

## **CITY COUNCIL AGENDA ITEM**

**CITY OF SHORELINE, WASHINGTON**

**AGENDA TITLE:** Authorization of the Human Services Pooled Fund Interlocal Agreement with the City of Bellevue

**DEPARTMENT:** Community Services Division

**PRESENTED BY:** Rob Beem, Community Services Manager

**ACTION:**        ☐ Ordinance        ☐ Resolution        ☒ Motion  
                 ☐ Discussion        ☐ Public Hearing

**PROBLEM/ISSUE STATEMENT:**

Since 2003, the City has been participating in a pooled funding arrangement with other North and East King County cities for human service funding. The growth of the Pool over the years has resulted in additional and more complex administrative tasks and increased costs for the City of Bellevue, the lead administrator. Until now, there has been no administrative fee charged by Bellevue. The proposed Interlocal Agreement with the City of Bellevue establishing the Human Services Pooled Fund updates this pooled funding arrangement and provides for the administrative fee for Bellevue to continue administering the pool. The proposed Interlocal Agreement is attached to this staff report for Council review and approval.

**RESOURCE/FINANCIAL IMPACT:**

The City's costs are estimated to be \$1,575 per year to participate in the Pooled Fund. This cost is based on a workload formula that accounts for the number of scopes of work each of the City's contracts contribute to the overall pool. The Proposed 2015 Budget contains sufficient funds to support this Interlocal Agreement administrative cost.

**RECOMMENDATION**

Staff recommends that Council move to authorize the City Manager to enter into the updated Interlocal Agreement with the City of Bellevue establishing the Human Services Pooled Fund.

Approved By:            City Manager **DT**    City Attorney **J-AT**

## **BACKGROUND**

Since 2003, the City has been participating in a pooled funding arrangement with other North and East King County cities for human service funding. The eight cities that participate in the Pool are Bellevue, Issaquah, Kenmore, Kirkland, Mercer Island, Redmond, Sammamish and Shoreline. This arrangement allows selected programs that receive funding from some or all participating cities to sign a single contract with the City of Bellevue. In 2004, the participating cities made 46 grants to seven programs, which totaled \$366,593. In 2013-2014 there were 36 programs with 165 separate grant awards consolidated under 15 pooled contracts, which totaled \$2.6 million. In the same two year period (2013-2014), Shoreline administered 10 grants totaling \$51,024 through the Pool.

## **DISCUSSION**

The growth of the Pool over the years has resulted in additional and more complex administrative tasks and increased costs for the City of Bellevue, the lead administrator. Until now, there has been no administrative fee charged by Bellevue. Based on recommendations from both Bellevue staff and attorneys, a workgroup developed a methodology for establishing a reasonable fee for the work provided, taking into account the time it takes for Bellevue staff to process a contract as well as the various resources involved with implementing the contract.

The Interlocal Agreement, which is attached to this staff report as Attachment A, has been revised to:

- update the responsibilities of the project team, including provisions for monitoring visits,
- adopt the agreed-upon fee structure, and
- make this arrangement more permanent by extending the duration of the agreement to December 31, 2018, with automatic extensions thereafter unless terminated as described in the agreement.

## **ALTERNATIVES**

The City could choose not to participate in the Pooled Fund and administer contracts separately with funded agencies. However, this would increase the volume of contracts staff processes by 10 agencies; roughly a 50% increase. For human service agencies, an in-house contract administration model would mean separate contracts and separate billings that they would have to manage, decreasing administrative efficiency on their end. Human Services agencies estimate that it costs \$200 to process a contract, which can be a particularly high cost for agencies with relatively small grant awards of less than \$5,000. Eight of Shoreline's 10 Pooled contracts are less than \$5,000, and all are less than \$10,000. Given the efficiencies gained for both the City and the human service agencies receiving funding, staff does not recommend moving to an in-house contract administration model.

### **RESOURCE/FINANCIAL IMPACT**

The City's costs are estimated to be \$1,575 per year to participate in the Pooled Fund. This cost is based on a workload formula that accounts for the number of scopes of work each of the City's contracts contribute to the overall pool. The Proposed 2015 Budget contains sufficient funds to support this Interlocal Agreement administrative cost.

