



Burlington City Hall
Council Chambers
833 South Spruce Street
Burlington, WA 98233

Skagit Transit Board of Directors Agenda

Regular Meeting
March 18, 2026
11:00 a.m.

Join virtually at:

<https://tinyurl.com/Board-of-Directors-March-18th>

Meeting ID: 233 326 712 553 71

Passcode: bX6Sd6NU

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL OF MEMBERS
4. EXECUTIVE SESSION: RCW 42.30.110(1)(i) DISCUSS AGENCY LITIGATION WITH LEGAL COUNSEL
5. PUBLIC COMMENT
6. CONSENT / ACTION ITEMS

All matters listed within the Consent Agenda have been distributed to each member of the Skagit Transit Board of Directors for reading and study, are considered to be routine, and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from Consent Action Items and placed on Regular Action Items by request.

- | | |
|---|-------------|
| a) Approval of February Meeting Minutes | Page 3 |
| b) Approval of Claims and Payroll | |
| January Payroll Direct Deposit and Checks | \$1,262,015 |
| January Direct Federal withholding transfer..... | \$358,358 |
| January Claims Checks and ACH #5170-5320 | \$1,278,680 |
| c) Approve January Budget Update..... | Page 6 |
| d) Approve Fare-Free Fixed Route Service for the Spring 2026 Veteran Stand Down Event | Page 7 |
| e) Approve Scan and Toss Policy and Procedure | Page 9 |
| f) Approve Revised Bylaws for Skagit Transit Board of Directors | Page 17 |

7. FULL DISCUSSION / ACTION ITEMS
 - a) Approve Contract 25-065 Skagit Transit MOA2 Commissioning
 - b) Approve Resolution 2026-02 Appointing Representatives to the Washington State Transit Insurance Pool

8. INFORMATION ITEMS
 - a) CEO Update
 - b) Employee Recognition
 - c) March Grants Update
 - d) January Productivity and Ridership
 - e) CAC Report

9. ADJOURNMENT

Skagit Transit Board of Directors Officers

Commissioner Peter Browning..... Chair Commissioner Joe Burns..... Vice Chair

Skagit Transit Board of Directors Membership and Votes

Mayor of Anacortes	1
Mayor of Burlington	1
Mayor of Mount Vernon	1
Mayor of Sedro-Woolley	1
Skagit County Commissioner District 1 ..	1
Skagit County Commissioner District 2 ..	1
Skagit County Commissioner District 3 ..	1
Mount Vernon Councilperson	1
Sedro-Woolley Councilperson.....	1

Non-Voting Members
 Community Advisory Committee Chair
 Skagit Transit Labor Union Representative

Quorum Requirement

A quorum consists of a simple majority (5) of the total votes (9).

Title VI Notice to the Public: Skagit Transit fully complies with Title VI of the federal Civil Rights Act of 1964 and related statutes, and does not discriminate on the basis of race, color or national origin. For more information, or to obtain a Title VI Complaint Form, visit Skagit Transit’s website at <https://www.skagittransit.org/about-us/civil-rights-discrimination/>

Aviso resumido del Título VI al público: Skagit Transit cumple plenamente con el Título VI de la Ley federal de derechos civiles de 1964 y los estatutos relacionados, y no discrimina por motivos de raza, color u origen nacional. Para mayor información, o para obtener un Formulario de queja del Título VI, visite el sitio web del Skagit Transit en <https://www.skagittransit.org/about-us/civil-rights-discrimination/>

ADA Notice to the Public: Skagit Transit fully complies with Section 504 of the Rehabilitation act of 1973 and the Americans with Disabilities Act of 1990 (ADA) and does not discriminate on the basis of disability. For more information, or to file a grievance contact the ADA Coordinator, Jennifer Davidson at 360-757-5178 or jdavidson@skagittransit.org.

Aviso de la ADA para el público: Skagit Transit cumple plenamente con la Sección 504 de la Ley de Rehabilitación de 1973 y la Ley de Americanos con Discapacidades de 1990 (ADA) y no discrimina por motivos de discapacidad. Para obtener más información, o para presentar una queja, póngase en contacto con el Coordinador de la ADA, Jennifer Davidson en 360-757-5178 o jdavidson@skagittransit.org.

**RECORD OF THE PROCEEDINGS
SKAGIT TRANSIT BOARD OF DIRECTORS**

Wednesday, February 18, 2026

The Skagit Transit Board of Directors met in a regular meeting in Burlington, WA. Commissioner Peter Browning chaired the meeting and called the meeting to order at 11:00 a.m., followed by the Pledge of Allegiance and roll call.

Members Present

Peter Browning, Skagit County Commissioner (Chair)
Assessor Dany Hagen (attending as a representative for Ron Wesen, Skagit County Commissioner)
Joe Burns, Skagit County Commissioner (Vice Chair)
Peter Donovan, City of Mount Vernon, Mayor
Julia Johnson, City of Sedro Woolley, Mayor
Bill Aslett, City of Burlington, Mayor
Paul Cocke, City of Sedro Woolley, Councilmember
Hannah Oliver, City of Mount Vernon, Councilmember

Members Present via Teleconference

Carolyn Moulton, City of Anacortes, Councilmember
Judy Jones, Community Advisory Committee (Chair, non-voting member)

Members Absent:

Tracy Cook, Labor Representative (non-voting member)

Providing Legal Counsel:

Staff Present

Eric Gambill, Security Supervisor
Derek Messling, Marketing and Public Affairs Specialist
Chris Arkle, Manager of Finance and Accounting
Crystle Stidham, Chief Executive Officer
Greg Latham, Director of Maintenance and Facilities
Hailie Hotchkiss, Operations Supervisor
Jennifer Davidson, Director of Human Resources
Katie Cook-Avery, Coach Operator
Larissa Farrell, Executive Assistant/Clerk of the Board
Maleah Kuzminsky, Planning and Outreach Manager
Rebekah Tuno, Grants Manager

Staff Present via Teleconference:

Abby Bissell, HR Generalist
Clerk of the Board
Eric Espraza, Capital Projects Manager
Kelly Myiow, Payroll and Leave Administrator
Larissa Farrell, Executive Assistant/Clerk of the Board
Les O'Neil, Operations Supervisor
Sarah Pelle, Events Specialist/Travel Trainer
Wayne Simmons, Facilities Supervisor

Members of Public Present

Jason Kelly; Mike Kerr

Members of the Public Present via Teleconference:

1-208-308-8876; 1-916-501-8890; 0000; Cameron's Notetaker; Jaime Parker; Joe Kunzler; Joe Macdonald; Ray; Ro; Rosie Ventura; Skagit

1 Public Comment

Public comment was made.

2 Consent / Action Items

- a) Approval of January Meeting Minutes
- b) Approval of Claims and Payroll
 - December Payroll Direct Deposit and Checks
 - December Direct Federal Withholding Transfer
 - December Claims Checks and ACH #5009-5169
- c) Approve December Budget Update

Mr. Burns moved to approve all Consent/Action items. Mr. Aslett seconded the motion. The motion passed unanimously.

3 Full Discussion/Action Items:

- a) Approve Purchase of Four (4) Gillig Coaches
Ms. Stidham summarized the report as presented in the board packet.

Ms. Johnson moved to approve the purchase of four (4) Gillig coaches. Mr. Donovan seconded the motion. The motion passed unanimously.

- b) Approve Purchase of Seven (7) Endera E-450 Cutaway Paratransit Coaches

Ms. Stidham summarized the report as presented in the board packet.

Ms. Moulton moved to approve the purchase of seven (7) Endera E-450 cutaway paratransit coaches. Mr. Aslett seconded the motion. The motion passed unanimously.

- c) Approve Resolution 2026-01 Allowing Staff to Withdraw funds from STS.001: SKAT General and STS.003: SKAT Operating Reserve

Ms. Stidham summarized the report as presented in the board packet.

Ms. Moulton moved to approve resolution 2026-01, allowing staff to withdraw funds from STS.001: SKAT General and STS.003: SKAT Operating Reserve. Mr. Burns seconded the motion. The motion passed unanimously.

- d) Approve FY 2025 Federal Transit Administration Buses & Bus Facilities Award Acceptance

Ms. Stidham summarized the report as presented in the board packet.

Mr. Cocke moved to approve the acceptance of FY 2025 Federal Transit Administration Buses & Bus Facilities Award. Ms. Johnson seconded the motion. The motion passed unanimously.

- e) Approve Updated Organization Chart

Ms. Stidham summarized the report as presented in the board packet.

Mr. Aslett moved to approve the updated organization chart. Mr. Burns seconded the motion. The motion passed unanimously.

- f) Approve 2026 Classification and Compensation Study

Ms. Stidham summarized the report as presented in the board packet.

Ms. Moulton moved to approve the 2026 classification and compensation study. Ms. Johnson seconded the motion. The motion passed unanimously.

4 Information Items

- a) CEO Update
- b) Employee Recognition
- c) December 2025 Productivity and Ridership Report
- d) CAC Update

Peter Browning adjourned the meeting at 11:55 a.m.

Attest:

Peter Browning, Chair Skagit Transit Board of Directors

Larissa Farrell, Clerk of Skagit Transit Board

Larissa Farrell

From: Judy Jones <sonshines59@gmail.com>
Sent: Wednesday, February 18, 2026 8:05 AM
To: Larissa Farrell
Subject: Please submit on behalf of Doris Brevoort for public comment.

Importance: High

I do have some input for Skagit Transit:
Because of construction going on with I-5 in Seattle, the express lanes going South are closed for months. It now takes longer to get to Seattle.

Now more than ever we need a faster way to get to Lynnwood. Please initiate something!

It would be so great if the 90x could stop between Mt Vernon and Everett, perhaps at the Smokey Point transit station.

I have a friend who has just moved to an adult family home in Marysville. There is a bus to Smokey Point, but no way for him to get to Mt Vernon. It is very isolating that there is no transit between Smokey Point and Skagit.

It would also be very practical to have a freeway stop in Marysville, "on request".

There may be jobs up and down the corridor but no way for people without cars to access them.

sent from judy's braille Android tablet



TO: Skagit Transit Board of Directors
FROM: Chris Arkle, Accounting & Finance Manager
SUBJECT: Monthly Budget Update Report for January 2026
INFORMATION: The monthly budget reports are presented for your review. Items of interest are:

Revenues:

Sales Tax Received:

January	2026	2025	2024
	1,418,499	1,390,490	1,363,647

Grant Revenue:

Federal Operating	-
Federal Capital	25,345
Local Operating	-
State Operating	-
State Capital	-

Fare Revenue:

	2026	2025	2024	2023
January	59,769	60,302	52,709	52,633
Yrly-Budget	808,800	791,765	718,000	684,500
Mon-Budget	67,400	65,980	59,833	57,042

Expenses

Payroll

	January	YTD	Budgeted
Operators' Salaries			
Operators' Salaries	437,860	437,860	5,773,311
Operators' Overtime	60,898	60,898	575,000
Non-Operators' Salaries			
Non-Operators' Salaries	445,461	445,461	5,999,320
Non-Operators' Overtime	9,810	9,810	41,160

Capital

Route Improvements	-
Skagit Station	138
Park & Ride	-
Revenue Equipment	-
Service Equipment	-
Vanpool Equipment	-
MOA 2	-
Bldgs. - MOA	1,954
Garage/Shop Equipment	-
Office Furniture/Equip.	-
Intangible Asset - SW	-
Communications & IS	-

Ending Cash:

January 2026	January 2025	January 2024
1,289,363	4,090,171	3,929,400

Reserves:

	January 2026	January 2025	January 2024
Operating	5,887,384	5,634,525	5,361,969
Facilities	10,400,000	10,400,000	10,400,000
Capital			
Replacement	6,493,554	5,767,982	4,985,891
Non-Designated	744,082	1,688,000	1,606,351
Total	23,525,020	23,490,507	22,354,211

RECOMMENDATION: Staff recommends the Board approve the monthly budget report.



TO: Skagit Transit Board of Directors

FROM: Crystle Stidham, Chief Executive Officer

SUBJECT: Approve Fare-Free Fixed Route Service for the Spring 2026 Veteran Stand Down Event

INFORMATION:

Skagit Transit was recently contacted by staff from American Legion Memorial Post 91 about an upcoming event.

Skagit Transit has been asked to provide fare-free transportation on our local fixed route network in support of the Veterans Stand Down event. This event will be held at the Skagit County Fairgrounds on April 3rd & 4th, 2026. Fare-free service will help remove transportation as a barrier for those veterans looking to attend this event. The Veterans Stand Down event is a collection of social service agencies and non-profits looking to connect with veterans who may be in need of their services.

In order to minimize the loss of fare revenue, we will offer fare-free service to any rider who boards a bus and says they are headed to the event. The agency will not provide free service to all riders on all routes.

RECOMMENDATION:

Staff recommends that the board approves fare-free fixed route service during the Spring 2026 Veterans Standdown event on April 3rd & 4th, 2026 for all routes except Routes 80X and 90X on April 3rd & 4th, 2026.

BUDGET IMPACT:

Less than \$400 in lost cash fares.



American Legion Memorial Post 91

To: Skagit Transit Board of Directors

Request: Veterans free transportation to and from the Veterans Stand Down

Location: Skagit County Fair Grounds

When: April 3rd and 4th, 2026

From: American Legion Memorial Post 91

Dear Board,

We are respectfully requesting Skagit Transit to provide free transportation for our veterans April 3rd and 4th, 2026. Our partnership over the last few years has been top notch and helping our veteran community to grow and connect to large amounts of resources at the Federal, State and local levels. Last October, we had over 350 people sign up over the two days. We provided nearly 48 vendors to the community.

I want to say thank you for your past generosity and support.

Respectfully,

Commander



TO: Skagit Transit Board of Directors
FROM: Crystle Stidham, Chief Executive Officer
SUBJECT: Approve Scan and Toss Policy and Procedure

INFORMATION:

The Scan and Toss Policy and Procedure was sent to the board for 30-day review on February 17, 2026. This policy establishes standardized practices for digitizing paper records and securely disposing of the corresponding physical documents for non-archival records, ensuring compliance, efficiency, and consistency across all departments.

As Skagit Transit continues to modernize workflows and reduce reliance on paper-based records, the need for a formalized digital conversion process has become increasingly important. Over the past several years, staff have used various approaches for storing paper records, resulting in inconsistencies in record retention, storage quality, and compliance with regulatory expectations.

To address these challenges, the Administrative team, in coordination with Records Management and IT, has developed a clear and comprehensive Scan and Toss Policy and Procedure that outlines:

- Which documents are eligible for digitization
- Standards for scan quality and file naming
- Secure digital storage requirements
- Approval process for document disposal
- Secure destruction procedures for physical originals
- Compliance with applicable retention schedules and legal mandates

This policy aligns with best practices in electronic records management and supports Skagit Transit's goals for improved efficiency, reduced storage costs, and more accessible information systems.

RECOMMENDATION:

Staff recommends the board approve the Scan and Toss Policy and Procedure.

BUDGET IMPACT:

None.

SCAN & TOSS POLICY

PURPOSE

To comply with state requirements when destroying paper-based source records after they have been converted to a digital format (digitized) by imaging (scanning). This “scan & toss” policy is intended to help staff understand the minimum requirements Skagit Transit must meet to lawfully scan & toss records.

AUTHORITY

Washington State Records Retention Schedules

[RCW Chapter 40.14](#) – Preservation and Destruction of Public Records

[WAC Chapter 434-662](#) – Preservation of Electronic Records

[WAC Chapter 434-663](#) – Imaging Systems, Standards for Accuracy and Durability

The Public Records Officer (PRO) or their designee shall administer this policy.

DEFINITIONS

- “Archival records” are records that have permanent and/or historical value and are scheduled as archival.
- “Non-archival records” are eligible to be scanned and tossed and covered by current, approved records retention schedules.
- “Essential records” are records needed to respond to, and/or perform critical operations during/after a disaster or emergency. They need to be protected through backup or enhanced storage. (RCW 40.10.010) (Washington State Archives Glossary)
- “Imaged records” are records that have been converted to a digital format by imaging (scanning).
- “Lossless compression” recreates a compressed file as an identical match to its original form. All lossless compression uses techniques to break up a file into smaller segments for storage or transmission, which get reassembled later.
- “Lossy compression” is a technique that does not decompress data back to one hundred percent (100%) of the original. Lossy methods provide high degrees of compression and result in smaller compressed files, but there is a certain amount of visual loss when restored.
- “Lawful destruction” – Items that may be destroyed upon expiration of the retention period per the Common Records Retention Schedule (CORE schedule) and the Transit Records Retention Schedule. Skagit Transit’s PRO will determine what records are sensitive in nature that require permanent destruction via shredding or appropriate methods.

1. WHAT RECORDS ARE ELIGIBLE FOR SCANNING AND TOSSING?

1.1 Archival v. Non-Archival Determination

- 1.2 The records retention schedules indicate which types of records have been designated as Archival and which have not. Copies of the current approved records retention schedules are available from Washington State Archives' website: www.sos.wa.gov/archives. Skagit Transit primarily uses the Local Government Common Records Retention Schedule (the CORE schedule) and the Transit Records Retention Schedule.
- 1.3 Archival records may be scanned/digitized but MUST NOT be destroyed.
- 1.4 The disposition authority number (DAN) for paper records that have been scanned and will be destroyed is: GS50-09-14.
- 1.5 Depending on Archival or Non-Archival requirements, only one copy/version of a record must be saved. We will strive to transition to a digital record environment for non-archival records by implementing this procedure. We will strive to scan and retain a digital image for archival records and transfer the hard copy (original) to the Washington State Archives.

2. REQUIREMENTS FOR MANAGING, STORING AND RETAINING IMAGED RECORDS

- 2.1 Imaged records MUST be stored, maintained, and remain accessible for the entire length of the required retention period.
- 2.2 Departments need to factor in not only the retention period (e.g., six (6) years), but also the trigger or the cut-off that starts the retention clock. For example, a record with a minimum retention of “six years after life of building” would likely need to be retained for much longer than just six years.
- 2.3 To address technology changes, departments are to either:
 - a. Maintain the ability to retrieve and view imaged records in systems and file formats that Skagit Transit is currently using; or,
 - b. Migrate or export the imaged records (including associated metadata) to succeeding systems and file formats throughout their required retention periods.
- 2.4 Departments MUST retain legal custody of the imaged records even if outside providers are used to store/host the imaged records.
- 2.5 Contracts/agreements with outside providers shall require that legal custody of the records remains with Skagit Transit and that all imaged records (including associated metadata) be returned to Skagit Transit in a format accessible by Skagit Transit, at the end of the contract/agreement.
- 2.6 Departments should undertake appropriate mitigation strategies to ensure that they can fully recover records (including associated metadata) which have not met their minimum retention period in the event of vendor failure.

3 DISPOSITION AFTER IMAGING: NON-ARCHIVAL RECORDS

- 3.1 Non-archival imaged records are to be destroyed only after the minimum required retention period as specified by the approved records retention schedule currently in effect.
- 3.2 Records MUST NOT be destroyed when required for:
 - a. Existing public records requests in accordance with chapter [42.56 RCW](#); or,
 - b. Ongoing or reasonably anticipated litigation; or,
 - c. Other legal requirements, federal statutes, grant agreements, etc.; or,
 - d. Archival transfer.
- 3.3 If changes to the records retention schedules have occurred between the imaging of the record and their planned destruction, and those changes have altered the minimum retention period (or the Archival designation) of the imaged records, departments must follow the current approved records retention schedule.
- 3.4 Departments should follow defensible disposition practices for the destruction of imaged records as stated in [RCW 40.14](#). This includes following a regular and systematic schedule for destruction processes. These practices should be consistent with Skagit Transit's procedures for the lawful destruction of public records in other formats.
- 3.5 Departments shall document the destruction of both paper and scanned records.
 - a. Documenting the destruction of public records, including scanned imaged records, provides departments with evidence to prove that they retained their records for at least the minimum retention periods.
 - b. Departments shall document that the paper was converted and destroyed according to the appropriate and current records retention schedule, under the appropriate disposition authority, and that the imaged records are also destroyed lawfully once the retention requirements have been met.
- 3.6 For Archival records with a required retention of "Permanent" or "Life of the Agency", it is strongly recommended that the department create state standard-compliant thirty-five (35) millimeter security microfilm from the imaged documents and transfer it to Washington State Archives' Security Microfilm vault in Olympia. This microfilm will be inspected for compliance and stored as a disaster backup at no cost.

