

## Interlocal Agreement

### Between the City of Lacey, the City of Olympia, and the City of Tumwater For the Development of Accessory Dwelling Unit Plans for the Cities of Lacey, Olympia, and Tumwater

THIS AGREEMENT is entered into as of \_\_\_\_\_ day of \_\_\_\_\_, 2020, below between: the City of Lacey, a Washington municipal corporation, (hereinafter "LACEY"); the City of Olympia, a Washington municipal corporation, (hereinafter "OLYMPIA"); and the City of Tumwater, a Washington municipal corporation, (hereinafter "TUMWATER"), collectively referred to as "the Parties."

**WHEREAS**, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner pursuant to forms of governmental organization that will accord best with geographic, economic, populations, and other factors influencing the needs and development of local communities; and

**WHEREAS**, pursuant to RCW 39.34.080, each party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform; provided, that such contract shall be authorized by the governing body of each party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties; and

**WHEREAS**, the Parties believe that the joint development of accessory dwelling unit plans for Lacey, Olympia, and Tumwater would be more efficient and effective than individual actions; and

**WHEREAS**, LACEY has contributed \$25,000 toward this effort as part of their current contract with The Artisans Group, Inc. and will expand their contract with The Artisans Group, Inc. for services related to the joint development of accessory dwelling unit plans by the Cities of Lacey, Olympia, and Tumwater; and

**WHEREAS**, OLYMPIA will contribute \$12,500 toward this effort; and

**WHEREAS**, TUMWATER will contribute \$12,500 toward this effort; and

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the Parties agree as follows:

I. **Services Provided by LACEY**

A description of the services to be performed by LACEY is set forth in Exhibit A Scope of Work, attached hereto, and incorporated herein by reference.

LACEY is responsible if The Artisans Group, Inc. fails to comply with any applicable term or condition of their contract. LACEY shall appropriately monitor the activities of The Artisans Group, Inc. to assure fiscal conditions of the contract.

LACEY shall pay The Artisans Group, Inc. for services rendered in the month following the actual delivery of the work and will remit payment within thirty days from the date of receipt of invoice.

No payment shall be made for any work performed by The Artisans Group, Inc., except for work identified and set forth in this Agreement and exhibit incorporated by reference into this Agreement.

**II. Services Provided by OLYMPIA**

A description of the services to be performed by OLYMPIA is set forth below:

- 1) Pay LACEY \$12,500 upon delivery of the four (4) completed ADU construction document sets;
- 2) Timely review and provide comments on concept designs, and 90% construction documents, and final pre-approval of 100% construction documents; and
- 3) Maintain the final pre-approved construction documents for all four (4) plan sets at our customer service counter for citizens.

**III. Services Provided by TUMWATER**

A description of the services to be performed by TUMWATER is set below:

- 1) Pay LACEY \$12,500 upon delivery of the four (4) completed ADU construction document sets;
- 2) Timely review and provide comments on concept designs, and 90% construction documents, and final pre-approval of 100% construction documents; and
- 3) Maintain the final pre-approved construction documents for all four (4) plan sets at our customer service counter for citizens.

**IV. Indemnification and Insurance**

Each Party agrees to defend, indemnify, and hold the other Parties, their officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney's fees, arising out of or in connection with the indemnifying Party's performance of this Agreement, including injuries and damages caused by the negligence of the indemnifying Party's officers, officials, and employees.

The Parties agree to maintain liability insurance; this may be fulfilled by a party's membership and coverage in WCIA, a self-insured municipal insurance pool.

**V. No Separate Legal Entity Created**

This Agreement creates no separate legal entity. No joint organization is created. No common budget is to be established. No personal or real property is to be jointly acquired or held.

**VI. Relationship of the Parties**

The employees or agents of each Party who are engaged in the performance of this Agreement shall continue to be employees or agents of that Party and shall not be considered for any purpose to be employees or agents of the other Party. This Agreement is for the benefit of the Parties, and no third-party beneficiary relationship is intended.

**VII. Duration of Agreement**

This Agreement shall terminate on December 31, 2020, unless sooner terminated by the Parties as provided herein.