### **RECOMMENDATION**

Staff recommends that Council move to authorize the City Manager to enter into the updated Interlocal Agreement with the City of Bellevue establishing the Human Services Pooled Fund.

### **ATTACHMENTS**

Attachment A - Interlocal Agreement Establishing the Human Services Pooled Fund

## INTERLOCAL AGREEMENT

### ESTABLISHING THE HUMAN SERVICES POOLED FUND

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

#### RECITALS

WHEREAS, the Parties engage in activities which support human service providers in King and Snohomish Counties; and

WHEREAS, the Parties wish to make the most efficient use of their resources by cooperating to provide funding to support human service providers in King and Snohomish Counties; and

WHEREAS, the Parties have the authority to engage in cooperative efforts which result in more efficient use of government resources; and

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

WHEREAS, THIS AGREEMENT IS AUTHORIZED PURSUANT TO THE Interlocal Cooperation Act as codified in RCW Chapter 39.34

NOW THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

#### I. PURPOSE

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

#### II. DURATION OF THE AGREEMENT

This agreement shall be established and take effect immediately upon its execution by two or more Parties, and shall remain in effect through December 31, 2018, with automatic extensions annually unless terminated as described in Section VI.

#### III. RESPONSIBILITIES

- A. A Project Management Team, comprising of staff to be designated by the chief executive or their designee from each Party, will monitor the delivery of joint Human Services programs under this agreement. The Project Management Team will:

- i. Determine any addition or removal of human services programs provided by Service Providers contracted from the Pooled Fund;
  - ii. Determine whether to allow additional parties to enter into this agreement;
  - iii. Develop administrative tools and processes necessary to operate the Pooled Fund;
  - iv. Conduct on-site monitoring of Service Providers on behalf of the Parties. A summary of the visit will be written by Project Management Team members and can be accepted by the Parties for each Party's monitoring purposes.
  - v. Plan for future expansion and administration of the Pooled Fund; and
  - vi. Provide input to the Lead Agency regarding acceptance and use of any deposit made to the Pooled Fund from a funding source not party to this agreement.
  - vii. Approve the invoices that will be sent by the Lead Agency for each Party's contribution to the Pooled Fund, which approval must be reached by consensus of the entire Project Management Team, not just a quorum.
  - viii. In carrying out these responsibilities, the Project Management Team will at all times attempt to reach agreement by consensus. If consensus cannot be reached, agreement will be determined by a simple majority vote of those present at the meeting of the Project Management Team. Each Party may cast one vote on behalf of their organization.
  - ix. The Project Management Team will determine meeting frequency through consensus.
  - x. No separate legal entity will be created through this interlocal agreement.
- B. The City of Bellevue shall be the lead agency (hereinafter referred to as "Lead Agency"). The Lead Agency will:
- i. Establish and maintain the Pooled Fund;
  - ii. Invoice Parties for each party's portion of the Pooled Fund. Invoices will be sent with no more frequency than quarterly throughout the year, with an option of biannual or annual invoicing as agreed upon by each Party and the Lead Agency, with payment required within 30 calendar days from date of invoice.
  - iii. Accept and deposit contributions to the Pooled Fund from Parties or other sources;
  - iv. Execute contracts on behalf of one or more Parties with Service Providers payable with funds drawn from the Pooled Fund. The maximum effective period of these contracts is for the two-year (biennial) budget period. The Lead Agency is responsible for routing all substantive revisions to agreements to all Parties for their review and approval. At its discretion, the Lead Agency may amend contracts with Service Providers without approval from the other Parties so long

as the amendments are minor in nature (e.g. Service Provider name changes, slight amendments to service dates, etc.); and

v. Process payments on such contracts.