4 DISPOSITION AFTER IMAGING: ARCHIVAL PAPER RECORDS

- 4.1 Do NOT destroy Archival paper records after scanning.
 - a. Departments can digitize paper records designated as Archival
 - b. However, departments MUST NOT destroy these paper records after scanning, even if the department is following the state law scanning requirements and this

policy.

4.2 Transferring Archival Paper Records to Washington State Archives.

- a. If departments are scanning archival paper records, they must notify the Public Records Officer, who will contact the Washington State Archives and arrange to appraise the paper records and possibly transfer them to the State collection.
- b. Do not simply send archival records to the State Archives without notifying the Public Records Officer or designee first and coordinating the possible.

4.3 Transferring the Imaged Records to Washington State Digital Archives.

- a. As part of the appraisal process, Washington State Digital Archives will also discuss with departments the possibility of transferring copies of the imaged records as well.
- b. Having the imaged copies not only facilitates easier access to the records, it also helps preserve the original paper records, which will no longer need to be handled as often by the State Archives.

4.4 Our practice will be to send to the Washington State Archives all files that they will accept (and in so doing, we will transfer custody and responsibility of preservation and retention to them).

4.5 Additional advice regarding the management of public records is available from:

Washington State Archives:

www.sos.wa.gov/archives

recordsmanagement@sos.wa.gov

SCAN & TOSS PROCEDURE

PURPOSE

To comply with state requirements when destroying paper-based source records after they have been converted to a digital format (digitized) by imaging (scanning). This “scan & toss” procedure is intended to help staff understand the minimum requirements Skagit Transit must meet to lawfully scan & toss records.

AUTHORITY

Washington State Records Retention Schedules

[RCW Chapter 40.14](#) – Preservation and Destruction of Public Records

[WAC Chapter 434-662](#) – Preservation of Electronic Records

[WAC Chapter 434-663](#) – Imaging Systems, Standards for Accuracy and Durability

The Public Records Officer (PRO) or their designee shall administer this policy.

DEFINITIONS

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- “Lawful destruction” – Items that may be destroyed upon expiration of the retention period per the Common Records Retention Schedule (CORE schedule) and the Transit Records Retention Schedule. Skagit Transit’s PRO will determine what records are sensitive in nature that require permanent destruction via shredding or appropriate methods.

1. HOW DO THE RECORDS NEED TO BE SCANNED?

- 1.1 Each record being digitized will undergo a systematic review process to verify that each page of the original record was captured and that:
 - a. The digital record has all pages of the original record. Perform a visual comparison of each imaged record and source document (e.g., turn each digitized page and compare it to each hard copy page or original record). We rely on human verification for confirmation.
 - b. No blank pages should exist in the digital record; and,
 - c. Ensure all pages are properly oriented in the final copy (e.g., pages that are oriented to a landscape layout should be rotated in the digital copy to be landscape and portrait pages should be oriented as such in the digital copy).
- 1.2 Examples of specific quality control procedures may include:
 - a. Enhancements or other manipulations of the scanned imaged records (such as de-skew, de-speckle, etc.) to improve the quality of the resulting imaged records.
 - b. Routine use of scanning targets to verify configuration settings.
 - c. Visual comparisons and inspections of each imaged record and source document, or of selected imaged records and source documents.
 - d. Regular testing of systems and scanners.
 - e. Periodic checks that the indexing/metadata is accurate and appropriate.
 - f. In instances where the source document cannot be captured completely and accurately, the imaged record should be labeled or tagged as "best scan possible."
 - g. If vendors are doing the imaging: vendors are to comply with the same requirements as above and must be approved by the Public Records Officer.
- 1.3 Imaged records **MUST** be protected against alteration, deletion, damage, or loss throughout the entire retention period. Specific protective measures may include, but are not limited to:
 - a. Establishment of security protocols, and approved administrators and users.
 - b. Employment of system checks and error-checking utilities.
 - c. Implementation of back-ups and disaster preparedness measures.
 - d. Cloud storage of a regular backup to enable recovery and access to the imaged records in the event of a widespread disaster or emergency.

2. FORMATTING REQUIREMENTS

- 2.1 There are some differences between the most commonly used formats. Formats are subject to changes and updates, and newer versions may not always be backwards compatible or be suitable for long-term preservation.

- 2.2 In consultation with the Washington State Digital Archives, Skagit Transit has adopted the following standards for document imaging, which meet or exceed the standards in WAC 434-663.

Type of Document	Density	File Type
Non-Archival Records: Black, Grayscale, Color all page sizes	300 dpi	Lossless PDF or PDF/A
Non-Archival Pictures and Images	N/A	Lossy GIF, PNG, JPEG
Archival: Black & White (Bitonal) & Grayscale (maps, engineering drawings, and other documents containing fine detail or poor contrast) larger than size 8.5” x 11”	600 dpi	TIFF Group 4
Archival: Color – all sizes	600 dpi	TIFF Group 5

- 2.3 For maps and photos included in meeting packets, 300 dpi PDF or PDF/A is accepted.

3 REQUIREMENTS FOR ORGANIZING, INDEXING, AND METADATA

- 3.1 Indexing is a way to attach metadata that facilitates access, retrieval, and management of information. Developing a consistent structure is key to managing and maintaining imaged records.
- 3.2 Each department should develop consistent naming conventions and file/directory structures to facilitate organization, identification, access, and retrieval for users. It is recommended that the Public Records Officer review all proposed naming conventions and file/directory structures for consistency.
- 3.3 Whenever dates are used in file names the format will be YYYY-MM-DD.
- 3.4 Each department is responsible for organizing their files to facilitate retention and where possible record destruction. This includes knowing how each record correlates to the Records Retention Schedule, its retention period and when it can be destroyed along with its DAN.



TO: Skagit Transit Board of Directors
FROM: Crystle Stidham, Chief Executive Officer
SUBJECT: Approve Revised Bylaws for Skagit Transit Board of Directors

INFORMATION:

The purpose of this report is to request formal approval from the Skagit Transit Board of Directors for the revised Skagit Transit Bylaws. The revisions, sent to the board on March 4, 2026, reflect necessary updates to ensure alignment with current governance best practices, statutory requirements, and the operational needs of the agency.

Skagit Transit's bylaws establish the governance framework for the Board of Directors, including structure, responsibilities, meeting procedures, and decision-making processes. Periodic review of these bylaws is essential to ensure they remain accurate, legally compliant, and reflective of the agency's evolving organizational environment.

Staff conducted a comprehensive review of the bylaws. This effort included:

- Evaluating consistency with applicable RCWs governing Public Transportation Benefit Areas
- Ensuring alignment with current Board practices and procedural expectations
- Updating language to reflect contemporary governance standards
- Clarifying sections where ambiguity previously existed
- Incorporating recommendations provided by legal counsel

The resulting document represents a modernization of the bylaws while preserving the existing intent and structure of Skagit Transit's governance model.

RECOMMENDATION:

Staff recommends the board approve the revised Skagit Transit Bylaws as presented.

BUDGET IMPACT:

None.



BY-LAWS OF THE SKAGIT COUNTY PUBLIC TRANSIT BENEFIT AREA



SKAGIT TRANSIT

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ARTICLE I. POWERS, PURPOSE, AND RESPONSIBILITIES

Section 1.1 Name

The name of the municipal Agency duly established pursuant to the laws of the State of Washington is SKAGIT TRANSIT SYSTEM hereinafter referred to as the "Agency". The interim offices of the Agency are located at 600 County Shop Lane, Burlington, Washington 98233.

Section 1.2 Powers, Purpose, and Responsibilities

By and in the corporate name, the Agency shall have and exercise all powers, functions, rights, and privileges now and hereafter given or granted, and shall be subject to all duties, obligations, liabilities, and limitations now and hereafter imposed upon municipal Agencies of the same class, by the Constitution and laws of the State of Washington, and shall have and exercise all other powers, functions, rights and privileges usually exercised by, or which are incidental to, or inherent in, municipal Agencies of like character and degree. The Agency shall have all powers possible to have under the Constitution and laws of the State of Washington.

ARTICLE II. THE GOVERNING BODY-BOARD COMPOSITION

Section 2.1 Board Composition

Subject to the provisions to RCW 36.57A.050, as it presently exists or as it may be in the future amended, the governing body of the Agency, hereinafter referred to as the "Board", shall consist of a board of nine (9) members, all of whom shall be elected officials selected by and serving at the pleasure of the governing bodies of the component cities within the boundaries of the Agency and County Commissioners of Skagit County ("County Commissioners") and one (1) non-voting member of the Public Transportation Benefit Area (PTBA) authority for a total of ten (10) members. The component cities are Mount Vernon, Burlington, Anacortes, and Sedro-Woolley. The non-voting member shall be recommended by the labor organization representing Skagit Transit employees and approved by the Board. If Skagit Transit employees are represented by more than one labor organization, all such labor organizations shall select the non-voting member by majority vote. The non-voting member shall comply with all governing by-laws and policies of the Board. The chair or co-chairs of the Board shall exclude the non-voting member from attending all executive sessions held for the purpose of discussing negotiations with labor organizations. The chair or co-chairs of the Board may, but is not required to, exclude the non-voting member from attending all other executive sessions. The membership of the Board shall consist of the following, or their appointees:

1. The Mayor of the City of Burlington
2. The Mayor of the City of Mount Vernon
3. The Mayor of the City of Anacortes
4. The Mayor of the City of Sedro-Woolley
5. One City Council Member from the City of Mount Vernon *and* one Council Member from the City of Sedro-Woolley on even years, beginning in 2026*.
6. One City Council Member from the City of Burlington *and* One City Council Member from the City of Anacortes on odd years, beginning in 2027*.
7. County Commissioner District 1

8. County Commissioner District 2
9. County Commissioner District 3
10. The labor organization representing Skagit Transit employees (non-voting member)

Section 2.2 Alternate Representatives

The component cities and the County Commissioners of Skagit County may appoint alternate members whose name(s) shall be forwarded to and kept on file with the Agency. An alternate member may serve on the Board in the event of the selected member's absence. Such alternate member shall also be an elected official selected by and serving at the pleasure of the respective Board member.

Section 2.3 Term of Office

Each member of the Board shall hold office until the completion of their term unless such person is legally ineligible to hold such position.

Section 2.4 Review of Board's Composition

Every four years, the Board shall meet to review the composition of the Board and change the composition of the Board if deemed appropriate. Any such conference and revisions to the Board shall conform to the requirements of Chapter 36.57A.055, Revised Code of Washington.

Section 2.5 Attendance of Board Members

It is recognized that attendance by the Board's designated alternative members is of prime public concern. Any Board member not able to attend a regularly scheduled meeting shall notify their alternate to attend and notify the Clerk of the Board.

ARTICLE III. DUTIES OF THE BOARD

Section 3.1 Duties of the Board

The Board of the Agency shall approve the policies and legislative direction for the Agency and its administrators, set strategies, ensure that the Agency is meeting its mission and serving the public interest, provide oversight to the Agency's operations and finances, and ensure that the Agency is in compliance with all state and federal laws. The Board may create such advisory boards as it finds necessary or advisable and may determine the powers and duties of each.

The Agency, upon Board approval, shall have the power to:

1. Subject to approval by the state agency so authorized in RCW 36.57A.070, review, adopt, and oversee a general comprehensive plan for public transportation service and future changes, thereto, which will best serve the residents of the PTBA boundaries and to amend said plan from time to time to meet changed conditions and requirement; and

2. Approve the Agency's acquisition by purchase, condemnation, gift or grant, and to lease, construct, add to, improve, replace, repair, maintain, operate, and regulate the use of transportation facilities and properties within or without the boundaries of the Agency or the State, including systems of surface, underground or overhead railways, tramways, buses, ferries or any other means of public transportation, and including escalators, moving sidewalks or other people-moving systems, passenger terminal and parking facilities and properties, and such other facilities and properties as may be necessary for passenger and vehicular access to and from such people-moving systems, terminals and parking facilities and properties, together with all lands, right of way, property equipment and accessories necessary for such systems and facilities. Public transportation facilities and properties, which are owned by any city or any other municipal Agency, may be acquired or used by the Agency only with the consent of the city council or legislative authority of the city or other municipal Agency owning such facilities.
 - a. The facilities and properties of the Agency's systems whose vehicles will operate primarily within the rights of way of public streets, roads, or highways, may be acquired, developed and operated without the corridor and design hearings which are required by RCW 35.58.273, as now or hereafter amended, for mass transit facilities operating on a separate right of way; and
3. Fix rates, tolls, fares, and charges for the use of such facilities and to establish various routes and classes of service; and
4. Employ legal counsel; and
5. Approve and adopt an annual budget; and
6. Audit the Agency's administrative affairs; and
7. Have all other powers which are necessary to carry out the purpose of the Agency as defined by law as it presently exists or as it may hereinafter amended, expressly including RCW 36.57A.080.

Section 3.2 Budget

The Board shall annually adopt a budget for the operation of the Agency. The budget shall be prepared in accordance with state laws and shall be made available to the public.

Section 3.3 Meetings and Meeting Notice

The Board shall hold regular meetings on the third Wednesday of every month at 11:00 am at the location approved by the Board. All meetings will also have a virtual option. Special meetings may be requested by the CEO, Chair, or by a majority of the Board. Notice of special meetings shall be provided to all Board members. All regular and special meetings and all Executive Sessions shall be conducted, and notices given thereof consistent with the Open Public Meetings Act (RCW 42.0).

Section 3.4 Quorum

At any regular or special meeting, any voting majority (5) of the Board present shall constitute a quorum for the transaction of business.

Section 3.5 Voting/Board Decisions

With the exception of the non-voting member, every member of the Board shall be entitled to one vote on all issues before the Board. All voting Board members present may vote or abstain; and abstention shall not be counted. The act of the majority of the members present at a meeting at which a quorum is present shall be the act of the Board unless a greater number is required by law. The majority vote must have at least three affirmative votes in order to be a Board decision. Any member may require that the vote of each member on a particular matter be recorded in the minutes, in which case a roll call will be taken.

Section 3.6 Parliamentary Procedure

This section shall govern the procedures to be followed by the Board for the conduct of Board meetings and the maintenance of order.

- a) **Open Public Meetings Act.** As previously set forth in Section 3.3, the Board shall comply with the provisions of the Open Public Meetings Act, Chapter 42.30 RCW, in the conduct of all meetings to which said act is applicable.
- b) **Executive Sessions.** The Board may discuss the matters specified in RCW 42.30.110, as now codified or hereafter amended in an executive session. No member of the Board, employee of the Agency, or any other person present during the executive sessions of the board shall disclose to any person the content or substance of any discussion which took place during said executive session, unless a majority of the Board shall authorize such disclosure.
- c) **Work Sessions.** The Board may, as it deems necessary, conduct work sessions for the purpose of in-depth review and discussion of specified issues. Final disposition shall not be taken at designated work sessions.
- d) **Voting Procedure and the Chair of the Board.** The Chair of the Board shall be a voting member.
- e) **Questions of Parliamentary Procedure.** Questions of parliamentary procedure not covered by these Rules shall be governed by Robert's Rules of Order, Revised (12th Edition, 2020). To the extent these Bylaws are inconsistent with Robert's Rules of Order, these Bylaws shall govern.
- f) **Parliamentarian.** The Chair shall act as the parliamentarian of the Board.

Section 3.7 Board Acting as a Body

The Board shall act as a body in making its decisions and announcing them. No member shall speak or act for the Board without prior authorization of the Board, except as otherwise provided for in these Bylaws.

Section 3.8 Records of the Board Meeting - Minutes

The proceedings of the Board meetings shall be recorded and maintained in the offices of the Agency. The minutes shall consist primarily of a record of the action taken. Prior to the adoption of the minutes, copies of the proposed minutes shall be forwarded to all Board members prior to the next regular meeting for their reference and/or correction. At the next regular meeting, the Board shall consider the minutes for adoption or necessary corrections.

Section 3.9 Committees

The Chairperson, with the approval of the Board, may form such standing or special committees as shall be necessary or appropriate.

- a) Standing Committees. The Board, acting as a whole, may form standing committees of the Board. Such standing committees shall be formed by action of the Board. Such resolution shall contain provisions for the specific purpose of the committee and its membership. However, in no event shall a standing committee membership constitute a quorum of the Board for the transaction of business, and the general purpose of such standing committees shall be to adopt recommendations of actions to the Board as a whole. Standing committees of the Board may contain citizen electors residing within the boundaries of Skagit County.
- b) The Chief Executive Officer (CEO) shall be an ex-officio, non-voting member of any or all standing or special committee.

Section 3.10 Ethics in Public Service

All Board members shall comply with all applicable provisions of Chapter 42.52 RCW, Ethics in Public Service.

ARTICLE IV. SELECTION AND DUTIES OF THE CHAIRPERSON AND VICE-CHAIRPERSONS

Section 4.1 Selection of Chairperson and Vice-Chairperson

The Board shall select a Chairperson and a Vice-Chairperson at the last meeting of the year. The Chairperson shall hold office until their successor is elected unless such person is legally ineligible to hold such position. Election of successors shall be deemed to occur at 12:01 a.m. of the day following the vote upon the question.

Section 4.2 Typical Duties of Chairpersons

The Chairperson shall preside over all meetings of the Board. In the event of the Chairperson's absence or inability to preside, the Vice-Chairperson shall assume the duties of presiding over the meetings of the Board; however, if the Chairperson is to be permanently unable to preside, the Board shall select a new Chairperson for the remainder of the Chairperson's term. In the event that the Vice-Chairperson is selected as the new Chairperson, then a new Vice-Chairperson shall be selected for the remainder of the vacated Vice Chairperson's term.

Section 4.3 Other Duties of Chairperson

The Chairperson shall act as spokesperson for the Agency and shall act as its representative at meetings with other organizations, committees, and other such activities unless such representation shall otherwise be authorized by the Board; provided however, the Chairperson may delegate to any Board member the duty of being spokesperson or representative. Such spokesperson or representative shall make no pronouncements that will obligate or commit the Agency except pursuant to prior authorization of the Board.

Section 4.4 Appointment of Acting CEO.

In the event that the CEO shall become unable to perform their duties for a period longer than 30 days, the Board shall appoint an acting CEO in accordance with the line of authority.

ARTICLE V. APPOINTED POSITIONS

Section 5.1 Clerk of the Board

The Board shall approve the Clerk of the Board, who need not be a member of the Board.

Section 5.2 Treasurer/Auditor

The Director of Finance, or such other person designated by the Board, shall serve as Treasurer/Auditor of the Agency and shall perform the functional duties prescribed in RCW 36.57A.130.

ARTICLE VI. GENERAL PROVISIONS

Section 6.1 Checks and Electronic Payments

All disbursements of the Agency, including Electronic Payments, shall be executed by the appropriate administrative director as per Board resolution or as otherwise directed by law. All requests for disbursements, whether by check or electronic means, shall be signed as directed by Board resolution.

Section 6.2 Notes

ACH notes or other evidence of Agency indebtedness, including bills, issued or incurred in the name of the Agency shall be signed by such officer, member, agent or employee of the Agency, and in such a manner as shall from time to time be determined by Board resolution.

Section 6.3 Other Legal Documents

In accordance with the Agency's Procurement Policy , the Board may authorize the CEO to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Agency and such authorization may be general or may be confined to specific instances. All written contractual obligations of the Agency, including, but not limited to, contracts, leases and assignments, are to be maintained by the Contracts and Procurements Administrator.

Section 6.4 Deposits

All funds of the Agency shall be deposited in the appropriate accounts established by resolution. The Director of Finance shall be custodian of the funds and is, subject to approval by Board resolution, authorized to invest such funds in the manner provided by law.

Section 6.5 Gifts

The Board may accept on behalf of the Agency any contribution, gift, or bequest (so long as conditions are consistent with State law), for any purpose of the Agency.

