The DISTRICT further agrees to indemnify the COUNTY, a third-party payroll processor, against all liability and loss in connection with the timeliness and accuracy of payroll services rendered under this Agreement. The DISTRICT shall remain responsible for complying with all applicable state and federal tax filing requirements, and shall remain liable for ensuring that all tax returns are timely filed and all payments and deposits are timely made.

6. MAINTENANCE AND INSPECTION OF RECORDS

A. The DISTRICT and the COUNTY shall maintain books, records and documents, which sufficiently and properly reflect all work related to the performance of the Agreement. In addition, the COUNTY shall maintain all accounting records in a form necessary to assure proper accounting of all funds paid pursuant to this Agreement. All of the above shall be subject at all reasonable times to inspection, review, or audit by the DISTRICT, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

B. The DISTRICT and the COUNTY shall retain all books, records, documents and other material relevant to this Agreement for four (4) years after its expiration. The DISTRICT agrees that the COUNTY or its designee shall have full access and right to examine any of said materials at all reasonable times during said period; and that the DISTRICT shall have similar access to said materials maintained by the COUNTY pursuant to this Agreement.

7. EXTRA WORK

A. Within the general scope of the Agreement and after consulting with each other the parties may, by written agreement, make changes in the services to be performed.

B. If any such change causes an increase or decrease in the estimated cost of, or the time required for performance of any part of the work under this Agreement, the parties shall make an equitable adjustment in (1) Charge for Services, (2) the delivery or completion schedule, and (3) other affected terms, and shall amend the Agreement accordingly.

8. TERMINATION

A. Termination for Convenience. Either party may terminate this Agreement, in whole or in part, at any time, by at least thirty (30) days prior written notice. The COUNTY shall be paid for work performed and expenses incurred to the date of termination.

B. Termination for Cause. If the COUNTY fails to perform in the manner called for in this Agreement, or if the COUNTY fails to comply with any other provisions of the Agreement and fails to correct such noncompliance within five (5) days written notice thereof, the DISTRICT may terminate this Agreement for cause. Termination shall be effected by serving a notice of termination on the COUNTY setting forth the manner in which the COUNTY is in default. The COUNTY will be paid for services already performed in accordance with the manner of performance set forth in this Agreement, up to the date of termination.

9. MEDIATION

The parties shall attempt to resolve any controversies or disputes arising out of or relating to this Agreement through a good faith attempt at mediation. Each party will pay its own attorneys' fees and costs.

10. ARBITRATION

A. Any controversy or claim arising out of or relating to this Agreement that is not resolved through mediation, shall be resolved by final and binding arbitration pursuant to RCW 7.04A. Demand for arbitration shall be made in writing to the other party. The arbitration shall be held in Whatcom County before a single arbitrator selected by the Agreement of the parties. If the parties cannot agree upon an arbitrator within fifteen (15) days after the demand for arbitration is made, the arbitrator shall be selected by a judge in the Superior Court of Whatcom County in accordance with the procedures set out in RCW 7.04A.110.

B. Unless the parties agree otherwise in writing, the arbitration hearing shall occur no later than sixty (60) days after the date the arbitrator is appointed.

C. The parties agree that, with the exception of the circumstances set out in RCW 7.04A.230, the arbitrator's decision shall be binding, final and not appealable to any court of law.

D. Each party shall pay its own costs of arbitration including attorneys' fees. The arbitrator's fee and any administrative expenses imposed by the arbitrator shall be shared equally by the parties.

E. This Agreement shall be governed by laws of the state of Washington, both as to interpretation and performance.

11. WAIVER

The waiver by, or the failure to take action with respect to, breach of any term, covenant or condition of the Agreement shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach. All remedies afforded in this Agreement shall be taken as cumulative; that is, in addition to every other remedy provided herein or by law.

12. SEVERABILITY

It is understood and agreed by the parties that if any term or provision of this Agreement is held by any court to be illegal or in conflict with any law of the state of Washington, the validity of the remaining portions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term, part or provision held to be invalid.

13. ENTIRE AGREEMENT

This instrument contains the entire Agreement between the parties, and statements, promises, or inducements made by any party or agent of that party that are not contained in this Agreement shall not be valid or binding. This Agreement may not be enlarged, modified, or altered except in writing signed by all parties.

14. NOTICE

Notice provided for in this Agreement shall be sent by certified mail to the following addresses designated for the parties.

**Roderic Perry, Commissioner
Cemetery District #11
8992 Van Buren Rd
Everson, WA 98247-9338**

**Brad Bennett, Finance Manager
Whatcom County
311 Grand Ave Suite #503
Bellingham, WA 98226**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of this 8th day of February 2016.

Roderic Perry, Commissioner

Gerald H Tenkley, Commissioner

Roderic Perry 2/8/16
Date

Lucas Family 2/8/16
Date

Donald R Harvey, Commissioner

Donald R Harvey
Date 2-8-16

WHATCOM COUNTY:

Recommended for Approval:

Approved as to form:

Daniel L. Gibson 03/24/16
Prosecuting Attorney Date

Approved:

Accepted for Whatcom County:

[Signature]
Jack Louws
Whatcom County Executive

STATE OF WASHINGTON)
)ss.
COUNTY OF WHATCOM)

On this 24th day of March, 2016 before me personally appeared Jack Louws, to me known to be the Executive of Whatcom County, who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

Arden Landry
Notary Public in and for the State of Washington, residing at Bellingham My commission expires: 05-25-2019




Exhibit A

Scope of Services – CEMETERY DISTRICT #11

1. Whatcom County Administrative Services – Finance Division shall perform payroll services, which exceed those services mandated by RCW 36.22.090, for DISTRICT as follows:
 - a. Set up DISTRICT employees, hour types, pay scales, and benefit deductions in the County's financial management system.
 - b. Change rates of pay for employees as directed by the DISTRICT.
 - c. Using monthly payroll worksheets provided by the DISTRICT, enter employees' hours, calculate benefit deductions, and create net paychecks for employees.
 - d. Submit federal tax payments and withholding to IRS.
 - e. Prepare warrants for benefit payments for District distribution to appropriate entity.
 - f. Prepare and submit quarterly payroll reports to appropriate agencies.
 - g. Interface with benefit and liability agencies as required, passing information along to DISTRICT.
 - h. Prepare annual payroll reports, including W-2s, for timely submission to the IRS, the Social Security Administration, DISTRICT employees, and the DISTRICT.
 - i. Provide payroll reports, from those available in the County's financial management system, as requested by the DISTRICT.
 - j. Maintain original employee records for DISTRICT.

Exhibit B

Fee Schedule

1. The county will bill quarterly for services provided under this agreement. Services performed in the first quarter will be billed in April; services performed in the second quarter will be billed in July; services performed in the third quarter will be billed in October; and services performed in the fourth quarter will be billed in January.
2. Payroll services will be billed by number of payroll warrants issued. Payroll warrants will include paychecks and direct deposit transactions. Replacement warrants will be counted as additional warrants.
3. Rates for 2016 will be \$10.00 per payroll warrant beginning January 1.
4. Rates for subsequent years will be calculated and agreed-to by both parties by October of the preceding year.