1. Contracts will include the projected maximum possible award amounts available to be paid from the Lead Agency and Parties to each Service Provider. In cases where a Party will not be in a position to provide a Service Provider with the full projected award amount, a contract amendment is not necessary since any amount paid will be less than the maximum possible award amount. Any and all payments to Service Providers are subject to availability of funds from each Party, and contingent on satisfactory performance on the contract; Lead Agency will ensure appropriate provisions regarding the same are included in the service provider contracts.

vi. As the executed contract is between the Lead Agency and the Service Provider, the Service Provider is expected to adhere to reimbursement procedures required by the Lead Agency (City of Bellevue).

C. Each Party will independently:

- i. Provide the lead agency with a list of each human service programs, including award amounts to be part of the Pooled Fund as soon as it is available, but not later than December 31 before the contract biennium. Parties that do not provide this information by the date required may be excluded from participation in the Pooled Fund, with the Lead Agency authorized to grant extensions of this deadline, the length of such extension being at the sole discretion of the Lead Agency.
- ii. Approve or deny payment made to individual Service Provider contracts based on compliance with contractual obligations. Such approval shall not be unreasonably withheld.
- iii. Review and communicate its acceptance of contract terms negotiated for each Service Provider for which that Party is contributing funds. Approval shall be communicated in writing on or before January 31st of the calendar year for which funding is approved. Parties who do not communicate written acceptance will be deemed to have accepted the terms.
- iv. Provide such staff as is necessary to accomplish all responsibilities included in this agreement. Parties may be excused from such commitment if doing so compromises the day-to-day operation of the Party's organization. Requests to be excused shall be made in writing to the Lead Agency and shall be approved or denied by the Project Management Team within sixty (60) days of receipt.

#### IV. ADDITION OF A PARTY TO THIS AGREEMENT

- A. At any time after the effective date of this agreement, additional parties, with the approval of the Project Management Team, may adopt and enter into this agreement by forwarding a copy of the agreement as approved and executed by that Party to the Lead Agency no later than sixty (60) days prior to the end of any given calendar year

for participation in the Pooled Fund the subsequent year. The addition of a party or parties to this Agreement shall not affect the terms and conditions for any other Party and no reauthorization is required for the duration of the Agreement.

- B. Parties not subject to this agreement may, subject to the approval of the Project Management Team, contribute funds on a one-time or other limited basis for the purpose of participating in Service Provider contracts drawn from the Pooled Fund. Under these circumstances, the Project Management Team shall provide input to the Lead Agency on the terms of participation; the Lead Agency shall allocate the funds at its discretion, consistent with the purposes of this Agreement.

#### V. WITHDRAWAL OF A PARTY FROM THIS AGREEMENT

- A. Each Party, with the exception of the Lead Agency, for its convenience and without cause or for any reason whatsoever, may withdraw from participation in this Agreement by providing written notice to the Lead Agency and all other Parties on or before June 30 of Year 1 of the biennium, with the effective date of termination being December 31 of that same calendar year in which notice is given. The withdrawing party shall remain responsible for all contractual commitments made to Service Providers and for payments made or committed to the Pooled Fund up to the effective date of withdrawal, except as otherwise provided in this agreement. Any payments made to the Pooled Fund prior to the effective date of withdrawal for services to be provided by Service Providers after the effective date of withdrawal shall be returned to the Party within sixty (60) days following the effective date of withdrawal. In the event of withdrawal by a Party, this Agreement shall terminate as to that Party but shall continue in effect with respect to the remaining Parties. However, the termination of this agreement with respect to one or more Parties shall not affect any of the Parties' rights or obligations, including any rights or obligations of a withdrawing Party, that are expressly intended to survive termination.
- B. In the event of a withdrawal, the Lead Agency is authorized to enact the termination clauses of all contracts with Services Providers that include funds from the withdrawing Party. Such termination will be specific to the withdrawing party and shall not affect the contractual obligations of the Service Provider in regard to all other Parties.
- C. The Lead Agency, for its convenience and without cause or for any reason whatsoever, may withdraw from participation in this Agreement by providing written notice to all other Parties on or before June 30 of any given calendar year with the effective date of termination being December 31 of the same calendar year in which notice is given. The withdrawing Lead Agency commits to transfer all necessary funds and documentation related to the Pool Fund to a new Lead Agency, as selected by the Project Management Team, prior to the effective date of the withdrawal. Nothing in this agreement prevents the Lead Agency from remaining a Party to this agreement after ceasing to be the Lead Agency.