Section 6.6 Travel

Members of the Board, in order to conduct official business properly and fully, may travel and incur expenses. Agency members shall receive no reimbursement for travel or meals within Skagit County. Agency members will receive reimbursement for reasonable expenses incurred while engaged in official business out of the County in accordance with RCW 36.57A.050 and the adopted travel policy which applies to all Agency employees. Out-of-state travel by members will be authorized by the Chair subject to annual budget restraints.

ARTICLE VII. SEVERABILITY

If any provision of these Bylaws, or its application to any person or circumstance is held invalid, the remainder of these by-laws, or the application of the provisions to other persons or circumstances is not affected.

ARTICLE VIII. ENACTMENTS SUPERSEDED

These By-laws shall supersede such Board enactments, provisions, and constitutive authority as may be affected by these Bylaws. In the event that such conflicts may arise in the exercise, intent, or interpretation between these Bylaws and prior Board enactments, provisions and constitutive authority then these Bylaws shall have preference and authority over such other enactments, provisions, and constitutive procedures.

ARTICLE IX. PROTECTION OF BOARD MEMBERS, OFFICERS, AND EMPLOYEES FROM LIABILITY

Section 9.1 Goal

The Board members, officers and employees of the Agency serve the people of Skagit County as public servants. It would frustrate the purpose of the Agency if its Board members, officers or employees were subject to individual legal liability for actions taken on behalf of the Agency.

Section 9.2 Scope or Protection

Except as otherwise provided by state law, no Board member, officer or employee of the Agency shall be individually liable for any action taken in such capacity as provided in paragraph 9.3. Accordingly, and consistent with Section 9.1 above, the Agency shall defend and hold harmless all Board members, officers and employees of the Agency against whom a claim or suit may be brought by a third party. In the event such a suit is brought, the Agency shall pay the reasonable and necessary expenses actually incurred and connected with the defense, settlement, or monetary judgement, including costs, disbursements, and reasonable attorneys' fees arising out of any action, claim, or other proceeding within the standard of conduct referred to in paragraph 9.3 herein, and for which notice has been given pursuant to paragraph 9.4. The Board, excluding the member(s) involved in such claim or action, shall be the sole judge of the reasonable and necessary expenses to be borne by the Agency.

Section 9.3 Standard of Conduct

Protection shall be limited to any action, claim, or other proceeding threatened, pending, or instituted against any person who was, or is, at the time of the alleged conduct, an elected or

appointed Agency Board member, officer, or employee, and arising out of such person's performance, purported performance, or failure to perform in good faith the duties for, or employment with, the Agency.

Section 9.4 Notice

Any Board member, officer or employee against whom any action, claim, or other proceeding is threatened, pending, or instituted as provided in Section 9.3 above, shall provide written notice of such action, claim, or other proceeding to the Board Chair within ten days of being served with the notice of such action, claim or other proceeding.

Section 9.5 Insurance

The Agency, pursuant to RCW 36.16.138 and Chapter 48.62 RCW, as currently codified or hereafter amended, may contract for insurance coverage in order to carry out the provisions of this article.

Section 9.6 Non-waiver Provision

Through this article, the Agency seeks only to establish a formal mechanism to protect its Board members, officers and employees as stated above. The Agency does not waive any defenses or immunities to which its Board members, officers or employees may be entitled under the laws of the United States and the State of Washington.

ARTICLE X. AMENDMENTS

These Bylaws, as adopted by the Board of Skagit Transit System may be revised or amended at any regular or special meeting of the Board, with the provision that members receive copies of the proposed change(s) at least two (2) weeks prior to the meeting.

SIGNATURES

The foregoing amended Bylaws of the Skagit Transit System have been adopted by the majority of the total Board on the ____ day of _____, 2026.

Bill Aslett
Mayor, City of Burlington

Julia Johnson
Mayor, City of Sedro-Woolley

Peter Donovan
Mayor, City of Mount Vernon

Ron Wesen
Skagit County Commissioner, District 1

Peter Browning
Skagit County Commissioner, District 2

Joe Burns
Skagit County Commissioner, District 3

Carolyn Moulton
Councilperson, City of Anacortes

Paul Cocke
Councilperson, City of Sedro-Wooley

Hannah Oliver
Councilperson, City of Mount Vernon

Larissa Farrell
Skagit Transit Clerk of the Board

Crystle Stidham
Skagit Transit CEO

Dannon Traxler
Legal Counsel to Skagit Transit



TO: Skagit Transit Board of Directors
FROM: Crystle Stidham, Chief Executive Officer
SUBJECT: Approve Contract 25-065 Skagit Transit MOA2 Commissioning (Cx)

INFORMATION:

Commissioning (Cx) provides a professional oversight layer between the design and construction phases. By verifying that complex systems—such as HVAC, fueling, and electrical—are designed and installed correctly.

Strategic Scope of Work

- **Design Protection:** Audit of 100% design documents to embed strict performance targets into bid specifications, ensuring contractors are held accountable for system functionality.
- **Construction Oversight:** On-site verification of critical infrastructure (Fueling, HVAC, and Energy Metering) to ensure equipment matches Skagit Transit’s operational needs before final payment.
- **Functional Stress Testing:** Rigorous validation of system safety and fail-safes, including leak detection and emergency power sequences, prior to facility acceptance.
- **Post-Construction Optimization:** 12 months of transition support, including seasonal performance tuning and a 10-month warranty audit to capture deficiencies before contractor liability expires.

BUDGET IMPACT:

Design Phase: \$37,698 - WA-2022-010
Construction & Post Construction Phases \$201,322 - Build Grant
Total: \$239,020

RECOMMENDATION:

Staff recommends approval of Contract 25-065. Immediate commencement is required to finalize technical updates prior to the bid release, ensuring project stability and reducing the risk of future change orders.



TITLE: MOA2 Commissioning Agent for Phase 2 and 3

TERM: Expires on 3 January, 2029. Optional time extensions shall be initiated by Skagit Transit by way of written amendment and signed by both parties according to the Sourcewell Contract’s terms and conditions.

PARTIES:

SKAGIT TRANSIT SYSTEM (SKAGIT TRANSIT)

600 County Shop Lane, Burlington, WA 98233

Phone: 360-757-8801 / Fax: 360-757-8019

Contacts: **Seeley Mullins:** smullins@skagittransit.org

McKINSTRY ESSENTION LLC (CONTRACTOR)

5005 Third Avenue South, Seattle, WA 98134

Phone: 317-407-9513 / 707-326-0498

Contacts: **Paul Reinken:** paul@mckinstry.com

Justin Lee: justinle@mckinstry.com

USE OF SOURCEWELL MASTER CONTRACT:

Skagit Transit is procuring the goods/services described herein under Sourcewell Master Contract No. 102424 (“Sourcewell Contract”). Sourcewell conducted a full and open competitive procurement in accordance with RCW 39.26, and Skagit Transit is authorized to use this master Sourcewell Contract as an eligible purchaser.

By making this purchase through the Sourcewell Contract, Skagit Transit affirms that it is forgoing its own competitive process and relying on Sourcewell’s competitive procurement and contract award.

The Contractor agrees that all pricing, specifications, and terms are those established under the DES Contract unless otherwise expressly modified in this Contract 25-065.

THIS CONTRACT (“Contract”) is made and entered into as of the date of last signature by both Parties (“Effective Date”), by and between the SKAGIT TRANSIT SYSTEM, a Washington municipal corporation, (“Skagit Transit”), and McKINSTRY (“Contractor”) for the purpose of MOA2 Commissioning Agent for Phase 2 and 3, as further defined, herein. Skagit Transit and Contractor may be referred to herein individually as a “Party” or collectively as the “Parties.”

In consideration of the terms, conditions, covenants, and performance contained herein, the Parties agree as follows:

- Contract Documents:** This Contract; The entire solicitation titled RFQ 25-065; Contractor’s submitted Proposal and any supplemental items, as accepted by Skagit Transit; All Addenda issued prior to and all modifications issued after execution of this Contract, constitute the Contract Documents and are complementary. These forms, the Contract and all are as fully a part of the Contract as if attached hereto or repeated herein. In the event of any conflict, the terms of this Contract shall govern over the Contractor’s Proposal or Quote.
- Performance:** Upon Contract execution (Effective Date), the Contractor agrees to provide services for MOA2 Commissioning Agent for Phase 2 and 3 in accordance with, and as described in Exhibit A, Scope of Work and shall continue in good faith and effort for the entirety of the initial Contract Term, unless sooner terminated in accordance with this Agreement.

3. **Payment:** Contract Prices are set forth on the Contractor's submitted Proposal Form attached hereto as Exhibit B ("Price Attachment"). Skagit Transit shall pay the Contractor directly in current U.S. funds on a monthly basis or as otherwise agreed upon for all services rendered. Contract is not to exceed \$239,020 in total, unless otherwise adjusted by an amendment to this Contract, executed in writing by both Parties.
4. **Complete Agreement:** The parties accept that this Contract is the complete expression of the terms hereto and any oral representation or understandings not incorporated herein are excluded. Further, any modification of the Contract shall be in writing and signed by both parties. Failure to comply with any of the provisions stated herein shall constitute material breach of contract and cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. The parties also agree that the forgiveness of the non-performance of any provision of this Contract does not constitute a waiver of all other provisions of this Contract.

1.00 ADDITIONS OR DELETIONS

Skagit Transit reserves the right to add or delete items or locations, as determined to be in its best interest, provided such items or locations are related to those on Contract and will not represent a significant increase or decrease in size or scope of the Contract. Such additions or deletions will be by mutual agreement, will be at prices consistent with the original Proposal, and will be evidenced by issuance of a written contract Amendment in accordance with Article 6.00 provisions below.

2.00 ASSIGNMENT

A) This Contract shall be binding on the Parties and their successors and assignees. Contractor shall not assign its obligations, monies payable, transfer any interest, or subcontract the work provided under this Contract without prior written notification to Skagit Transit and express written consent by Skagit Transit. Any potential assignee shall assume all obligations of the Contractor under this Contract and shall be jointly and severally liable with the Contractor for performance of all terms, covenants and conditions of this Contract. Contractor shall be responsible to ensure that all contract requirements flow down to any approved subcontractors.

3.00 COMPLIANCE WITH LAWS AND REGULATIONS

- A) **General Requirement:** Contractor will at all times, at its sole cost and expense, comply with all applicable federal, State and local laws, ordinances, regulations, orders, and codes within regards to all matters of its business operation and to performance of the Work and services under this Contract. Should the Contractor be determine to be in violation of federal, State, or local laws or regulations, Skagit Transit reserves the right to modify its initial determination of responsibility at the time of award and take other action as determined appropriate, including but not limited to, terminating the Contract.
- B) **Registration:** The laws of the State of Washington require that the firm must be registered in the State of Washington. Out-of-state corporations must secure authority from the Secretary of State to transact business in the State of Washington. Accordingly, before Skagit Transit can enter into a contract with an Out-of-state or foreign corporation, such entity must comply with Washington's corporation laws. Information and application forms relative thereto may be obtained from the Corporations Division, Office of the Secretary of State, PO Box 40234, Olympia, Washington 98504. The Corporate Information Line is (360) 725-0377 or e-mail at corps@sos.wa.gov.
- C) **Licenses, Permits and Similar Authorizations:** Contractor, at no expense to Skagit Transit, shall secure and maintain in full force and effect during the term of this Contract all required licenses, permits, fees, bonds, inspection fees, and similar legal authorizations for performance under the Contract. It is Contractor's sole responsibility to monitor and determine any changes or the enactment of any subsequent regulations for said fees, assessments, or charges and to immediately comply with all related requirements. If for any reason Contractor's required licenses or certificates are terminated, suspended, revoked or in any manner modified from their status at the time this Contract becomes effective, Contractor shall notify Skagit Transit immediately of such condition in writing.
- D) **Taxes:** If applicable, Contractor shall be responsible for adding sales tax to amounts due under the Contract and making payment of sales tax to the State of Washington. All other taxes required by statute or regulation are the sole responsibility of the Contractor.

- E) **Wage and Hours Laws:** Contractor shall comply with all applicable provisions of the Fair Labor Standards Act (FLSA) and all other legislation affecting its employees and the rules and regulations issued thereunder insofar as applicable to its employees and shall, at all times, save Skagit Transit free, clear and harmless from all actions, claims and expenses arising out of said Act and rules and regulations that are or may be promulgated in connection herewith.

4.00 CONFLICTS OF INTEREST, GIFTS AND CONTEMPORANEOUS EMPLOYMENT

- A) Within regard to contract performance, Contractor affirms that it has no direct or indirect pecuniary or proprietary interest, and that it shall not acquire any such interest which conflicts in any manner or degree with the Contract work or services, and that it shall not employ any person or agent having such interest. In the event Contractor or its agents, employees, or representatives acquire such a conflict of interest, Contractor shall immediately disclose such interest to Skagit Transit and take immediate action to eliminate the conflict or to withdraw from the Contract as Skagit Transit may require.
- B) No current or former Skagit Transit officer, employee, agent, Board member or family member of same have or acquire any personal interest in the Contractor's bid or Proposal; or shall have solicited, accepted or granted a present or future gift, favor, service, or other thing of intrinsic value from or to any person involved in the solicitation, and no such gratuities shall be offered or given by the Contractor or any of its agents, employees or representatives, to any official, member or employee of Skagit Transit or other governmental agency with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the award or performance of this Contract. Use of one's position in a manner that constitutes a real or apparent personal or organizational conflict of interest or personal gain is strictly prohibited (FTA Cir 9030.1E).
- C) **Organizational Conflicts of Interest:** An organizational conflict of interest is a situation in which, because of other activities, relationships, or contracts, a contractor or subcontractor is unable, or potentially unable, to render impartial assistance or advice to Skagit Transit; a contractor's objectivity in performing the contract work is or might be otherwise impaired; or a contractor has an unfair competitive advantage. Skagit Transit will evaluate future procurements related to this Contract to determine if there is an organizational conflict of interest. If an organizational conflict of interest exists, Skagit Transit may prohibit the Contractor and any of its subcontractors from participating in such related procurements/projects.

5.00 CONFLICT AND SEVERABILITY

- A) In the event of a conflict between the solicitation documents and the terms and conditions of the Contract, Skagit Transit, in its sole authority, shall determine which requirement shall apply and be considered the legally binding requirement. In the event of conflict between the Contract Documents in their entirety and applicable laws, codes, ordinances or regulations, the most stringent or legally binding requirement shall govern and be considered a part of this Contract.
- B) In the event that any provision, portion, or application of this Contract is held to be unenforceable or invalid by any court of competent jurisdiction, Skagit Transit and Contractor shall negotiate an equitable adjustment in the provision of this Contract with a view toward effecting the purpose of this Contract and the validity and enforceability of the remaining provisions, or portions of applications thereof, shall not be affected thereby. Any provision of the Contract Documents found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Contract.

6.00 CONTRACT MODIFICATIONS

- A) No alterations or variation of any of the terms, conditions, prices, quantities, or specifications of this Contract shall be effective without prior written consent of Skagit Transit. Oral changes, amendments or agreements are not permitted.
- B) Prior to becoming a contract modification, all changes must be prepared as a written Contract Amendment to be signed by both Parties. Only Skagit Transit's Contracts Representative shall have the express,

implied, or apparent authority to alter, amend, modify, add, or waive any section or condition of this Contract on behalf of Skagit Transit.

- C) When it is advantageous or necessary to modify the Contract, either Party may initiate a Change Request to the other in writing. Within ten (10) calendar days after receipt from Skagit Transit of any written change request, Contractor shall submit a detailed price schedule proposal for the work to be performed, if required, and notification of modifications of other provisions of the Contract which may be required as a result of the change.

Any change exceeding twenty percent (25%) of the Contract Amount is considered a “Cardinal Change” and will not be permitted. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this Contract titled “Disputes” (Article 12.00); however, nothing in this clause shall excuse the Contractor from proceeding with the Contract as changed.

7.00 COPYRIGHTS / PATENTS

- A) Contractor is responsible for paying all license fees, royalties or the costs of defending claims for the infringement of any copyrighted, patented or unpatented invention, design, process, method, artwork, or article manufactured or used in performing this Contract or with the completed Work. Contractor and its sureties shall indemnify and hold Skagit Transit and its officers, agents and employees harmless against any and all demands made for such fees, royalties or claims brought or made by the holder of any invention, design, copyright or patent. Before final payment is made on the account of this Contract, Contractor shall, if requested by Skagit Transit, furnish acceptable proof of a proper release from all such fees or claims.
- B) Should the Contractor, its agents, servants or employees, or any of them be enjoined from furnishing or using any invention, design, article, equipment, art, music, computer program, or material covered by letters, patents, or copyright, provided or required to be provided or used under the Contract, the Contractor shall notify Skagit Transit in writing and promptly substitute other designs, articles, equipment, art, music, computer programs or materials in lieu thereof of equal efficiency, quality, finish, suitability and market value, and satisfactory in all respects to Skagit Transit. It is mutually agreed and understood without exception that the Contract Prices shall include all royalties or costs arising from the use of such invention, design, article, equipment, art, music, computer program, or material in any way involved in the performance of this Contract.

8.00 DEBARMENT AND SUSPENSION

In order to conduct business with Skagit Transit, Contractor shall not be debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or State department or agency, or from submitting a bid or proposal on any public contract, and shall not be presently indicted for, or otherwise criminally or civilly charged by, a governmental entity (federal, State or local) with commission of any of the offenses listed herein. Within a three (3) year period preceding this proposal, Contractor shall not have been convicted of or had a civil judgment rendered against them for: Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State or local) transaction or contract; Violation of federal or State anti-trust statutes; Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; or had one or more public transactions (federal, State or local) terminated for cause or default. If it is later determined that the Contractor knowingly rendered an erroneous certification under the Affidavit submitted with its proposal or failed to notify Skagit Transit immediately of circumstances which made the original certification no longer valid, Skagit Transit may immediately terminate the Contract.

9.00 DELIVERY

All work or services must be made in accordance with the Contract Documents. For any exception, Contractor shall give Skagit Transit immediate notice of its inability to meet a scheduled date and provide the reason, expected length of the delay, and a written recovery schedule where applicable. Acceptance of the late service shall not waive the remaining schedule or relieve the Contractor of its obligation to make future scheduled service.

Contractor shall make every effort to avoid or minimize delays to the maximum extent practicable. Any additional costs resulting from a delay caused by the Contractor shall be borne solely by the Contractor.

10.00 DESIGNATED EMPLOYEES

All work shall be performed by the Contractor, its employees, agents, representatives, or by authorized subcontractors. NO other individual shall perform the contract work without the prior written consent of Skagit Transit.

11.00 DETERMINATION OF RESPONSIBILITY

Should the Contractor be determined to be in violation of federal, State, or local laws or regulations, Skagit Transit reserves the right to modify its initial determination of responsibility at the time of award and take other action as determined appropriate, including but not limited to termination of the Contract.

12.00 DISPUTES

- A) **Decision of the Chief Executive Officer:** Except for bid protest, any dispute concerning a question of fact or arising in the performance under this Contract which is not resolved by agreement of the Parties shall be decided in writing by Skagit Transit's Chief Executive Officer. Claims include, without limitation, controversies arising under the Contract, and those based upon breach of contract, mistake, misrepresentation, or other cause for contract modification or revision. The decision of the Chief Executive Officer shall be promptly issued in writing and shall be immediately mailed or otherwise furnished to the Contractor. The decision shall state the reason(s) for the decision reached and shall inform the Contractor of its appeal rights under Part C below. If the Chief Executive Officer does not issue a written decision regarding any contract controversy within seven (7) calendar days after Contractor's written request for a final decision, or within such longer period as may be agreed upon between the Parties, then the aggrieved Party may proceed as if an adverse decision had been received. The Chief Executive Officer's decision shall be final and conclusive unless, within seven (7) calendar days from the date of receipt of the decision, Contractor mails or otherwise delivers a written appeal to the Skagit Transit Board of Directors. Contractor's failure to timely submit a dispute against the Chief Executive Officer's decision shall waive any relief that might otherwise be due with respect to such dispute.
- B) **Performance during Dispute:** Pending final resolution of a dispute, Contractor shall proceed diligently with the performance of the Contract and in accordance with the Chief Executive Officer's decision.
- C) **Appeals:** Contractor may appeal the Chief Executive Officer's decision to the Skagit Transit Board of Directors by submitting a written Notice of Appeal to the Skagit Transit Board Chairperson within seven (7) calendar days of receipt of the Chief Executive Officer, or designee's, decision. The Chief Executive Officer, or designee's, decision shall be deemed received within three (3) days, exclusive of Sundays and holidays, of the date of posting of the decision or sooner in the event of actual receipt of personal service or fax confirmation. The appeal shall be based solely upon the record before the Chief Executive Officer, or designee. A three-member committee of the Skagit Transit Board, as appointed by the Board, shall decide the appeal. Written argument must be submitted to the committee. The committee may affirm or reverse the decision of the Chief Executive Officer, or designee, or reverse the decision in part. The decision of the committee shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, so grossly erroneous as to constitute bad faith, or not supported by substantial evidence. No action challenging such decision shall be brought more than one year from the date of the Contractor's receipt of such decision.
- D) **Rights and Remedies:** The duties and obligations imposed by the Contract Documents and the rights and remedies herein shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by Skagit Transit or Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing. All claims, counterclaims, disputes and other matters in question between Skagit Transit and Contractor arising out of or relating to this Contract or its breach will be decided by mediation if the Parties mutually agree, or in a court of competent jurisdiction within Skagit County, State of Washington.