**VIII. Dispute Resolution**

- a. Step One – Negotiation. In the event of a dispute concerning any matter pertaining to this Agreement, the Parties involved shall attempt to adjust their differences by informal negotiation. The Party perceiving a dispute or disagreement persisting after informal attempts at resolution shall notify the other Parties in writing of the general nature of the issues. The letter shall be identified as a formal request for negotiation and it shall propose a date for representatives of the Parties to meet. The other Parties shall respond in writing within ten (10) business days. The response shall succinctly and directly set out that Party's view of the issues or state that there is no disagreement. The Parties shall accept the date to meet or shall propose an alternate meeting date not more than ten (10) business days later than the date proposed by the Party initiating dispute resolution. The representatives of the Parties shall meet in an effort to resolve the dispute. If a resolution is reached, the resolution shall be memorialized in a memorandum signed by all Parties, which shall become an addendum to this Agreement. Each Party will bear the cost of its own attorneys, consultants, and other Step One expenses. Negotiation under this provision shall not exceed ninety (90) days. If a resolution is not reached within ninety (90) days, the Parties shall proceed to mediation.
- b. Step Two – Mediation. If the dispute has not been resolved by negotiation within ninety (90) days of the initial letter proposing negotiation, any Party may demand mediation. The mediator shall be chosen by agreement. Each Party will bear the cost of its own attorneys, consultants, and other Step Two expenses. The parties to the mediation will share the cost of the mediator. A successful mediation shall result in a memorandum agreement, which shall become an addendum to this Agreement.

Mediation under this provision shall not exceed ninety (90) days. If the mediation is not successful within ninety (90) days, the Parties may proceed to litigation.

- c. Step Three – Litigation. Unless otherwise agreed by the Parties in writing, Step One and Step Two must be exhausted as a condition precedent to filing of any legal action. A Party may initiate an action without exhausting Steps One or Two if the statute of limitations is about to expire and the Parties cannot reach a tolling agreement, or if either Party determines the public health, safety, or welfare is threatened.

**IX. Amendments**

This Agreement may be amended only by written agreement executed in accordance with chapter 39.34 RCW.

**X. Termination of Agreement**

This Agreement may be terminated upon mutual agreement of the Parties. Any party may withdraw upon 30 days written notice to the other parties.

**XI. Interpretation and Venue**

This Agreement shall be governed by the laws of the State of Washington as to interpretation and performance. The Parties hereby agree that venue for enforcement of any provisions shall be the Superior Court of Thurston County.

**XII. Entire Agreement**

This Agreement sets forth all terms and conditions agreed upon by the Parties and supersedes all prior agreements oral or otherwise with respect to the specific subject matter addressed herein.

**XIII. Counterparts**

This Agreement may be executed in counterparts, and all such counterparts once so executed shall together be deemed to constitute one final agreement, as if all Parties had signed one document, and each such counterpart, upon execution and delivery, shall be deemed a complete original, binding on the Parties. A faxed or email copy of an original signature shall be deemed to have the same force and effect as the original signature.

**XIV. Notice**

Any notice required under this Agreement shall be to the party at the address listed below and it shall become effective three days following the date of deposit with the United States Postal Service.

**CITY OF LACEY**

Attn: Rick Walk, Director of Community and Economic Development

Re: Accessory Dwelling Unit Plans for Lacey, Olympia, and Tumwater  
420 College Street SE  
Lacey, WA 98503

**CITY OF OLYMPIA**

Attn: Leonard Bauer, Interim Director, Community Planning and Development  
Re: Accessory Dwelling Unit Plans for Lacey, Olympia, and Tumwater  
P.O. Box 1967  
Olympia, WA 98507-1967

**CITY OF TUMWATER**

Attn: Brad Medrud, Planning Manager  
Re: Accessory Dwelling Unit Plans for Lacey, Olympia, and Tumwater  
555 Israel Road SW  
Tumwater, WA 98501

**XV. Waiver**

A failure by a Party to exercise its rights under this Agreement shall not preclude that Party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the Party and attached to the original Agreement.

**XVI. Severability**

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

**XVII. Records Retention and Audit**

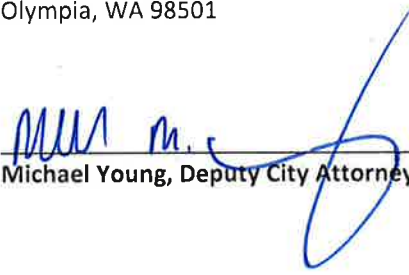
During the progress of the work and for a period not less than six (6) years from the completion of the tasks set forth herein, the records and accounts pertaining to the work and accounting therefore are to be kept available for inspection by any Party and the Federal and State Government and copies of all records, accounts, documents, or other data pertaining to the work will be furnished upon request. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation shall be retained until all litigation, claim, or audit finding has been resolved even though such litigation, claim, or audit continues past the six-year retention period.