#### VI. TERMINATION OF THIS AGREEMENT

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

#### VII. ADMINISTRATIVE SERVICE FEES AND INTEREST ACCRUED

- A. The Lead Agency, with approval of the Project Management Team will develop an administrative service fee structure in February (after receiving notice of pooled participation) of the first year of each funding biennium. The fee structure will be based on the number of scopes of work funded by each Party in the Pool and will be in effect for each of the two years of the biennium in question.
- B. The Lead Agency will develop the billing and payment schedule for the Parties.
- C. The Lead Agency shall consider any and all revenue accrued as interest on the Pooled Fund as supplemental to the administrative service fee and shall be entitled to keep and use such revenue at its complete discretion.

#### VIII. AMENDMENTS

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

#### IX. SEVERABILITY

If any of the provisions contained in this agreement are held illegal, invalid or unenforceable, the remaining provisions shall continue in full force and effect.

#### X. HOLD HARMLESS AND INDEMNIFICATION

To the extent permitted by state law, and for the limited purposes set forth in this Agreement, each Party shall protect, defend, hold harmless and indemnify the other Parties, their officers, elected officials, agents and employees, while acting within the scope of their duties as such, from and against any and all claims (including demands, suits, penalties



liabilities, damages, costs, expenses, or losses of any kind or nature whatsoever) ("Damages") arising out of or in any way resulting from such Party's own negligent acts or omissions related to such Party's participation and obligations under this Agreement. Each Party agrees that its obligations under this subsection extend to any claim, demand, and/or cause of action brought by or on behalf of any of its employees or agents. For this purpose, each Party, by mutual negotiation, hereby waives, with respect to the other Parties only, any immunity that would otherwise be available against such claims under the industrial insurance act provision of Title 51 RCW. The provisions of this subsection shall survive and continue to be applicable to any party exercising the right of termination pursuant to Section IV.

#### XI. NO PRECLUSION OF ACTIVITIES OR PROJECTS

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

#### XII. REAL AND PERSONAL PROPERTY

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

#### XIII. ENTIRETY OF AGREEMENT

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

#### XIV. APPLICABLE LAW

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

#### XV. COMPLIANCE WITH LAWS

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

#### XVI. RECORDING

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

#### XVII. COUNTERPARTS

This Agreement may be executed by facsimile or electronic mail in any number of current parts and signature pages hereof with the same effect as if all Parties had all signed the same document. All executed current parts shall be construed together, and shall, together with the text of this agreement, constitute one and the same instrument.

**XVIII. NO THIRD PARTY BENEFICIARIES**

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

**XIX. COUNTERPARTS**

This Agreement may be executed by facsimile or electronic mail in any number of current parts and signature pages hereof with the same effect as if all Parties had all signed the same document. All executed current parts shall be construed together, and shall, together with the text of this agreement, constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as of this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_.

**Signed:**

CITY OF BELLEVUE:

CITY OF ISSAQUAH:

\_\_\_\_\_  
Brad Miyake, City Manager

\_\_\_\_\_  
Fred Butler, Mayor

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
Office of the City Attorney

\_\_\_\_\_  
Office of the City Attorney

CITY OF KENMORE:

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Rob Karlinsey, City Manager

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

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Office of the City Attorney

CITY OF KIRKLAND:

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Kirk Triplett, City Manager

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

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Office of the City Attorney

CITY OF MERCER ISLAND:

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Cynthia Goodwin, Director

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

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Office of the City Attorney

CITY OF REDMOND:

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John Marchione, Mayor

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

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Office of the City Attorney

CITY OF SAMMAMISH:

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Ben Yazici, City Manager

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

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Office of the City Attorney

CITY OF SHORELINE:

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Debbie Tarry, City Manager

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

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Office of the City Attorney