Either Party may request in writing that a dispute be submitted to mediation. Absent an agreement to a mediator, the mediation shall be conducted by Judicial Dispute Resolution (JDR) located in Skagit County, Washington. The Parties shall be equally responsible for the cost of any mediation. Mediation is optional and neither Party is compelled to participate.

- E) This "dispute" clause does not preclude consideration of law questions in connection with decisions provided for in the paragraphs above; provided that nothing in this Contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

13.00 EMERGENCY, DISASTERS AND FORCE MAJEURE

- A) **Force Majeure Definition:** The term "Force Majeure" means an occurrence that is beyond the control of the Party affected and could not have been avoided by exercising reasonable diligence. Force Majeure shall include acts of nature, war, riots, strikes, fire, floods, epidemics, or other similar occurrences. Except for payment of sums due, neither Party shall be liable to the other or deemed in default under this Contract if and to the extent that such Party's performance of this Contract is prevented by reason of Force Majeure. In the event Contractor is unable to meet delivery or performance requirements due to circumstances beyond its reasonable control, Contractor agrees to make such delivery or performance as soon as practicable or shall immediately assist Skagit Transit in whatever reasonable manner to gain access to such goods or services or offer limited substitutions for consideration.
- B) **Notification:** If either Party is delayed by Force Majeure, said Party shall provide written notification to the other within forty-eight (48) hours. The notification shall provide evidence of the Force Majeure to the satisfaction of the other Party. Such delay shall cease as soon as practicable and written notification of same shall be provided. The time of completion shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevented the delayed Party from performing in accordance with this Contract.
- C) **Rights Reserved:** Skagit Transit reserves the right to cancel the Contract and/or purchase materials, equipment or services from the best available source during the time of Force Majeure and Contractor shall have no recourse against Skagit Transit.

14.00 ENFORCEMENT COSTS

In the event of litigation between the Parties hereto, declaratory or otherwise, for the enforcement of this Contract, or as a result of this Contract in any way, the prevailing Party shall be entitled to recover from the other Party, its reasonable attorney fees and other costs incurred in such action or proceeding. In the event that the Parties engage in arbitration, mediation or any other Alternative Dispute Resolution (ADR) forum to resolve a dispute in lieu of litigation, both Parties shall share equally in the cost of the ADR method, including cost of mediator or arbitrator. The prevailing Party shall be entitled to an award of costs and attorneys fees.

15.00 ERRORS AND OMISSIONS

If, at any time during the performance of this Contract, Contractor becomes aware of any errors, omissions, discrepancies and actual or potential problems between the Contract Documents and any federal, State or local law, rule, or regulation, Contractor shall give immediate written notice thereof to Skagit Transit's Contracts Representative. Until such written notification has been given and one business day has elapsed, any services performed by Contractor after such discovery will be done at Contractor's risk.

16.00 INDEMNIFICATION, HOLD HARMLESS AND STATUS

To the extent permitted by law, the Contractor shall specifically and expressly defend, indemnify, and hold harmless, Skagit Transit, its officers, agents, and employees at its own expense from and against any and all suits, claims by the employees of the Contractor, arising out of and in connection with the performance of the Contract as a result of Contractor's own acts or omissions. Contractor agrees that Skagit Transit is entitled to select and appoint its own counsel for defense of any suit, claim or action subject to the defense and indemnity provision herein. If such suits, claims, action losses, costs penalties, and damages are caused by or result from the

concurrent negligence of the Contractor and Skagit Transit, then this defense and indemnity provision shall be valid and enforceable only to the extent of the Contractor's negligence. In instances of alleged concurrent negligence, Contractor shall provide a defense to Skagit Transit pending the final determination of Contractor's and Skagit Transit proportionate share of negligence, if any. Further, Contractor shall not be required to hold Skagit Transit harmless or defend Skagit Transit, its officers, agents and employees from any and all suits, claims, actions, losses, costs, penalties, and damages arising from the sole negligence of Skagit Transit, its officers, agents, and employees. This indemnification obligation shall include, but is not limited to, all claims brought against Skagit Transit by an employee or former employee of the Contractor.

The indemnification provided herein shall apply to and require each Party to defend, indemnify and hold harmless the other Party for claims brought by an employee of one Party against the other Party if said claims are alleged to have arisen from the alleged negligent actions or omissions of the employee's employer, and in such case, the Contractor and Skagit Transit, with respect to each other only, waive and will not assert against each other, any immunity under Washington State Industrial Insurance Act (RCW Title 51). This waiver is limited to actions by and between the Contractor and Skagit Transit only and does not extend to the employees of either Party. The Contractor and Skagit Transit expressly do not waive their immunity against claims brought by their own employees.

This Defense and Indemnification provision shall survive the Contract Term.

17.00 INSPECTION

Contractor shall provide and maintain an inspection system acceptable to Skagit Transit covering the services under this Contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to Skagit Transit during contract performance and for as long afterwards as the Contract requires. Skagit Transit has the right to inspect and test all services called for by the Contract to the extent practicable at all places and times during the term of the Contract. Skagit Transit shall perform inspections and tests in a manner that will not unduly delay the Work. Skagit Transit's inspection of all materials, equipment or services shall not be construed as Final Acceptance or as acceptance of the materials, equipment or services if such does not conform to contractual requirements.

18.00 INSURANCE REQUIREMENTS

- A) Contractor, at its sole expense and for the duration of the Contract, will purchase and maintain all insurance described herein from insurers licensed to conduct business in the State of Washington (or issued as a surplus line by a Washington Surplus lines broker) and approved by the State Insurance Commissioner pursuant to RCW Title 48. Insurers must have a minimum rating of A- and a financial rating of Class VII or higher in the most recently published edition of the A.M. Best's Key Rating Guide. The insurance shall protect Skagit Transit against any and all claims for damages to persons or property arising under Contract performance whether by reason of acts or omissions of the Contractor or anyone directly or indirectly employed by the Contractor, and shall hold Skagit Transit harmless for any claims presented to it as a result of the Contractor's negligence.
- B) All costs for insurance shall be incidental to and included in the Cost Proposal and no additional payment will be made by Skagit Transit. Policies shall be endorsed and will not be canceled, materially changed or altered without thirty (30) days' prior written notice submitted to the Skagit Transit Risk Manager. Any exclusion must be pre-approved by the Risk Manager.
- C) **Primary Coverage:** Contractor's insurance afforded herein shall be primary insurance and any insurance or self-insurance maintained by Skagit Transit shall be considered excess coverage and not contributory insurance to that provided by the Contractor. Contractor's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.
- D) **Subcontractors:** Contractor shall include all subcontractors, regardless of tier, as insured under all insurance policies required herein, or shall furnish separate certificates of insurance and endorsements for each subcontractor. Subcontractor providing their own coverage will also name Skagit Transit as an

Additional Insured on their General Liability insurance policies and such a copy will be provided to Skagit Transit. Failure of subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

- E) **Evidence of Insurance:** Prior to any performance under this Contract, Contractor will provide Skagit Transit an ACORD Certificate of Insurance, attached as Exhibit C, and any schedule of underlying policies for Skagit Transit's approval within ten (10) calendar days of Contract Award, unless otherwise specified. If the Contract is executed, no payment will be due until all insurance certificates are furnished. Skagit Transit reserves the right to request a certified duplicate original of the policy or policies at any time.
- F) **Minimum Scope and Limits of Insurance:** Coverage listed below is the minimum to be provided and not limitations of liability under the Contract, indemnification, or applicable law provisions. Skagit Transit shall not be deemed or construed to have assessed the risks that may be applicable to Contractor under this Contract. Contractor shall assess its own risks and may, at its expense, purchase greater limits and broader coverage. Coverage for each policy period shall be at least as broad as the following:
- (1) **Commercial General Liability:** One Million Dollars (\$1,000,000) per occurrence for Bodily Injury and Property Damage, including Personal Injury/Advertising Liability; Premise and Operations; Contractual Liability; Protective Liability; Products and Completed Operations; and a general aggregate limit of at least Two Million Dollars (\$2,000,000). This protection may be a CGL policy or any combination of primary, umbrella or excess liability coverage affording total liability limits of not less than \$2,000,000.00.
 - (2) **Commercial Automobile Liability:** One Million Dollars (\$1,000,000) per occurrence Combined Single Limit for Bodily Injury and Property Damage for all owned, non-owned, and hired or rented vehicles assigned to or used in the performance of work or services under this Contract.
 - (3) **Employer's Liability and Workers' Compensation:** Workers' Compensation shall be provided in the State Statutory Limits and Employer's Liability coverage of not less than One Million Dollars (\$1,000,000) per occurrence. If Contractor is not eligible for Worker's Compensation Insurance, it shall indemnify and hold Skagit Transit harmless for any claims presented to it solely as a result of the Contractor's actions. Contractor specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW.
 - (4) **Additional Insured Endorsement:** Skagit Transit shall be named as Additional Insured on both Commercial General Liability and Comprehensive Auto Liability policy, irrespective of whether such limits maintained by the Contractor are greater than those required by this Contract, and irrespective of whether the Certificate of Insurance provided by the Contractor describes lower limits than those maintained by the Contractor.

Language such as the following will be used in the description area of the ACORD Certificate: "SKAGIT TRANSIT, ITS OFFICERS, AGENTS, AND EMPLOYEES ARE NAMED ADDITIONAL INSURED AS RESPECTS TO CONTRACT 25-065."

- (5) **Errors and Omissions Endorsement:** For all errors and omissions for which the insured is held legally liable.
- G) **Excess Liability:** Coverage in the minimum amounts set forth above shall not be construed to relieve the Contractor from liability in excess of such limits. Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained with this provision shall affect and/or alter the application of any other provision contained with this Contract.
- H) **Failure of Coverage:** Contractor's failure to fully comply with these insurance requirements during the term of the Contract shall be considered a material breach of contract upon which Skagit Transit may, after giving five (5) business days written notice to Contractor to correct the breach, immediately terminate the Contract; or at its discretion, alternatively procure and maintain in the name of the Contractor and at the Contractor's sole expense, such types of insurance to the extent deemed proper up to the amount of the

required coverage(s). Skagit Transit may offset the cost of such insurance against payment due to the Contractor under the Contract. If Skagit Transit is damaged by the failure of the Contractor to maintain any of these insurance requirements, or to so notify Skagit Transit, then the Contractor shall bear all costs attributable thereto. Suspension or termination of this Contract shall not relieve Contractor from its insurance obligations hereunder.

- I) **Cancellation:** In the event of cancellation, non-renewal, revocation, or other termination of any insurance coverage required by this Contract, Contractor shall provide written notice of such to Skagit Transit within one (1) business day of Contractor's receipt of such notice.
- J) **Attorney Fees:** If a lawsuit in respect to this insurance provision ensues and the amount of the liability claimed exceeds the amount of insurance coverage, Contractor shall authorize representatives of Skagit Transit to collaborate with counsel for the insurance carrier, if any, in settling or defending such claim. Contractor shall appear and defend that lawsuit at its own cost and expense, and if judgment is rendered or settlement made requiring payment of damages by Skagit Transit, its officers, agents, and employees, Contractor shall pay the same.
- K) **Rights of Subrogation:** Skagit Transit reserves and retains its rights of subrogation and shall further have the right, at its election and expense, to pursue collection and recovery from any and all responsible third parties. Contractor shall cooperate with Skagit Transit in such recovery and collection and shall make its records and personnel available. As to an accident or incident to which this paragraph is applicable, any and all sums so recovered by Skagit Transit as provided hereunder, after deduction only of court costs, shall be reimbursed to Contractor. The pendency of any collection efforts against third parties, including litigation, shall in no way delay or diminish the obligation of Contractor to promptly remit the sums due to Skagit Transit under the provisions of this subpart.

19.00 JURISDICTION LAWS AND VENUE

This Contract shall be governed in all respects by the laws of the State of Washington and authorities having jurisdiction over the Contract work will be deemed to be included in the Contract the same as though herein written out in full. The jurisdiction for any action hereunder shall be exclusively brought in the Superior Court for Skagit County in the State of Washington.

20.00 LIENS, CLAIMS AND ENCUMBRANCES

All materials, equipment, or services performed or delivered by Contractor shall be free of all liens, claims, or encumbrances of any kind.

21.00 NON-DISCRIMINATION

- A) Skagit Transit is an Equal Opportunity Employer. With respect to performance under this Contract, Contractor shall take such action as may be required to ensure full compliance with Chapter 49.60 RCW, Discrimination and Title VI of the Civil Rights Act of 1964. Contractor shall not discriminate against any client, employee, or applicant for employment or for services because of race, creed, color, national origin, marital status, sex, age, Vietnam-era veteran status, disabled veteran status, income level, or disability; or the presence of any sensory, mental or physical handicap except for a bona fide occupational qualification with regard to, but not limited to the following: Employment upgrading, demotion or transfer, recruitment or any recruitment advertising, layoffs or terminations, rates of pay or other forms of compensation, selection for training, rendition of services.
- B) In all solicitations made by the Contractor for work to be performed under subcontract, including procurements of goods or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of its obligations under this Contract and the regulations relative to non-discrimination. Said assignment or subcontract shall include appropriate safeguards against discrimination, unless exempt by the regulations or directives issued pursuant thereto.

- C) In the event of breach of any of the above non-discrimination covenants, Skagit Transit shall have the right to terminate the Contract and hold the same as if said Contract had never been made or issued. Furthermore, Skagit Transit may bar the Contractor from performing any services for Skagit Transit now, or in the future, unless a showing is made satisfactorily to Skagit Transit that discriminatory practices have terminated, and that recurrence of such action is unlikely.

22.00 CONTRACT RENEWAL

At the end of the initial Contract Term, **ending on 3 January 2029**, and for each successive term extension provided under the Contract, the Parties may negotiate to extend the Contract for one additional year. Such negotiations shall begin no later than 60 days prior to the end of the current term. If Contractor chooses not to renew a Contract Term, it must give Skagit Transit at least 90 days advance written notice prior to the expiration date of the current term. For Contract Extensions, prices shall be based upon the proposal within the Price Attachment.

23.00 PAYMENT

- A) All payments under this Contract are considered reimbursement for goods delivered and services rendered. **Pre-payments are not permitted.** If applicable, Contractor and its subcontractors shall have a business license with the City having jurisdiction over the Contract Work *prior to* any Work beginning under the Contract. Failure to provide proof of a business license may delay payment of invoices.
- B) **Pay Requests:** A request for payment is to be submitted with detailed documentation of the work or service completed in accordance with the Contract. Each pay request must contain the following minimum information: 1) Contract name or number; 2) Skagit Transit's customer account number; 3) Invoice number; 4) Date of invoice; 5) Payment due date; 6) Date of service and brief description of work completed; 7) Quantity and unit measure of items purchased; 8) Price per item; 9) Extended price; 10) Subtotal; 11) State sales tax; 12) Total purchase amount. This list is not necessarily all-inclusive. Any supporting paperwork associated with a particular invoice must reference the same identifying number. For example, work orders, receiving documents, delivery tickets, etc. and the final invoice must all bear a corresponding number that links the paperwork together. Failure to comply with these requirements may delay payment.
- C) **Special Orders:** Projects completed from a Work Order Request (WOR) shall be invoiced separately from standard services under the Contract. At a minimum, Contractor shall provide the hours spent performing such work; the hourly rate and materials rate specified on the Contractor's Proposal Form, Exhibit B, except as may be modified by written Amendment; and any reimbursable costs and expenses incurred in connection with such work.
- D) **Approval of Invoices:** Prior to approval of payment, the Skagit Transit Project Manager shall make verification of work performed or items received. Payment shall be based upon the Contractor's prices submitted on the Proposal Form, Exhibit B, except as may be modified by written Amendment.
- E) **Invoices shall be submitted to:** Skagit Transit, Accounts Payable, 600 County Shop Lane, Burlington, WA 98233 for all transactions made as soon as practicable after the service was performed or items were delivered rather than on a monthly basis.
- F) **Payment:** Will be made by Skagit Transit to the Contractor within thirty (30) days after acceptance and approval of invoices by Skagit Transit. Acceptance of such payment by Contractor shall constitute full compensation for all supervision, labor, supplies, materials, work, equipment and the use thereof, and for all other necessary expenses, incurred by the Contractor for the time period specified on the invoice.
- G) **Payment does not imply acceptance of Work:** The granting of any progress payment or payments by Skagit Transit, or the receipt thereof by Contractor, shall not constitute acceptance of the Work or service, or any portion thereof, and shall in no way lessen the liability of the Contractor to remedy defective work, materials, equipment or service which does not conform to the Contract Documents, though the character of such Work may not have been apparent or detected at the time such payment was made. Payment does not

waive Skagit Transit's right to reject defective or non-conforming Work, materials, equipment or service even though the same is covered by the payment, nor is it a waiver of any other rights of Skagit Transit.

24.00 PERFORMANCE STANDARDS

- A) As used in this Article, the word "*service(s)*" includes all services performed, workmanship, and materials or products furnished or used in performing services. Contractor shall comply with recognized quality industry service standards as applicable. All references to standards, whether for delivery of goods, processes, assemblies, workmanship, performance, or similar purposes shall mean, unless otherwise noted, the most recently available published version of such standard. When reference is made to standards, the standards are to be made a part of this Contract and to have the same effect as if fully reproduced herein.
- B) Contractor shall provide and maintain an inspection system acceptable to Skagit Transit covering the services under this Contract. Complete records of all inspection work performed by the Contractor shall be made available to Skagit Transit during contract performance and for as long afterwards as the contract requires.
- C) Skagit Transit reserves the right to inspect all goods and services called for by the Contract to the extent practicable at all places and times during the term of the Contract. Inspection shall be performed in a manner that will not unduly delay the Work and shall not be construed as Final Acceptance, or acceptance of goods or services, if such does not conform to the contract requirements.
- D) If any unsatisfactory condition or deficiency is detected, or if any of the services performed do not conform with contract requirements, Skagit Transit will promptly notify the Contractor in writing with a description of such non-compliance. Without limiting any other remedial rights, Skagit Transit may require the Contractor to: 1) repair or replace any or all of the damaged goods, or perform the services again in conformity with contract requirements, at Contractor's sole expense; 2) refund the full price paid for any or all of the damaged goods or services and accept the return of any damaged goods, or reduce any moneys payable under the Contract to reflect the reduced value of the services performed.
- E) Contractor shall acknowledge such notice within twenty-four (24) hours of receipt and initiate the process to remedy the condition, defect, error, or non-conformity to the satisfaction of the Skagit Transit Project Manager, or designee.
- F) Within seven (7) calendar days of acknowledging said notice, Contractor must provide Skagit Transit with a written detailed plan which states the time and methods needed to bring the work, materials or services within acceptable limits of the specifications. Skagit Transit may accept or reject this plan at its discretion. In the event this plan is rejected, the work, materials, or services will be deemed not accepted and returned to the Contractor at Contractor's expense.
- G) In the case of an emergency where Skagit Transit believes delay could cause serious injury, loss or damage, Skagit Transit may waive the first written notice and either: 1) direct the Contractor to correct the defect or, 2) correct the defect of its own accord and dispatch a third party contractor, or use Force Account through use of Skagit Transit employees at a rate equal to the employee's hourly rate plus administrative costs. In either case, Contractor is responsible for all costs of remedying the defect and Skagit Transit may deduct such costs from any balance due, or which may become due, to the Contractor or charge-back the cost to the Contractor regardless of who actually corrects the defect.
- H) **Non-Performance Notice:** If Contractor fails to initiate any corrective action procedure after receiving the first notification of unsatisfactory performance, Skagit Transit may send a "Notice of Non-Performance" to the Contractor detailing the exact nature of non-performance, remaining work to be performed, and the date of non-performance. Contractor shall acknowledge and respond to the Notice within three (3) business days of receipt and shall promptly proceed to remedy the situation described therein to Skagit Transit's satisfaction. Receipt of notice is evidenced upon signature of certified mail return receipt, or three business (3) days after mailing. Continued non-performance may result in Contract termination. A further finding of non-responsibility may be determined and any future submittals by Contractor for Skagit Transit contracts may be rejected without consideration.