[Signatures are affixed to next page.]

This Agreement is hereby entered between the Parties and it shall take effect on the date of the last authorizing signature affixed hereto:

**GOVERNMENT AGENCY EXECUTIVE**

**APPROVED AS TO FORM**

<p><b>CITY OF LACEY</b> 420 College Street SE Lacey, WA 98503</p> <p>_____</p> <p><b>Scott Spence, City Manager</b> Date: _____</p>	<p><b>CITY OF LACEY</b> 420 College Street SE Lacey, WA 98503</p> <p>_____</p> <p><b>David Schneider, City Attorney</b></p>
<p><b>CITY OF OLYMPIA</b> 601 4th Avenue East Olympia, WA 98501</p> <p>_____</p> <p><b>Steven J. Burney, Interim City Manager</b> Date: _____</p>	<p><b>CITY OF OLYMPIA</b> 601 4th Avenue East Olympia, WA 98501</p> <p> _____</p> <p><b>Michael Young, Deputy City Attorney</b></p>
<p><b>CITY OF TUMWATER</b> 555 Israel Road SW Tumwater, WA 98501</p> <p>_____</p> <p><b>Pete Kmet, Mayor</b> Date: _____</p>	<p><b>CITY OF TUMWATER</b> 555 Israel Road SW Tumwater, WA 98501</p> <p>_____</p> <p><b>Karen Kirkpatrick, City Attorney</b></p>

**EXHIBIT A**

**Accessory Dwelling Unit (ADU) Designs**

<b>WORK ITEMS AND PROJECTED HOURS</b>	<b>Artisans Staff/Hourly Rates</b>	<b>Principals</b>	<b>Design Staff 2</b>	<b>Design Staff 1</b>	<b>Projected Subtotals</b>
		<b>\$148</b>	<b>\$108</b>	<b>\$78</b>	
<b>1. Project Initiation and Concept Design</b>					
a. Initial Meeting (Occurred July 25, 2019)		0	0	0	<b>\$0</b>
b. Architectural Design- Floor Plans and Renderings		40	10	0	<b>\$7,000</b>
<b>MILESTONE 1: Deliver Concept Designs</b>					
c. Review and refine designs per Lacey CEDD comments		4	8	0	<b>\$1,456</b>
<b>2. Construction Documents development (Two Sets)</b>					
a. Floor Plans			5	16	<b>\$1,788</b>
b. Foundation Plans			5	16	<b>\$1,788</b>
c. Roof Plans			5	16	<b>\$1,788</b>
d. Section views for floor, walls, and roof			5	16	<b>\$1,788</b>
e. Energy code comp sheets			12		<b>\$1,296</b>
f. Notation including Material types for siding			5	14	<b>\$1,632</b>
<b>MILESTONE 2: Deliver 90% Construction Documents</b>					
<b>3. Engineering and Plans Completion</b>					
a. Construction Documents finalized		4	4	10	<b>\$1,804</b>
b. Engineering review and incorporation *		0	4	10	<b>\$1,212</b>
c. Two 3D Perspective views		4	0	10	<b>\$1,372</b>
<b>MILESTONE 3: Deliver 100% Construction Documents</b>					
<b>Subtotal Projected Hours</b>		<b>52</b>	<b>63</b>	<b>108</b>	<b>223</b>
<b>Subtotal Projected Fees</b>		<b>\$7,696</b>	<b>\$6,804</b>	<b>\$8,424</b>	
				<b>Projected Total Fee</b>	<b>\$22,924</b>
				<b>Projected Reimbursement*</b>	<b>\$2,000</b>
				<b>Projected Total Fees and Reimbursement**</b>	<b>\$24,924</b>

\* Artisans Group will cover the cost of engineering with no compensation in amounts exceeding the "Not to Exceed" limit established by this agreement.

\*\* If additional services are requested in writing by the City of Lacey, said additional services will be paid for at the above rates for number of hours worked by staff of Artisans Group while performing the additional services requested.