- I) This procedure to remedy defects is not intended to limit or preclude any other remedies available to Skagit Transit by law, including those available under the Uniform Commercial Code, Title 62A RCW. Acceptance by Skagit Transit of late or unsatisfactory performance, with or without objection or reservation, shall not waive the right to claim damage for breach, or terminate the contract, nor constitute a waiver of the requirements for satisfactory and timely performance of any obligation remaining to be performed by Contractor.

25.00 PRICE ESCALATION

Beginning with the end of the initial Contract Term, negotiations to extend the Contract, Contractor may submit a proposal request to Skagit Transit to increase its rates, providing the cost increase is caused by factors outside of the Contractor's control such as the cost of raw materials, the cost charged by the supplier/manufacturer, a change in supplier location or implementation of new laws and regulations. In this event, Contractor must submit with their request detailed cost data and other documentation that verifies their claim of an increased rate, or any other documentation that Skagit Transit deems necessary to determine, through a cost analysis or audit, that the Contractor's request for a price increase is fair and reasonable. Factors for consideration are:

- ✓ If Contractor's increased costs are due to a price increase from their supplier/manufacturer, Contractor must establish and provide Skagit Transit with documentation that their supplier's price is consistent with current market conditions and that they could not get a better price from another supplier/manufacturer.
- ✓ Contractor must establish that their cost increase is five percent (5%) or higher; anything less will be denied.
- ✓ Contractor's request for a rate increase must not result in a twenty-five percent (25%) or greater cost to the Contract Amount, or annual cost to Skagit Transit, as this is considered an impermissible **CARDINAL CHANGE** which must be denied and the Contract will need to be terminated and re-bid.

Skagit Transit will review the request and may ask for additional information before making a decision. Any rate increase will be made by a written Amendment to the Contract and shall become effective on the execution date of the Amendment.

Nothing herein shall require Skagit Transit to agree to a price escalation and any such agreement shall be at Skagit Transit's sole discretion.

26.00 PROPERTY LIABILITY

Unless otherwise provided for, Contractor assumes the risk and shall be responsible for any loss or damage to Skagit Transit property, furnished for performance under this Contract, resulting from Contractor's negligent or willful misconduct, except for reasonable wear and tear in the normal performance of this Contract. Contractor shall bear no liability for any negligent acts or abuse of property by Skagit Transit.

27.00 RECORD OWNERSHIP, RETENTION, AUDIT, INSPECTION AND DISCLOSURE

- A) All records, reports, documents, or other materials produced, obtained or prepared by the Contractor in connection with the Contract work shall become the property of Skagit Transit and shall, upon request, be provided to Skagit Transit free of charge, or upon termination or expiration of this Contract, whichever is sooner. Contractor shall maintain all records relative to this Contract for a period of at least three (3) years from the termination or expiration of this Contract. Contractor shall preserve the confidentiality of all Skagit Transit documents and data accessed for use in Contractor's work product. Skagit Transit and the Comptroller General of the United States, U.S. Department of Transportation and the State of Washington, or the representatives thereof shall for the purpose of audit and examination, be permitted inspect all books, records, documents, and other data of the Contractor related to price or Contract performance in order to evaluate the accuracy, completeness and currency of the cost of pricing data. The right of examination shall extend to all documents necessary to permit adequate evaluation of the cost of pricing data submitted, along with the computations and projections used.

- B) Contractor acknowledges Skagit Transit's obligation to comply with the Washington Public Records Act, RCW Chapter 42.56 and to disclose any non-exempt documents subject to a public records request. If either Party is required by law (including a court order, subpoena, or government regulation) to disclose any confidential information of the other Party, they shall provide prompt written notice to the other Party (to the extent legally permissible) to allow the other Party to seek a protective order or other appropriate remedy, and shall only disclose the minimum amount of information legally required.

28.00 RELATIONSHIP OF THE PARTIES – INDEPENDENT CONTRACTOR

The Parties agree that an independent contractor relationship will be created by this Contract whereby, in the performance of this Contract, the Parties will be acting in their individual, corporate or governmental capacities and not as agents, employees, partners, joint ventures, or associates of one another. Contractor shall not make any claim of right, privilege or benefit which would accrue to an employee of Skagit Transit under chapter 41.06 Revised Code of Washington (RCW) or Title 51 RCW. Contractor shall indemnify and hold harmless Skagit Transit from and against any and all cost (including attorney fees incurred in defense) or liabilities (including payroll taxes, penalties or interest) arising out of any assertions that the Contractor is not an independent contractor.

29.00 REPRESENTATIVES

- A) **Skagit Transit:** The Contract Representative is Skagit Transit's designated representative for contract compliance. The Project Manager is the designated representative for performance compliance. Both are listed on the standard form of agreement, Page 1 of this Contract.
- B) **Contractor:** At the time of Contract Award, Contractor shall appoint a representative as a Point of Contact ("POC") and a secondary contact liaison agent through whom Skagit Transit will communicate. The POC shall respond to all written communications from Skagit Transit representatives within seven (7) calendar days from receipt.
- C) Either Party shall have the right to change any representative or address it may have given to the other Party by giving such other Party due notice in writing of such change.

30.00 SERVICE OF NOTICES

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments, or designations desired or required to be given under this Contract shall be in writing, effective when delivered, or if mailed effective on the third day after mailed certified, return receipt, and postage prepaid to the address for the other Party stated on Page 1 of this Contract, or to such other address as either Party may hereafter designate in writing. Contractor shall give Skagit Transit immediate notice of any suit or action filed or prompt notice of any claim made against Skagit Transit arising out of the performance of this Contract. Contractor shall provide Skagit Transit copies of all pertinent papers received by the Contractor.

31.00 SUGGESTION TO CONTRACTOR

Any plan or method of work suggested by Skagit Transit to Contractor, but not specified or required in writing under the Contract, if adopted or followed by Contractor in whole or in part, shall be used at the risk and responsibility of the Contractor and Skagit Transit shall assume no responsibility, therefore.

32.00 SUPERVISION AND COORDINATION

Contractor shall: 1) Competently and efficiently, supervise and direct the implementation and completion of all Contract requirements specified herein; 2) Designate a representative for the Work under this Contract to which all communications given by Skagit Transit to the representative shall be binding on Contractor.

33.00 SUSPENSION OF CONTRACT

Skagit Transit may, at any time and without cause, suspend the Contract or any portion thereof for a period of not more than thirty (30) calendar days by written notice to the Contractor. Contractor shall resume performance within fifteen (15) calendar days of written notice from Skagit Transit.

34.00 TERMINATION

A) **Termination for Convenience:** Skagit Transit at its convenience may terminate this Contract, in whole or in part, at any time by written notice to the Contractor. After receipt of a written Notice of Termination, and except as directed by Skagit Transit, Contractor shall immediately stop work as directed in the Notice and comply with all other requirements in the Notice. The Contractor shall be paid its costs on only that portion of the Work satisfactorily performed up to the date of termination as specified in the Notice. Contractor shall promptly submit its termination claim to Skagit Transit, together with detailed supporting documentation, to be paid to Contractor. If Contractor has any property in its possession belonging to Skagit Transit, Contractor will account for the same, and return it to Skagit Transit or dispose of it in the manner Skagit Transit directs.

All termination payment requests are subject to cost/price analysis to determine reasonableness and compliance with the Contract, The Contract termination agreement, and applicable laws and regulations.

B) **Termination for Default:** In addition to termination for convenience, if the Contractor does not deliver supplies in accordance with the Contract delivery schedule, or if the Contract is for services and the Contractor fails to perform in the manner called for in the Contract, or if the Contractor fails to comply with any other material provision of the Contract, Skagit Transit may terminate this Contract, in whole or in part, for default. Termination shall be affected by serving a Notice of Termination on the Contractor, setting forth the manner in which the Contractor is in default and the effective date of termination. The Contractor will only be paid the Contract price for goods delivered and accepted, or services performed in accordance with the manner of performance set forth in the Contract less any damages to Skagit Transit caused by such default. All termination payment requests are subject to cost/price analysis to determine reasonableness and compliance with the Contract, the Contract termination agreement, applicable laws and regulations. If the Contractor has any property in its possession belonging to Skagit Transit, the Contractor will account for the same and dispose of it in the manner Skagit Transit directs.

If the Contract is terminated, the rights, duties and obligations of the Parties, including compensation to the Contractor, shall be determined in accordance with part 49 of the Federal Acquisition Regulation in effect on the date of the Contract. The termination of this contract shall in no way relieve the Contractor from any of its obligations under this Contract nor limit the rights and remedies of Skagit Transit hereunder in any manner.

If it is later determined by Skagit Transit that the Contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of and beyond the control of the Contractor, Skagit Transit, after setting up a new delivery of performance schedule, may allow the Contractor to continue work, or treat the termination as a termination convenience. Skagit Transit in its sole discretion may, in the case of a termination for breach or default, allow the Contractor fourteen (14) calendar days in which to cure the defect in such case, the notice of termination will state the time period in which cure is permitted and other appropriate condition.

If Contractor fails to remedy to Skagit Transit's satisfaction the breach or default or any the terms, covenants, or condition of the Contract with fourteen (14) calendar days after receipt by Contractor of written notice from Skagit Transit setting forth the nature of said breach or default, Skagit Transit shall have the right to terminate the Contract with a 30-day cancellation notice without any further obligations to the Contractor. Any such termination for default shall not in any way operate to preclude Skagit Transit from also pursuing all available remedies against Contractor and its sureties for said breach of default.

In the event that Skagit Transit elects to waive its remedies for any breach by Contractor of any covenant, term or condition of the Contract, such waiver by Skagit Transit shall not limit Skagit Transit's remedies for any succeeding breach of that or of any other term, covenant or condition of the Contract.

35.00 OPPORTUNITY TO CURE

As an alternative to termination in the event of breach, default, and/or defect, Skagit Transit in its sole discretion, may instead issue a written notice to cure, after which the Contractor shall have ten (10) calendar days in which to cure the breach, default, and/or defect. In such case, the notice of cure shall state the time

period in which cure is permitted and other appropriate conditions. If Contractor fails to remedy to Skagit Transit's satisfaction the breach, default, and/or defect, or any of the terms, covenants, or conditions of this Contract within ten (10) calendar days after receipt by Contractor of written notice to cure from Skagit Transit setting forth the nature of said breach or default, Skagit Transit shall have the right to terminate the Contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude Skagit Transit from also pursuing all available remedies against Contractor and its sureties for said breach or default.

36.00 WAIVER OF REMEDIES FOR ANY BREACH

In the event that Skagit Transit elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this Contract, such waiver by Skagit Transit shall not limit Skagit Transit's remedies for any succeeding breach of that or of any other term, covenant, or condition of this Contract. In the event that any provision, portion, or application of this Contract is held to be unenforceable or invalid by any court of competent jurisdiction, Skagit Transit and Contractor shall negotiate an equitable adjustment in the provision of this Contract with a view toward effecting the purpose of this Contract and the validity and enforceability of the remaining provisions, or portions of applications thereof, shall not be affected thereby.

37.00 WARRANTY

- A. Contractor warrants that the work and materials performed under this Contract are subject to all warranties or guarantees arising by operation or law and shall conform to the requirements herein, including any submitted manufacturer's warranty. Contractor shall furnish to Skagit Transit any guaranty or warranty furnished as a normal trade practice in connection with the Contractor's purchase of any materials; provided such guaranty or warranty shall be in addition to those specific requirements for particular materials or work items indicated elsewhere in the Contract Documents.
- C) Product: Contractor warrants that all materials furnished under this Contract will be of highest quality and new; free from liens, faults and defects and in conformance with the Contract Documents. All such materials shall be applied, installed, connected, erected, used, cleaned, maintained and conditioned in accordance with the instructions of the applicable manufacturer, fabricator or processor, unless specifically provided otherwise in the Contract Documents. All materials not so conforming to these standards shall be considered defective. If required by Skagit Transit, Contractor shall furnish satisfactory evidence as to the kind, quality, and manufacturer of materials.
- D) Workmanship: Contractor warrants that the work performed under this Contract shall be free from defects in material and workmanship, and shall conform to all requirements of the Contract, for a period of twelve (12) months from the date of Final acceptance of such work by Skagit Transit, and shall replace or repair any defective materials or faulty workmanship during the period of the guarantee at no cost to Skagit Transit.
- E) Warranty Remedies: If at any time during the twelve (12) month period immediately following Final Acceptance of any work covered by the Contract, Contractor or Skagit Transit discovers one or more material defects or errors in the work or any other aspect in which the work materially fails to meet the provisions of the warranty requirements herein Contractor shall, at its own expense correct the defect, error or nonconformity.

Skagit Transit shall give written notice of any defect to the Contractor. If the Contractor has not corrected the defect within 30 Days after receiving the written notice, Skagit Transit in its sole discretion, may correct the defect itself. Skagit Transit will charge back the cost for such warranty repair to the Contractor.

The Contractor is responsible for all costs of repair or replacement in order to restore the work to the applicable Contract requirements for Scope of Work, found defective within the warranty period, regardless of who actually corrects the defect.

F) Warranty of Title: Contractor shall have no property right in the materials used after they have been attached or affixed to Skagit Transit real property, or after any payment has been made by Skagit Transit towards the value of materials delivered to the work, or stored subject to or under the control of Skagit Transit. Title to all such materials shall become the property of Skagit Transit upon being so attached or affixed, or after any payment towards the value of materials stored off site or delivered to the site of the Work, or stored subject to or under the control of Skagit Transit, whichever occurs earlier.

CONTRACTOR:

SKAGIT TRANSIT:

By: _____

By: _____

Name: _____

Crystle Stidham

Its: _____

Chief Executive Officer

Date: _____

Date: _____

PROJECT MANAGER APPROVAL:

APPROVED AS TO FORM:

Attorney for Skagit Transit

EXHIBIT A

SCOPE OF WORK

EXHIBIT B

PRICE ATTACHMENT

EXHIBIT C

CERTIFICATE OF INSURANCE

EXHIBIT D

REQUIRED FEDERAL CLAUSES

EXHIBIT A
SCOPE OF WORK

CxA / SCOPE OF WORK MOA-2

- Deliver: CxA Agreement, staffing plan, schedule of fees, CxA Design Scope milestone schedule tied to Post 100% design. Deliverables shall be submitted in a Skagit Transit-approved format. Revisions shall be required until accepted by Skagit Transit. Payment is tied to accepted deliverables by phase. Work shall not commence until Skagit Transit has issued Notice to Proceed documents as applicable.

I. Design Phase (100% Construction Documents and Specifications)

Please note: Notice to Proceed (NTP) must be issued by Skagit Transit Procurement and Contracts Coordinator prior to Contractor beginning work for the Design Phase.

OPR / Specifications Divisions & Recommendations/Collaboration

- Facilitate OPR workshop with Skagit, Agency's A&E Contractor, (drawings and specifications already exist and will be the basis of design), operations staff, and stakeholders; document OPR (Skagit's objectives, operating schedules, performance targets, sequence expectations, occupant comfort criteria, energy targets, current do not exist and need, metering intent, critical loads).
- Recreate Basis of Design (BOD), prepare review checklists that are different from the original basis of design from Agency A&E Contractor's design to ensure team alignment.
- **Deliverables:** Present updated / final OPRs to Agency's A&E Contractor and Skagit Transit, annotated BOD comments, Cx scope matrix (systems, sub-systems, thresholds).
- Design review; check OPR compliance and flag missing commissioning requirements, accessibility of controls, sensor/valve tagging, metering points, sequences of operation, and testing access.
- CBPS Specific Focus on Washington's Clean Buildings Performance Standard compliance requirements
- Verify contract language and specifications include the Cx requirements, testing responsibilities, submittal requirements, and performance criteria (so GC cannot defer responsibility).
- Develop the Commissioning Plan (Cx Plan) (per ASHRAE 202 / Guideline o) that defines scope, success criteria, testing procedures, documentation templates, functional test procedures, staffing/roles, schedule, and warranty/seasonal testing requirements.
- Confirm fuel system performance requirements in the OPR, including:
 - Storage capacity and redundancy
 - Refueling frequency assumptions
 - Emergency response expectations
 - Operational staffing and training needs
- Review design documents for:
 - Code compliance (NFPA, IFC, Fire Code)
 - Emergency shutdown locations and labeling
 - Ventilation and gas detection strategies
 - Control sequences and alarms
- Verify that testing, purge procedures, and safety protocols are clearly specified.
- **Deliverables (this phase estimated to be completed by 15 April):** Design review memos to Agency's A&E Contractor Team w/ Final Cx Plan, updated Cx checklists and functional test outlines. Fuel system OPR confirmation memo Design review comments specific to diesel/propane systems.

II. Construction Phase

Please note: Notice to Proceed (NTP) must be issued by Skagit Transit Procurement and Contracts Coordinator prior to Contractor beginning work for the Construction Phase.

- Submittal reviews: review equipment submittals (AHU sequences, BAS schematics, controls narrative, metering, VFDs, chillers, pumps, service water heaters, lighting control schematics) for OPR compliance.

- Develop Pre-functional Checklists (PFCs) for each piece of equipment and system. PFCs must be completed by contractor prior to functional testing. (Cross Check or include in Specs)
- Witness/observe equipment startup and initial performance tests; verify controls points, tagging, and access.
- Maintain an issues/deficiency log (with priorities, responsible party, and verification status).
- Review equipment and system submittals including:
 - Tanks, pumps, regulators, valves
 - Leak detection systems
 - Control panels and alarm interfaces
- Develop Pre-functional Checklists (PFCs) for:
 - Mechanical installation
 - Electrical power and grounding
 - Labeling, signage, and access
 - Secondary containment and spill control
- Observe:
 - Tank installation
 - Piping pressure testing
 - Purge and inerting procedures
 - Initial system energization

Deliverables: Fuel system submittal review log, Completed contractor PFCs, Startup and observation reports

Functional Performance Testing (FPT)

- Execute and witness functional tests per the Cx Plan for all required systems (HVAC sequences, DOAS, economizers, VAV reheat, chillers, pumps, controls, lighting controls, controlled receptacles, energy meters, refrigeration). Tests shall validate sequences, alarm/override operations, lockouts, and interactions between systems. Include tests for:
 - Control sequences under normal and fail/fallback conditions (e.g., fire/loss of power).
 - Energy meter verification against selected loads and BAS data.
 - Lighting control scenes and occupancy sensor behavior.
 - Service water heater setpoints, recirc operation, and anti-scald sequences.

The CxA shall witness and document functional testing that verifies:

Normal Operation

- Proper fuel transfer, pressure regulation, and flow
- Control system status indication and BAS integration (if applicable)
- Generator or equipment fuel supply under load

Safety & Emergency Operation

- Leak detection system activation and alarm response
- Automatic and manual emergency shutdown operation
- Interlocks with fire alarm and ventilation systems
- Overfill protection activation (simulated where required)
- Loss-of-power and fail-safe valve positions
- **Ongoing Deliverables Throughout Construction:** Submittal review logs, approved PFCs, startup observation reports, deficiency log (CxA fills out witness test forms and signs off when criteria is met).
- **Deliverables:** Functional Test Reports (signed), corrected deficiency log entries, test data appendices.

III. Post Construction Phase

- Change of Season and 10-month end of warranty testing – Systems are designed to operate differently in the winter than in the summer. Validation that systems adjust per design, and that design is adequate, is necessary. Other anomalies or opportunities may be found after a period of running time that further improves efficiency.
- One year of operational review and training - Verify building operations and assist facility staff with the operation of the building over the first year of operations. Assistance with resolving issues identified during the post-construction period. Troubleshooting assistance and ongoing operational staff training. And assistance in identifying and resolving warranty issues.
- Continuing CBPS Compliance Support – McKinstry will support Skagit Transit to pursue CBPS Compliance
 - Provide support to pursue all exemptions and applicable grants
 - Set up Dept of Commerce & ESPM Profiles for Skagit Transit
 - Perform necessary initial steps for CBPS compliance (ie benchmarking etc.)
 - Provide additional CBPS compliance support as needed
- **CMMS (Computerized Maintenance Management System)** integration and a quick reference guide for field staff – the SOW has no CMMS component
- **Engineered Maintenance Planning** – full scheduled maintenance plans with trade assignments, hours, and task lists for mechanical, electrical, and plumbing assets. The SOW doesn't touch preventive maintenance planning at all.
- **Staff Augmentation** – McKinstry physically deploying people to fill gaps in Skagit Transit's facilities team skill set. The SOW has no staffing component.
- **Occupant Engagement** – not mentioned anywhere in the SOW
- **Utility Rebate Capture** – actively pursuing rebates, not just benchmarking
- **KPI Development and ongoing KPI reporting** – the SOW mentions establishing a metering baseline but doesn't establish ongoing performance indicators or reporting cadence
- **Define/Discover and Standardization phases** – McKinstry's TSO starts earlier in the project lifecycle, working alongside design and construction to develop process standards. The SOW picks up at 100% construction documents
- **Data Migration and Vendor Selection support** – McKinstry helps Skagit Transit select and set up software tools. The SOW has no procurement advisory role
- **Emergency Operating Procedures** – McKinstry produces these as a deliverable. The SOW verifies emergency shutdown sequences but doesn't produce the actual procedures staff would follow

IV. Training, O&M, and Documentation

- Verify operation & maintenance (O&M) manuals, as-built drawings, sequence narratives, spare parts list, and vendor startup reports are delivered and match OPR/BOD.
- Provide/observe operator training sessions (classroom + hands-on) for facility staff; verify attendance and competency via sign-offs and quiz/checklist.
- **Deliverables:** Training attendance rosters, training materials, O&M review checklist, signed owner acceptance of training.

Pre-Occupancy and Final Commissioning Closeout

- Confirm all high/medium/low priority deficiencies resolved or have an approved corrective plan.
- Produce Final Commissioning Report summarizing the process: OPR, design reviews, Cx Plan, tests performed, outstanding items, energy metering baseline, operator training, warranties, and recommendations. This report should include signed Commissioning Compliance Checklist for permit closeout.
- Work with Agency Contractors, A&E Contractors, and Construction Services Representative through closeout

V. CxA Limitations and Exclusions

- CxA is not responsible for design
- CxA is not responsible for construction means and methods
- CxA does not certify code compliance (only verifies and recommends commissioning requirements)

VI. Payment Terms

Payments shall be made only after the corresponding deliverables have been submitted and accepted by the Owner. Acceptance shall not be unreasonably withheld but may require revisions to address Owner comments. No payment shall be made for incomplete or unaccepted deliverables.

Payment Milestones & Deliverables Table

Phase	Key Deliverables	Payment Basis	Payment Trigger
Design Phase Commissioning	OPR (Owner-approved) <ul style="list-style-type: none"> • BOD alignment memo • Design review comments • Final Commissioning Plan (Cx Plan) 	Lump Sum	Acceptance of all design-phase deliverables by Owner
Construction Phase Support	<ul style="list-style-type: none"> • Submittal review logs • Pre-functional checklists (PFCs) • Startup / observation reports • Updated deficiency log 	Lump Sum or Time-Based (as negotiated)	Submission and acceptance of construction-phase commissioning documentation
Functional Performance Testing	<ul style="list-style-type: none"> • Approved Functional Test Procedures (FTP) • Executed functional test reports (CxA-signed) • Updated and resolved deficiency log 	Lump Sum	Completion and Owner acceptance of functional testing
Final Commissioning & Closeout	<ul style="list-style-type: none"> • Final Commissioning Report • Commissioning Compliance Checklist • Training records & O&M verification • Seasonal testing plan or addendum (if applicable) 	Lump Sum	Acceptance of Final Commissioning Report and closeout documentation

Design and Construction Phase Deliverables Summary

1. OPR (Agency signed) and BOD alignment memo
2. Commissioning Plan (Cx Plan) – living document
3. Design review report (Post 100%)
4. Commissioning Compliance Checklist
5. Submittal review logs
6. Pre-functional checklists (Contractor-signed) and witness logs
7. Functional test procedures (FTP) and executed test reports (CxA signed)
8. Deficiency log (open/closed status)
9. Final Commissioning Report and seasonal test addendum

10. Training records and O&M verification checklist
11. Fuel System OPR Criteria Summary
12. Diesel and Propane Pre-functional Checklists
13. Fuel System Functional Test Reports
14. Emergency Shutdown and Alarm Verification Forms
15. AHJ Acceptance Coordination Log

EXHIBIT B
PRICE ATTACHMENT



Commissioning Program – MOA Center Skagit Transit

NEW CONSTRUCTION COMMISSIONING SERVICES
PROJECT 25-065

SOURCEWELL CONTRACT NO. 102424

MOUNT VERNON, WA

FEBRUARY, 2026

For the Life of
Your Building



February, 2026

Eric Esparza

Skagit Transit
600 County Shop Lane
Burlington, WA 98233

Re: Commissioning Program – Maintenance and Operations Center

Dear Eric Esparza,

We are delighted at the prospect of providing commissioning (Cx) services, and continuing sustainable operations support for Skagit Transit. Our Cx & Strategic Facility Planning teams know the right practices to keep this project on schedule and within budget while ensuring equipment performance and design intent is met. McKinstry understands this project to be new construction of a Maintenance, Administration and Operations center comprising mixed-use space and bus/vehicle maintenance garage. We have thoroughly reviewed the drawings issued to-date for building and systems design.

Our Cx team will be focused on providing a high level of assurance that the building's systems are engineered, installed, and are functioning according to the design intent. The Strategic Facility Planning team will bring your facilities through the transition to sustainable operations. This will involve collaboration with the entire project team beginning in the design development phase, extending through the acceptance phase and continued through post-occupancy seasonal testing.

We look forward to partnering with Skagit Transit, and we are dedicated to assisting with the delivery of a successful project. If you have any questions or want to discuss our proposal in more detail, you can reach me at 317-407-9513 or paulr@mckinstry.com.

Sincerely,

Paul Reinken | Account Executive
317.407.9513 | paulr@mckinstry.com

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Please note that this response provides the basic economic terms on which McKinstry would be willing to perform the scope of services outlined here. This response does not cover all of the terms and conditions relevant to a definitive agreement about these services. Nothing in this response approves legal terms such as warranties, indemnification, insurance requirements, and limitations of liability, even if those terms were included in the request for proposal. The details of those terms must be negotiated by the parties and set forth in a definitive agreement with respect to McKinstry’s services.

Skagit Transit – MOA2 Commissioning Proposal

MCKINSTRY BACKGROUND

McKINSTRY AT-A-GLANCE



ESTABLISHED 1960

Privately held
3,123 employees in 21 offices nationwide

CORPORATE HEADQUARTERS

5005 3rd Ave South
Seattle, WA 98134
206.762.3311 | 206.762.2624
www.mckinstry.com

LOCAL OFFICES

- Seattle
- Bellingham
- Spokane
- Pasco (Tri-Cities)
- Portland
- Tacoma

TAX & LICENSE INFORMATION

TIN: 46-1563231
DUNS: 07-874-6529

OUR VISION

Together, building a thriving planet.

OUR MISSION

To make the built environment healthier, more efficient and safer through our engineering expertise, construction excellence and innovative facility operations.

Our History

Founded in 1960, McKinstry originated as a Seattle area plumbing and piping contractor. As the business developed and the customer base expanded, McKinstry expanded its services to include heating, ventilation and air conditioning, fire protection and controls. With the guidance and experience of the company's founders, mechanical engineers Merrill McKinstry and George Allen, McKinstry quickly became established as a leader in mechanical contracting.

In 2000, we expanded our services again to include energy and technical solutions. From engineering and design to advanced energy systems, facility assessments, energy retrofits, commissioning and community engagement, McKinstry delivers a comprehensive, interdisciplinary approach. As a design, build, operate and maintain firm, we provide a single point of accountability throughout the entire building life cycle—embodying our philosophy, *"For the Life of Your Building®."*



McKinstry's Full List of Offerings

ActiveOps®	Energy Services	Offsite Manufacturing
Active Energy Management (AEM)	Engineering & Design	powerED
Architectural Metals	Facility Condition Assessments (FCA)	Service & Maintenance
Building Performance Standards	Fire Protection	Solar & Renewables
Commissioning	Fleet Electrification	Transition to Sustainable Operations® (TSO)
Data Center Innovations	Master Systems Integration (MSI)	Wireless
EcoDistrict Services	Mechanical & Plumbing	Zero+
Electrical & Technologies		

Skagit Transit – MOA2 Commissioning Proposal

McKinstry has commissioned thousands of buildings and millions of square feet since we began delivering Cx services 30 years ago. Our experience includes commissioning of a variety of building system types and project types from demolition and new construction to major renovations and additions. This spectrum of experience gives us insight into how systems operate when they are new and how they are integrated into actual building operations and maintenance over the long term. Our Cx experience and proficiency are bolstered by our many industry qualifications and recognitions.



30+
YEARS
Cx EXPERIENCE



1000+
BUILDINGS
COMMISSIONED



150M+
SQUARE FEET
COMMISSIONED



200+
LEED CERTIFIED
PROJECTS

Nationally Accredited

McKinstry is certified by the AABC Commissioning Group (ACG), the National Environmental Balancing Bureau (NEBB) and is a Building Commissioning Association Certified Commissioning Firm (BCxA CCF).



Professionally Certified

Our 100+ Cx professionals hold many of the following individual certifications:

- Certified Commissioning Professional (CCxP) *Building Commissioning Association (BCxA)*
- Building Commissioning Professional (BCxP) *ASHRAE*
- Building Commissioning Certification Board (BCCB)
- Building System Commissioning Certification (BSCx)
- Certified Commissioning Authority (CxA) - *AABC Commissioning Group (ACG)*
- Certified Commissioning Authority (CxA)
- Building Envelope Commissioning Process Provider (BECxP)
- Certified Building Commissioning Professional (CBCxP)
- Building System Commissioning Certification *National Environmental Balancing Bureau (NEBB)*
- Certified Energy Manager (CEM)
- Professional Engineering License (PE)
- LEED® Accreditations

Industry Awarded

McKinstry has ranked as a **Top 5 Cx Firm** for the past several years according to the annual “Commissioning Giants” studies reported by Consulting-Specifying Engineer magazine.

In 2022, representatives of McKinstry's Cx team proudly accepted the highly prestigious **BCxA Benner Award**. The Benner Award is given to those who have engaged in educational, demonstration, policy, or actual Cx activities that successfully promote excellence in building Cx.

In 2025, McKinstry was honored with the **Focus on Energy Energy Efficiency Excellence Award**, recognizing our leadership in retrocommissioning and award-winning solar and efficiency projects across Wisconsin.

Commissioning
GIANTS
2024



Discipline Expertise

Our Cx experience ranges from basic unitary packaged HVAC equipment to large central steam and chilled water plants, to laboratory HVAC and pressurization control systems. Our expertise further extends to include security systems, electrical, indoor air quality, emergency power, building envelope, lighting, fire alarm detection/monitoring, renewable energy systems and numerous other systems.

Skagit Transit – MOA2 Commissioning Proposal

KEY PERSONELL



Wil Moss | CX ENGINEER

As a Cx Engineer, Wil verifies installation and performance of mechanical, electrical and control systems to ensure alignment with project standards and client expectations. He develops Cx plans and schedules, conducts site visits, oversees equipment start-up and reviews documentation for accuracy. Additionally, Wil supports integrated system testing and contributes to final Cx reports for seamless building turnover.

EDUCATION

Indiana University,
MBA, Business
Management

Excelsior University,
BS, Nuclear
Engineering
Technology

US Navy,
Submarine Veteran

TENURE

In the industry and
with McKinstry
since 2024.

Project Experience

- CITY OF BELLINGHAM • LIGHTCATCHER MUSEUM CX SERVICES
- PORT OF SEATTLE • PRIMARY FIRE STATION CX SERVICES
- SNOHOMISH COUNTY • 911 CENTER CX SERVICES
- WASHINGTON STATE • DES HIGHWAY LICENSES BUILDING CX SERVICES
- DEPARTMENT OF SOCIAL SERVICES • WESTERN STATE HOSPITAL EAST CAMPUS CX SERVICES
- HILL INTERNATIONAL • ARLINGTON OPERATIONS CENTER NCCX SERVICES
- UNIVERSITY OF WASHINGTON • MERRILL HALL HVAC CX SERVICES
- WOLF POINT SCHOOL DISTRICT • CONTROLS AND HAC UPDATES CX SERVICES



Alex Nagy | CX ENGINEER

Alex supports Cx activities for new and existing buildings, focusing on validating mechanical, electrical and plumbing systems. He develops Cx plans, conducts design reviews, executes functional performance tests and finalizes system documentation. Additionally, he collaborates with project teams to ensure systems meet design intent and operational standards.

EDUCATION

University of
Washington,
BS, Electrical
and Computer
Engineering

TENURE

In the industry and
with McKinstry
since 2022.

Project Experience

- CITY OF BELLEVUE • CITY HALL EV CHARGING CX SERVICES
- CITY OF EDMONDS • PUBLIC SAFETY BUILDING SOLAR PV CX SERVICES
- KING COUNTY METRO • INTERIM BASE ELECTRIFICATION NCCX
- WASHINGTON DEPARTMENT OF TRANSPORTATION • HVAC UPGRADES CX
- WASHINGTON DEPARTMENT OF TRANSPORTATION • EVERETT UNIT REPLACEMENTS CX SERVICES
- SALVATION ARMY • RENTON ROTARY FOOD BANK HVAC UPGRADES CX SERVICES
- UNIVERSITY OF WASHINGTON MEDICAL CENTER • SURGERY PAVILION RENOVATION CX SERVICES

Skagit Transit - MOA2 Commissioning Proposal



Fernando Hernandez | CX ENGINEER

Fernando delivers Cx services through diverse building projects, leading design reviews, functional testing and system verification to ensure performance meets client and design standards. He supports project teams through field execution, documentation and turnover.

EDUCATION

Santa Ana College, AA, Economics and Business Development

TENURE

In the industry since 2016 and with McKinstry since 2025.

Project Experience

- **KING COUNTY METRO** • INTERIM BASE ELECTRIFICATION CX
- **NORTHSHORE SCHOOL DISTRICT** • MULTI-SCHOOL EXPANSION CX SERVICES
- **UNIVERSITY OF WASHINGTON MEDICAL CENTER** • MONTLAKE A-WING CX SERVICES
- **BELLWETHER HOUSING** • VIES AT MADISON PROJECT CX SERVICES
- **HILL INTERNATIONAL INC.** • ARLINGTON OPERATIONS CENTER CX SERVICES

PROJECT REFERENCES



Global Animal Health Building

NEW CONSTRUCTION CX & TRANSITIONAL SERVICES

Opened in 2021, this state-of-the-art facility houses the Washington Animal Disease and Diagnostic Laboratory (WADDL), supporting early disease detection and safeguarding public health, food security and the state's \$1.5 billion animal agriculture industry. McKinstry provided fundamental and enhanced Cx services, including building envelope commissioning, for the new construction. Designed with energy management and sustainability in mind, the building earned LEED® Silver certification for its efficient use of space and inspiring environment for students and faculty.

To ensure long-term performance, McKinstry also delivered a 3-year Transition to Sustainable Operations® (TSO) program—bridging construction to operations through monitoring-based commissioning, warranty management and hands-on training for the operations team.

LOCATION
Spokane, WA

DURATION
2017 - 2023

CONTRACT AMOUNT
\$552,000

PROJECT SIZE
1 Building
65,500 sq. ft.



Awarded LEED Silver by U.S. Green Building Council

Skagit Transit - MOA2 Commissioning Proposal



Snohomish County NEW CONSTRUCTION CX

The Snohomish County 911 Emergency Communications Center is a recently renovated mission-critical facility undergoing comprehensive new construction Cx to ensure operational reliability and energy efficiency.

McKinstry ensured a systematic process from design through post-construction. The scope includes HVAC, controls, energy metering and other critical systems, all rigorously tested and documented to meet county and code requirements. McKinstry completed design review, construction oversight, functional testing and post-occupancy optimization. They are leading a collaborative team to resolve issues, verify training and deliver a comprehensive report for seamless facility turnover.

LOCATION
Everett, WA

DURATION
2024 - ongoing

CONTRACT AMOUNT
\$108,338

PROJECT SIZE
2 Buildings
90,000 sq. ft.



Grant County Public Utility District (PUD)

RETRO-CX, MAINTENANCE & CAPITAL PLANNING SERVICES

McKinstry assessed 38 facilities across Grant County's vast service area, compiling detailed asset data to create engineered maintenance plans and guide long-term capital planning. This information was integrated into the District's CMMS platform, Maximo, streamlining daily operations and enabling proactive management. The assessment uncovered opportunities for retro-commissioning, improving system performance and reducing energy consumption without costly equipment replacements. Insights also drove major deferred maintenance projects now in design under the design-build delivery method.

A standout service McKinstry provides is project transitional support—updating FCA tools, loading new asset data into Maximo and troubleshooting warranties as equipment is replaced. This ensures the District maintains accurate, real-time data for informed decision-making and lifecycle optimization.

LOCATION
Moses Lake, WA

DURATION
2019 - ongoing

CONTRACT AMOUNT
\$602,977

PROJECT SIZE
38 Buildings
550,000 sq. ft.

Skagit Transit – MOA2 Commissioning Proposal

NEW CONSTRUCTION COMMISSIONING – APPROACH & SCOPE

APPROACH

The key to McKinstry's NCCx approach is the ability to define the desired outcomes of our clients and provide a process that assures these outcomes will be met. While our experienced and capable staff are key ingredients to achieve this, we have put in place a system of quality assurance to provide added measures of discipline to our project delivery.

Our Cx team takes a detailed, hands-on approach that will create additional value for Skagit Transit and the entire project team. Our Cx team has successfully implemented Cx plans for thousands of projects over the years and has extensive knowledge of project requirements and objectives. Our desire is to go beyond our typical Cx approach, be a true team player, and work toward project solutions collaboratively each day we are on-site, and throughout the entire life of the project. We plan to work hand-in-hand with subcontractors to ensure performance, and to help troubleshoot and fix problems promptly to ensure we not only deliver a high-performing, energy-efficient building, but we do not sacrifice our project schedule.

One tool we use to help streamline our projects and keep them on schedule is called Cx Alloy. All our Cx engineers are equipped with an iPad in the field that allows them to comment and photograph issues as they are discovered. This enables team members to know about issues in real-time and start collaborating together to solve the issues. This will also permit the project team to track issues and their time-to-close for easy reporting (dashboarding) of project progress – a very convenient tool for an executive big picture look at how the project is going. This tool also allows us to leverage all of our teams' insight on various projects.

Our Cx engineers in the field can draw from the collective intelligence of our whole McKinstry team to help provide advice to the subcontractor on how to troubleshoot and solve the problem. Subcontractor's really appreciate this as it saves them from having to make a second trip to fix the issue.

SCOPE

Skagit Transit, architects, engineers, contractors, and CxA will be able to seamlessly coordinate efforts throughout design & construction to produce a facility operating with efficiency & excellence through our commissioning process. An evaluation will be written that will include lessons learned, features that were especially effective, and recommendations for improving the process for the next process.

Systems to be Commissioned:

- Division 22 Plumbing Service Water Heating Systems, Distribution, and Metering
- Division 23 HVAC Mechanical Systems, Controls (DDC), and Metering
- Division 26 Lighting and Lighting Controls
- Division 26 Controlled Receptacles
- Division 26 Metering
- Division 26 EV Charging Systems

Fuel Systems

Diesel Fuel Systems

- Aboveground or underground diesel storage tanks
- Day tanks and transfer pumps
- Fuel piping, valves, and secondary containment

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- Leak detection and monitoring systems
- Overfill prevention devices
- Emergency shutoff controls
- Fuel polishing systems (if provided)
- Integration with generators, vehicle fueling dispensers, or standby equipment
- Fire alarm and life safety interlocks related to fuel systems

Propane Fuel Systems

- Bulk propane storage tanks (AST/UST)
- Vaporization systems and regulators
- Piping, valves, and flexible connections
- Overpressure protection devices
- Leak detection and gas monitoring systems
- Emergency shutoff valves and remote shutdown stations
- Combustion air and ventilation interlocks (if applicable)
- Integration with boilers, heaters, vehicle fueling, or other propane-fueled equipment

DESIGN PHASE

OPR / Specifications Divisions & Recommendations/Collaboration

- **Facilitate OPR workshop** with Skagit (Drawings already exist), KPFF, operations staff, and stakeholders; document OPR (Skagit’s objectives, operating schedules, performance targets, sequence expectations, occupant comfort criteria, energy targets, current do not exist and need, metering intent, critical loads), Note: We do not have sophisticated systems today.
- Create initial **Basis of Design (BOD) review checklist** that are different from the original design for KPFF design team alignment.
- **Deliverables:** Present updated / final OPRs to KPFF and Skagit, annotated BOD comments, Cx scope matrix (systems, sub-systems, thresholds).
- **Design review** (at 98% pending CR completion and Specifications); check OPR compliance and flag missing commissioning requirements, accessibility of controls, sensor/valve tagging, metering points, sequences of operation, and testing access.
- **CBPS** Specific Focus on Washington’s Clean Buildings Performance Standard compliance requirements
- Verify contract language and specifications include the Cx requirements, testing responsibilities, submittal requirements, and performance criteria (so GC cannot defer responsibility).
- Develop the **Commissioning Plan (Cx Plan)** (per ASHRAE 202 / Guideline 0) that defines scope, success criteria, testing procedures, documentation templates, functional test procedures, staffing/roles, schedule, and warranty/seasonal testing requirements.
- Confirm **fuel system performance requirements** in the OPR, including:
 - Storage capacity and redundancy
 - Refueling frequency assumptions
 - Emergency response expectations

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- Operational staffing and training needs
- Review design documents for:
 - Code compliance (NFPA, IFC, Fire Code)
 - Emergency shutdown locations and labeling
 - Ventilation and gas detection strategies
 - Control sequences and alarms
- Verify that testing, purge procedures, and safety protocols are clearly specified.
- **Deliverables:** Design review memos to KPFF Team w/ Final Cx Plan, updated Cx checklists and functional test outlines. Fuel system OPR confirmation memo Design review comments specific to diesel/propane systems

McKinstry Task Summary – (148 hrs)

- A. *OPR development* – Create a detailed and comprehensive document that captures the owners' expectations.
- B. *Energy and Operational Performance Modeling* – Review the engineered whole facility and system specific performance expectations.
- C. *Total Cost of Ownership and Educational Life Cycle Analysis* – Evaluate system selection and other design criteria options for cost analysis.
- D. *Design Review* – Evaluate design submittals to project performance indicators and other project requirements.
- E. *Asset Improvement Report* – Offer insights and recommendations for increased efficiency/modernization of existing MEP Design.
- F. *Specifications Review and Cx Authorship* – Assure that expectations toward training, O&M, and warranty deliverables are clearly defined for all divisions within specifications.
- G. *Develop a Commissioning Plan* – Create a Commissioning Program Master Plan, along with the specifications, which define the obligations of each member of a complete program.
- H. *Review Submittals* – Review for completeness of sequences, conformance to OPR and BOD, opportunities for simplification, and opportunities for efficiency in operations and energy.
- I. *Commissioning Kick-off Meeting* – Invite all participants involved in the commissioning process to Commissioning Meeting #1.
- J. *Documentation Creation* - Provide the pre-start and startup checkout procedures for implementation and population by the contracting team.

CONSTRUCTION PHASE

- **Submittal reviews:** review equipment submittals (AHU sequences, BAS schematics, controls narrative, metering, VFDs, chillers, pumps, service water heaters, lighting control schematics) for OPR compliance.
- Develop **Pre-functional Checklists (PFCs)** for each piece of equipment and system. PFCs must be completed by contractor prior to functional testing. (Cross Check or include in Specs)
- Witness/observe equipment startup and initial performance tests; verify controls points, tagging, and access.

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- Maintain an issues/deficiency log (with priorities, responsible party, and verification status).
- Review equipment and system submittals including:
 - Tanks, pumps, regulators, valves
 - Leak detection systems
 - Control panels and alarm interfaces
- Develop **Prefunctional Checklists (PFCs)** for:
 - Mechanical installation
 - Electrical power and grounding
 - Labeling, signage, and access
 - Secondary containment and spill control
- Observe:
 - Tank installation
 - Piping pressure testing
 - Purge and inerting procedures
 - Initial system energization

Deliverables: Fuel system submittal review log, Completed contractor PFCs, Startup and observation reports

Functional Performance Testing (FPT)

- Execute and **witness functional tests** per the Cx Plan for all required systems (HVAC sequences, DOAS, economizers, VAV reheat, chillers, pumps, controls, lighting controls, controlled receptacles, energy meters, refrigeration). Tests shall validate sequences, alarm/override operations, lockouts, and interactions between systems. Include tests for:
 - Control sequences under normal and fail/fallback conditions (e.g., fire/loss of power).
 - Energy meter verification against selected loads and BAS data.
 - Lighting control scenes and occupancy sensor behavior.
 - Service water heater setpoints, recirc operation, and anti-scald sequences.

McKinstry Task Summary – (650 hrs)

- Support and host MEP and commissioning meetings, respectively* – The CxA is available during MEP coordination meetings to add clarity, drive problem resolution, assist in decision making, and represent project commissioning.
- Construction Schedule and Activity Tracking* – To enable a successful commissioning and building turnover process, the contractor should commit to providing and maintaining a construction schedule that incorporates important commissioning milestones. At a minimum, these include dates when permanent power is available, the hydronic fill/flush/treatment process, dust-free conditions, equipment startup, testing and balancing (TAB), pre-functional testing, functional performance testing, and owner training.
- Pre-start, Start-up, Point to Point, and TAB Verification* – It is the contractor’s responsibility to ensure that complete pre-start and startup activities are performed and recorded. However, we found it helpful to be involved in this process for coaching and assistance and validate that all steps identified are taken

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and logged.

- D. *Functional Performance Testing* – The validation of system and building operations is the contractor’s responsibility and Functional Performance Testing should not take place until after the contracting team has run and provided independent tests to gain confidence of completeness.
- E. *Contractor Training Oversight* - Assistance and approval of specific commissioning training agendas, assurance that training is prepared and delivered properly and making sure that training covers not just individual pieces of equipment and technology, but systems and the building as a whole.
- F. *Final Commissioning Report and System Manual* – The final Commissioning Program report is the best historical record of design, construction, and initial operations activities, decisions, and systems available.
- G. *Commissioning Close-out Meeting* – Evaluate performance of OPR and other project requirements.

DESIGN & CONSTRUCTION PHASE DELIVERABLES SUMMARY

- 1. OPR (Agency signed) and BOD alignment memo.
- 2. Commissioning Plan (Cx Plan) - living document.
- 3. Design review report (Post 100%).
- 4. Commissioning Compliance Checklist
- 5. Submittal review logs.
- 6. Pre-functional checklists (contractor-signed) and witness logs.
- 7. Functional test procedures (FTP) and executed test reports (CxA signed).
- 8. Deficiency log (open/closed status).
- 9. Final Commissioning Report + seasonal test addendum.
- 10. Training records & O&M verification checklist.
- 11. Fuel System OPR Criteria Summary
- 12. Diesel & Propane Pre-functional Checklists
- 13. Fuel System Functional Test Reports
- 14. Emergency Shutdown & Alarm Verification Forms
- 15. AHJ Acceptance Coordination Log

POST CONSTRUCTION

- A. *Change of Season and 10-month end of warranty testing* – Systems are designed to operate differently in the winter than in the summer. Validation that systems adjust per design, and that design is adequate, is necessary. Other anomalies or opportunities may be found after a period of running time that further improves efficiency.
- B. *One year of operational review and training* - Verify building operations and assist facility staff with the operation of the building over the first year of operations. Assistance with resolving issues identified during the post-construction period. Troubleshooting assistance and ongoing operational staff training. And assistance in identifying and resolving warranty issues.
- C. *Continuing CBPS Compliance Support* – McKinstry will support Skagit Transit to pursue CBPS Compliance

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- Provide support to pursue all exemptions and applicable grants
- Set up Dept of Commerce & ESPM Profiles for Skagit Transit
- Perform necessary initial steps for CBPS compliance (ie benchmarking etc.)
- Provide additional CBPS compliance support as needed

McKinstry's TSO Approach



1. DEFINE/DISCOVER PHASE

During the Define and Discover phase, we will work simultaneously with the design, construction, and the Skagit Transit team to capture the necessary facility and process information. This coordination will include working with Capital Planning, Design, and Construction, Facility Services, Engineering, EH&S, Skagit Transit Information Technology, and Special Projects to develop TSO standards for the department's transitional services program.

McKinstry's TSO team will then launch our process with the following elements of Phase 1:

- Gathering and reviewing of design and construction drawings, commissioning information, observations logs, pertinent project documents, and operation and maintenance manuals (dependent of current state of the project).
- Working with WSPHL's engineering, operational, construction, and safety teams to create standard documentation and processes as it applies to the specific projects.

2. STANDARDIZATION PHASE

The Standardization phase provides a focused plan to prepare the facility for turnover to the Skagit Transit facilities team as well as transferring knowledge, so the receiving team is set up for success on day one. During this phase, the Skagit Transit facilities team will capably and comfortably operate the building as designed.

3. STABILIZATION PHASE

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The primary goal of this phase is to ensure there is no downtime in a building's operation during occupancy. McKinstry will deploy transitional resources to support the facilities team with operation of the facility as needed. We will utilize the knowledge gained in the two initial phases of our TSO process, along with our extensive existing system operations expertise to ensure knowledge transition from McKinstry to your team. These resources will not only provide support to the operations team but utilize this time to enhance the operator training by providing both formal and informal hands-on training as needs are identified.

Our team will augment Skagit Transit's operational team, identifying and filling gaps in staffing, skill sets, or system knowledge until the facility team is comfortable with systems and runtime as needed. In addition to staff augmentation, McKinstry will deploy software tools and services to streamline the warranty management process and optimize the building's operational performance. These performance tools include warranty management software, monitoring based ongoing commissioning, and analytical energy management systems.

4. OPTIMIZATION PHASE

The Optimization phase focuses on sustained facility performance by using a combination of field technicians, remote monitoring solutions and ongoing energy and performance management.

McKinstry's TSO team is still available to assist and provide field technical support, but the objective at this stage is to transition as much of this day-to-day management back to the facility staff. Performance and the warranty management systems are the primary tools utilized during this phase.

Finally, the TSO team will update best practices and compile lessons learned for future use on deployment of your facilities. We will also hold monthly meeting with you to review performance and provide quarterly reports on the building's performance against established Key Performance Indicators.

5. Final Deliverables

Below is a summary of all the deliverables that your team will receive for this project. This scope of work aims to establish these new processes, such that after the project is transitioned, the facility can build upon these tools and implement them elsewhere in-house.

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2. Fee Proposal

Project Phase Acceptance Description

This project is broken into 3 individual phases. This agreement approves all phases of work to be completed but each individual phase will not initiate without written approval of the contract manager. McKinstry will acknowledge each approval prior to mobilizing.

When Phase 1 Completes – McKinstry & Skagit Transit will formalize agreement to authorize Phase 2 as described in this proposal. Any adjustments to scope or clarifications will be agreed upon in writing.

Supplementary Support by Time & Materials – Not-to-Exceed Partnership can be arranged in a separate agreement to supplement efforts as necessary deemed by Skagit Transit.

Phase Fee Schedule

PHASE 1 – DESIGN & STRATEGIC FACILITY PLANNING SCOPE (Estimated Mar 2026 – May 2026)	FEE	Initial for Scope Acceptance *
Design Phase Commissioning	\$37,698	
OPR	Included	
MEP Review – Efficiency & Modernization	Included	
Commissioning Design Review	Included	

PHASE 1 – CONSTRUCTION SCOPE (Estimated Jul 2026-Jul 2028)	FEE	Initial for Scope Acceptance *
Construction Phase Commissioning	\$163,802	

PHASE 2 – TRANSITION TO SUSTAINABLE OPERATIONS SCOPE (Estimated May 2028-May 2030)	FEE	Initial for Scope Acceptance *
Post-Construction Phase Commissioning	\$37,520	
CBPS Compliance Consulting	Included	
Energy Monitoring Enhancement Review	Included	
Full TSO Scope	Included	

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Billing Schedule

These are all the items that are included in this scope of work. We bill monthly until completion of the work.

Category	Percent of Total Cost	Description
Mobilization	10%	Sales costs, accounting, project set up
Pre-Site Planning and Documentation	20%	Submittal reviews, pre-functional test scripts, CxAlloy (software set up)
Site Assessment	15%	Site visits based on proposal agreement
Calculations and Analysis	15%	Functional Performance Testing, sequence of operation verification
Reports and Deliverables	25%	All reporting during the project and final reporting work
Project Administration	5%	All billing and internal meeting coordination. Office Staff, including accounts payable/receivable
Project Oversight	5%	Project leadership – Program and Project Managers
Project Closeout	5%	Final deliverable and the OAC Cx closeout meeting

AUTHORIZATION

Skagit Transit Strategic Facility Support is Authorized By:

Skagit Transit

Name:

McKinstry Essention, LLC

Name:

Signature

Signature

Date

Date

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3. Terms and Conditions

PERFORMANCE OF WORK

McKinstry shall perform the scope of work (“Work”) specified herein. McKinstry shall furnish all services necessary to perform the Work and perform the Work to completion diligently, expeditiously and with adequate forces. Customer shall use its best efforts to provide all information, materials, documents, and assistance that is reasonably required for McKinstry to perform any and all aspects of the Work.

PAYMENTS

Customer shall pay McKinstry the compensation specified herein (“Price”) for the value of Work that McKinstry has completed, as the Work is completed. Customer shall pay McKinstry within thirty (30) days of receiving an invoice. McKinstry will be entitled to interest at the rate of 1.5 percent per month on all sums overdue and unpaid from the date due.

WARRANTIES

Customer shall receive a one (1) year warranty that covers labor and materials provided by McKinstry as part of the Work. This warranty commences on the date that the portion of the Work warranted is substantially complete. However, McKinstry makes no warranty whatsoever regarding components of the Work provided by third parties, and in such case the terms of the third party’s warranty, including manufacturers’ warranties, if any, shall apply between Customer and the third party. The warranties in this section are exclusive and in lieu of all other warranties, whether express or implied.

TERMINATION

Either Party may terminate this agreement upon fifteen (15) days written notice to the other Party. In such case, the rights and obligations of each Party that arose prior to the termination date shall survive such termination.

DISPUTES

In case of dispute between the Parties, the Parties will attempt to negotiate a resolution. If a dispute remains unresolved more than thirty (30) calendar days after the commencement of negotiation, and the Parties have not agreed to extend such date, then the Parties shall pursue mediation. If any dispute remains unresolved more than sixty (60) calendar days after the commencement of mediation, then either Party may pursue arbitration. No litigation will be commenced by either Party unless all of the foregoing steps have been pursued to completion.

CHOICE OF LAW, VENUE

The validity, interpretation, and performance of this agreement shall be governed by the laws of the state in which the Work is performed. The venue for resolving any dispute shall be the county in which the Work is performed.

FORCE MAJEURE

Neither McKinstry nor Customer shall be considered in breach of this agreement to the extent that the Party’s performance is prevented by an event or events that are beyond the control of such party, including but not limited to acts of God, fire, earthquake, flood, storm, war, rebellion, revolution, insurrection, riot, strike, nuclear contamination, and/or acts or threats of terrorism.

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NO WAIVER

No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver.

INTELLECTUAL PROPERTY

Intellectual property provided by McKinstry to Customer as part of the Work are instruments of service owned by McKinstry and are not “work made for hire” as such term is defined under U.S. copyright law. When the Work is performed to completion, McKinstry grants to Customer a limited license to use the Intellectual Property to operate, maintain, renovate, and manage the subject matter of the Work.

DAMAGES LIMITATION

Neither party shall be liable to the other party for any consequential, indirect, special, incidental, exemplary, or similar, damages or losses, including loss of profits, arising out of or relating to this agreement, whether based in contract or tort or any other theory, even if a party has been advised of the possibility of such damages. Furthermore, the total aggregate liability of either party, under any theory, is limited to the agreement price.

INDEMNIFICATION

McKinstry shall indemnify and hold harmless Customer from and against all third-party claims, damages, losses and expenses for bodily injury, sickness, disease, or death or destruction of tangible property, directly arising from McKinstry’s performance of the Work, but only to the extent caused by the negligent acts or omissions of McKinstry.

SEVERABILITY, SURVIVAL

If any portion of this agreement shall be held invalid in whole or in part under any law, rule, regulation, or order, then such portion shall remain in effect only to the extent permitted, and the remaining portions of the agreement shall remain in full force and effect. Any invalid portions shall be substituted with an interpretation that most accurately reflects the Parties’ intentions.

AMENDMENT

This agreement may not be amended except pursuant to a written amendment signed by an authorized signer of each Party.

COMPLETE AGREEMENT

This agreement, including the exhibits attached hereto, is a fully integrated agreement. Any legal terms and conditions appearing elsewhere in this agreement shall be ignored to the extent they contradict or are inconsistent with the terms and conditions contained in the foregoing numbered list. All previous agreements between McKinstry and Customer as to the Work are superseded by this agreement.

EXHIBIT C

CERTIFICATE OF INSURANCE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – AUTOMATIC STATUS IF REQUIRED BY WRITTEN CONTRACT (CONTRACTORS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that:

- a. You agree in a written contract or agreement to include as an additional insured on this Coverage Part; and
- b. Has not been added as an additional insured for the same project by attachment of an endorsement under this Coverage Part which includes such person or organization in the endorsement's schedule;

is an insured, but:

- a. Only with respect to liability for "bodily injury" or "property damage" that occurs, or for "personal injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement and while that part of the contract or agreement is in effect; and
- b. Only as described in Paragraph (1), (2) or (3) below, whichever applies:
 - (1) If the written contract or agreement specifically requires you to provide additional insured coverage to that person or organization by the use of:
 - (a) The Additional Insured – Owners, Lessees or Contractors – (Form B) endorsement CG 20 10 11 85; or
 - (b) Either or both of the following: the Additional Insured – Owners, Lessees or Contractors – Scheduled Person Or Organization endorsement CG 20 10 10 01, or the Additional Insured – Owners, Lessees or Contractors – Completed Operations endorsement CG 20 37 10 01;

the person or organization is an additional insured only if the injury or damage arises out of "your work" to which the written contract or agreement applies;

- (2) If the written contract or agreement specifically requires you to provide additional insured coverage to that person or organization by the use of:

- (a) The Additional Insured – Owners, Lessees or Contractors – Scheduled Person or Organization endorsement CG 20 10 07 04 or CG 20 10 04 13, the Additional Insured – Owners, Lessees or Contractors – Completed Operations endorsement CG 20 37 07 04 or CG 20 37 04 13, or both of such endorsements with either of those edition dates; or

- (b) Either or both of the following: the Additional Insured – Owners, Lessees or Contractors – Scheduled Person Or Organization endorsement CG 20 10, or the Additional Insured – Owners, Lessees or Contractors – Completed Operations endorsement CG 20 37, without an edition date of such endorsement specified;

the person or organization is an additional insured only if the injury or damage is caused, in whole or in part, by acts or omissions of you or your subcontractor in the performance of "your work" to which the written contract or agreement applies; or

- (3) If neither Paragraph (1) nor (2) above applies:
 - (a) The person or organization is an additional insured only if, and to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the written contract or agreement applies; and
 - (b) Such person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.

The insurance provided to such additional insured is subject to the following provisions:

- a. If the Limits of Insurance of this Coverage Part shown in the Declarations exceed the minimum limits required by the written contract or agreement, the insurance provided to the additional insured will be limited to such minimum required limits. For the purposes of determining whether

COMMERCIAL GENERAL LIABILITY

this limitation applies, the minimum limits required by the written contract or agreement will be considered to include the minimum limits of any Umbrella or Excess liability coverage required for the additional insured by that written contract or agreement. This provision will not increase the limits of insurance described in Section III – Limits Of Insurance.

b. The insurance provided to such additional insured does not apply to:

(1) Any "bodily injury", "property damage" or "personal injury" arising out of the providing, or failure to provide, any professional architectural, engineering or surveying services, including:

- (a) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders or change orders, or the preparing, approving, or failing to prepare or approve, drawings and specifications; and
- (b) Supervisory, inspection, architectural or engineering activities.

(2) Any "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the written contract or agreement specifically requires you to provide such coverage for that additional insured during the policy period.

c. The additional insured must comply with the following duties:

(1) Give us written notice as soon as practicable of an "occurrence" or an offense which may

result in a claim. To the extent possible, such notice should include:

- (a) How, when and where the "occurrence" or offense took place;
- (b) The names and addresses of any injured persons and witnesses; and
- (c) The nature and location of any injury or damage arising out of the "occurrence" or offense.

(2) If a claim is made or "suit" is brought against the additional insured:

- (a) Immediately record the specifics of the claim or "suit" and the date received; and
- (b) Notify us as soon as practicable and see to it that we receive written notice of the claim or "suit" as soon as practicable.

(3) Immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.

(4) Tender the defense and indemnity of any claim or "suit" to any provider of other insurance which would cover such additional insured for a loss we cover. However, this condition does not affect whether the insurance provided to such additional insured is primary to other insurance available to such additional insured which covers that person or organization as a named insured as described in Paragraph 4., Other Insurance, of Section IV – Commercial General Liability Conditions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OTHER INSURANCE – DESIGNATED ADDITIONAL INSUREDS – PRIMARY WITH RESPECT TO CERTAIN OTHER INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE OF DESIGNATED ADDITIONAL INSUREDS

Any person or organization that qualifies as an additional insured under such other endorsement to this Coverage Part, if you agree in a written contract to include such person or organization as an additional insured on this Coverage Part and such written contract:

- a. Specifically requires that this insurance apply on a primary basis or a primary and non-contributory basis; and
- b. Was signed and executed by you before, and is in effect when, the "bodily injury" or "property damage" occurs or the "personal injury" or "advertising injury" offense is committed

PROVISIONS

The following is added to Paragraph 4.a., **Primary Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

The insurance afforded under this Coverage Part to any additional insured shown in the Schedule Of

Designated Additional Insureds is primary to any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to such additional insured which covers such additional insured as a named insured, and we will not share with that other insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

XTEND ENDORSEMENT FOR CONTRACTORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|--|
| <ul style="list-style-type: none"> A. Who Is An Insured – Unnamed Subsidiaries B. Blanket Additional Insured – Governmental Entities – Permits Or Authorizations Relating To Operations | <ul style="list-style-type: none"> C. Incidental Medical Malpractice D. Blanket Waiver Of Subrogation E. Contractual Liability – Railroads F. Damage To Premises Rented To You |
|---|--|

PROVISIONS

A. WHO IS AN INSURED – UNNAMED SUBSIDIARIES

The following is added to **SECTION II – WHO IS AN INSURED**:

Any of your subsidiaries, other than a partnership, joint venture or limited liability company, that is not shown as a Named Insured in the Declarations is a Named Insured if:

- a.** You are the sole owner of, or maintain an ownership interest of more than 50% in, such subsidiary on the first day of the policy period; and
- b.** Such subsidiary is not an insured under similar other insurance.

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

- a.** Before you maintained an ownership interest of more than 50% in such subsidiary; or
- b.** After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

For purposes of Paragraph 1. of Section II – Who Is An Insured, each such subsidiary will be deemed to be designated in the Declarations as:

- a.** An organization other than a partnership, joint venture or limited liability company; or

- b.** A trust;

as indicated in its name or the documents that govern its structure.

B. BLANKET ADDITIONAL INSURED – GOVERNMENTAL ENTITIES – PERMITS OR AUTHORIZATIONS RELATING TO OPERATIONS

The following is added to **SECTION II – WHO IS AN INSURED**:

Any governmental entity that has issued a permit or authorization with respect to operations performed by you or on your behalf and that you are required by any ordinance, law, building code or written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of such operations.

The insurance provided to such governmental entity does not apply to:

- a.** Any "bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the governmental entity; or
- b.** Any "bodily injury" or "property damage" included in the "products-completed operations hazard".

C. INCIDENTAL MEDICAL MALPRACTICE

1. The following replaces Paragraph **b.** of the definition of "occurrence" in the **DEFINITIONS** Section:

b. An act or omission committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

2. The following replaces the last paragraph of Paragraph **2.a.(1)** of **SECTION II – WHO IS AN INSURED**:

Unless you are in the business or occupation of providing professional health care services, Paragraphs **(1)(a)**, **(b)**, **(c)** and **(d)** above do not apply to "bodily injury" arising out of providing or failing to provide:

(a) "Incidental medical services" by any of your "employees" who is a nurse, nurse assistant, emergency medical technician or paramedic; or

(b) First aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

3. The following replaces the last sentence of Paragraph **5.** of **SECTION III – LIMITS OF INSURANCE**:

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

4. The following exclusion is added to Paragraph **2.**, **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Sale Of Pharmaceuticals

"Bodily injury" or "property damage" arising out of the violation of a penal statute or ordinance relating to the sale of

pharmaceuticals committed by, or with the knowledge or consent of, the insured.

5. The following is added to the **DEFINITIONS** Section:

"Incidental medical services" means:

a. Medical, surgical, dental, laboratory, x-ray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages; or

b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

6. The following is added to Paragraph **4.b.**, **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to any of your "employees" for "bodily injury" that arises out of providing or failing to provide "incidental medical services" to any person to the extent not subject to Paragraph **2.a.(1)** of Section II – Who Is An Insured.

D. BLANKET WAIVER OF SUBROGATION

The following is added to Paragraph **8.**, **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

a. "Bodily injury" or "property damage" that occurs; or

b. "Personal and advertising injury" caused by an offense that is committed;

subsequent to the execution of the contract or agreement.

E. CONTRACTUAL LIABILITY – RAILROADS

1. The following replaces Paragraph **c.** of the definition of "insured contract" in the **DEFINITIONS** Section:

c. Any easement or license agreement;

2. Paragraph **f.(1)** of the definition of "insured contract" in the **DEFINITIONS** Section is deleted.

F. DAMAGE TO PREMISES RENTED TO YOU

The following replaces the definition of "premises damage" in the **DEFINITIONS** Section:

"Premises damage" means "property damage" to:

- a. Any premises while rented to you or temporarily occupied by you with permission of the owner; or
- b. The contents of any premises while such premises is rented to you, if you rent such premises for a period of seven or fewer consecutive days.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TOTAL AGGREGATE LIMIT OTHER THAN PROJECTS
AND DESIGNATED PROJECT AND LOCATION
AGGREGATE LIMITS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE – LIMITS OF INSURANCE AND DESIGNATED PROJECTS AND LOCATIONS

LIMITS OF INSURANCE

Total Aggregate Limit (Other Than Projects and Products-Completed Operations)	\$ 25,000,000
Designated Location Aggregate Limit (Other Than Products-Completed Operations)	\$ 4,000,000
Designated Project Aggregate Limit (Other Than Products-Completed Operations)	\$ 4,000,000
General Aggregate Limit (Other Than Products-Completed Operations)	\$ 4,000,000

Designated Projects:

Each "project" away from premises owned by or rented to you
Designated Locations: Each premises owned by or rented to you

Designated Locations:

Each premises owned by or rented to you

PROVISIONS

- | | |
|---|---|
| <p>1. The General Aggregate Limit (Other Than Products-Completed Operations) shown in the Declarations is replaced by the Limits of Insurance shown in the Schedule – Limits Of Insurance And Designated Projects And Locations.</p> <p>2. The following replaces Paragraph 1. of SECTION III – LIMITS OF INSURANCE:</p> | <p>1. The Limits of Insurance shown in the Declarations or the Schedule – Limits Of Insurance And Designated Projects And Locations, whichever apply, and the rules below fix the most we will pay regardless of the number of:</p> <p style="margin-left: 20px;">a. Insureds;</p> <p style="margin-left: 20px;">b. Claims made or "suits" brought;</p> |
|---|---|

COMMERCIAL GENERAL LIABILITY

- c. Persons or organizations making claims or bringing "suits"; or
 - d. "Projects" or "locations".
3. The following replaces Paragraph 2. of **SECTION III – LIMITS OF INSURANCE:**
2. a. The Total Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations is the most we will pay for the sum of all amounts under the Designated Location Aggregate Limit and all amounts under the General Aggregate Limit. This includes:
- (1) Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - (2) Damages under Coverage B; and
 - (3) Medical expenses under Coverage C.
- b. The Designated Project Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations applies and is further subject to all of the following provisions:
- (1) The Designated Project Aggregate Limit is the most we will pay for the sum of:
 - (a) Damages under Coverage A because of "bodily injury" and "property damage" caused by "occurrences"; and
 - (b) Medical expenses under Coverage C for "bodily injury" caused by accidents;that can be attributed only to operations at a single "project".
 - (2) The Designated Project Aggregate Limit applies separately to each "project".
 - (3) The Designated Project Aggregate Limit does not apply to damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard". Instead, the Products-Completed Operations Aggregate Limit described in Paragraph 3. below applies to such damages.
 - (4) The Designated Project Aggregate Limit does not apply to damages

under Coverage B. Instead, the General Aggregate Limit described in Paragraph 2.d. below applies to such damages.

- (5) Any payments made for damages or medical expenses to which the Designated Project Aggregate Limit applies will reduce the Designated Project Aggregate Limit for the applicable "project". Such payments will not reduce the Total Aggregate Limit, the General Aggregate Limit described in Paragraph 2.d. below, the Designated Project Aggregate Limit for any other "project" or the Designated Location Aggregate Limit.

- c. Subject to the Total Aggregate Limit described in Paragraph 2.a. above, the Designated Location Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations applies and is further subject to all of the following provisions:

- (1) The Designated Location Aggregate Limit is the most we will pay for the sum of:

- (a) Damages under Coverage A because of "bodily injury" and "property damage" caused by "occurrences"; and
- (b) Medical expenses under Coverage C for "bodily injury" caused by accidents;

that can be attributed only to operations at a single "location".

- (2) The Designated Location Aggregate Limit applies separately to each "location".
- (3) The Designated Location Aggregate Limit does not apply to damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard". Instead, the Products-Completed Operations Aggregate Limit described in Paragraph 3. below applies to such damages.
- (4) The Designated Location Aggregate Limit does not apply to damages ssunder Coverage B. Instead, the General Aggregate Limit described in

Paragraph **2.d.** below applies to such damages.

- (5) Any payments made for damages or medical expenses to which the Designated Location Aggregate Limit applies will reduce:

- (a) The Total Aggregate Limit; and
- (b) The Designated Location Aggregate Limit for the applicable "location".

Such payments will not reduce the General Aggregate Limit described in Paragraph **2.d.** below, the Designated Project Aggregate Limit or the Designated Location Aggregate Limit for any other "location".

- d. Subject to the Total Aggregate Limit described in Paragraph **2.a.** above, the General Aggregate Limit shown in the Schedule – Limits Of Insurance And Designated Projects And Locations applies and is further subject to all of the following provisions:

- (1) The General Aggregate Limit is the most we will pay for the sum of:

- (a) Damages under Coverage **A** because of "bodily injury" and "property damage" caused by "occurrences", and medical expenses under Coverage **C** for "bodily injury" caused by accidents, that cannot be attributed only to operations at a single "project" or a single "location"; and
- (b) Damages under Coverage **B**.

- (2) The General Aggregate Limit does not apply to damages for "bodily injury" or "property damage" included in the "products-completed operations hazard". Instead, the Products-Completed Operations Aggregate Limit described in Paragraph **3.** below applies to such damages.

- (3) Any payments made for damages or medical expenses to which the

General Aggregate Limit applies will reduce:

- (a) The Total Aggregate Limit; and
- (b) The General Aggregate Limit.

Such payments will not reduce the Designated Project Aggregate Limit for any "project" or the Designated Location Aggregate Limit for any "location".

4. The following replaces Paragraph **3.** of **SECTION III – LIMITS OF INSURANCE:**

3. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay under Coverage **A** for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard". Any payments made for such damages will not reduce the Total Aggregate Limit, the General Aggregate Limit, the Designated Project Aggregate Limit for any "project" or the Designated Location Aggregate Limit for any "location".

5. The following is added to the **DEFINITIONS** Section:

"Location" means any designated location shown in the Schedule – Limits Of Insurance And Designated Projects And Locations that is owned by or rented to you. For the purposes of determining the applicable aggregate limit of insurance, each "location" that includes a premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or waterway, or by a right-of-way of a railroad, will be considered a single "location".

"Project" means any designated project shown in the Schedule – Limits Of Insurance And Designated Projects And Locations that is away from premises owned by or rented to you and at which you are performing operations pursuant to a contract or agreement. For the purposes of determining the applicable aggregate limit of insurance, each "project" that includes a premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or waterway, or by a right-of-way of a railroad, will be considered a single "project".

EXHIBIT D

REQUIRED FEDERAL CLAUSES

1.0 REQUIRED FEDERAL CLAUSES

This Contract is funded in whole or in part with federal operating funds; therefore, the following Federal Transit Administration (FTA) contract clauses are incorporated herein. The FTA required terms, authorized by Federal transit laws, 49 U.S.C. chapter 53, are not negotiable and must be included in any subcontracts awarded by the Contractor unless specified otherwise. This section has been updated in accordance with the [Third Party Contracting Guidance Circular 4220.1G](#), which can be referenced by clicking on the embedded link. The Contractor agrees that if any provision of this agreement or any amendment thereto is determined to be invalid, then the remaining provisions thereof that conform to federal laws, regulations, requirements, and guidance will continue in effect. In the event of any conflict between required federal clauses and Skagit Transit's contract provisions, the required federal contract clauses shall govern.

1.1 ACCESS TO THIRD PARTY CONTRACT RECORDS

- a) **Record Retention.** The Contractor will retain and will require its subcontractors of all tiers to retain, complete and readily accessible records related in whole or in part to the contract, including, but not limited to, data, documents, reports, statistics, leases, subcontracts, arrangements, other third-party Contracts of any type, and supporting materials related to those records.
- b) **Retention Period.** The Contractor agrees to comply with the record retention requirements in accordance with 2 C.F.R. §200.334. The Contractor shall maintain all books, records, accounts and reports required under this Contract for a period of at not less than three (3) years after the date of termination or expiration of this Contract, except in the event of litigation or settlement of claims arising from the performance of this Contract, in which case records shall be maintained until the disposition of all such litigation, appeals, claims or exceptions related thereto.
- c) **Access to Records.** The Contractor agrees to provide sufficient access to FTA and its contractors to inspect and audit records and information, including such records and information the contractor or its subcontractors may regard as confidential or proprietary, related to performance of this contract in accordance with 2 CFR § 200.337.
- d) **Access to the Sites of Performance.** The Contractor agrees to permit FTA and its contractors' access to the sites of performance under this contract in accordance with 2 CFR § 200.337.
- e) **GAO Access.** The Contractor further agrees to provide the Comptroller General of the United States, the Government Accountability Office (GAO), and their authorized representatives access to any books, documents, papers, and records of the Contractor that are directly pertinent to this Contract, in accordance with 49 U.S.C. § 5325(a) and the FTA Master Agreement.
- f) **Single Audit Access.** The Contractor shall provide the Comptroller General of the United States, the Government Accountability Office (GAO), the Federal Transit Administration (FTA), and their authorized representatives access to records pertinent to this Contract for audit purposes, in accordance with the Single Audit Act (31 U.S.C. §§ 7501–7507) and 2 C.F.R. Part 200, Subpart F.

1.2 ADA ACCESS

The Recipient agrees to comply with the following federal prohibitions against discrimination based on disability:

- a) **Federal laws, including:**
 - i. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, which prohibits discrimination based on disability in the administration of federally assisted Programs, Projects, or activities;
 - ii. The Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. § 12101 et seq., which requires that accessible facilities and services be made available to individuals with disabilities:

- 1) For FTA Recipients generally, Titles I, II, and III of the ADA apply; but
- 2) For Indian Tribes, Titles II and III of the ADA apply, but Title I of the ADA does not apply because it exempts Indian Tribes from the definition of “employer;”
- iii. The Architectural Barriers Act of 1968, as amended, 42 U.S.C. § 4151 et seq., which requires that buildings and public accommodations be accessible to individuals with disabilities;
- iv. Federal transit law, specifically 49 U.S.C. § 5332, which now includes disability as a prohibited basis for discrimination; and
- v. Other applicable federal laws, regulations, and requirements pertaining to access for seniors or individuals with disabilities.

b) Federal regulations and guidance, including:

- vi. U.S. DOT regulations, “Transportation Services for Individuals with Disabilities (ADA),” 49 C.F.R. part 37;
- vii. U.S. DOT regulations, “Nondiscrimination on the Basis of Disability in Programs and Activities Receiving or Benefiting from Federal Financial Assistance,” 49 C.F.R. part 27;
- viii. Joint U.S. Architectural and Transportation Barriers Compliance Board (U.S. ATBCB) and U.S. DOT regulations, “Americans with Disabilities (ADA) Accessibility Specifications for Transportation Vehicles,” 36 C.F.R. part 1192 and 49 C.F.R. part 38;
- ix. U.S. DOT regulations, “Transportation for Individuals with Disabilities: Passenger Vessels,” 49 C.F.R. part 39;
- x. U.S. DOJ regulations, “Nondiscrimination on the Basis of Disability in State and Local Government Services,” 28 C.F.R. part 35;
- xi. U.S. DOJ regulations, “Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities,” 28 C.F.R. part 36;
- xii. U.S. EEOC, “Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act,” 29C.F.R. part 1630;
- xiii. U.S. Federal Communications Commission regulations, “Telecommunications Relay Services and Related Customer Premises Equipment for Persons with Disabilities,” 47 C.F.R. part 64, subpart F;
- xiv. U.S. ATBCB regulations, “Electronic and Information Technology Accessibility Standards,” 36 C.F.R. part 1194;
- xv. FTA regulations, “Transportation for Elderly and Handicapped Persons,” 49 C.F.R. part 609;
- xvi. FTA Circular 4710.1, “Americans with Disabilities Act: Guidance;” and
- xvii. Other applicable federal civil rights and nondiscrimination regulations and guidance.

1.3 CHANGES TO FEDERAL REQUIREMENTS

Federal requirements that apply to the Recipient or the Award, the accompanying Underlying Agreement, and any Amendments thereto may change due to changes in federal law, regulation, other requirements, or guidance, or changes in the Recipient’s Underlying Agreement including any information incorporated by reference and

made part of that Underlying Agreement; and Applicable changes to those federal requirements will apply to each Third-Party Agreement and parties thereto at any tier.

1.4 CIVIL RIGHTS LAWS AND REGULATIONS

The following Federal Civil Rights laws and regulations apply to all contracts.

The Contractor and any subcontractor agree to comply with all the requirements prohibiting discrimination on the basis of race, color, or national origin of the Title VI of the Civil Rights Act of 1964, as amended 52 U.S.C 2000d, and U.S. DOT regulation “Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of the Title VI of the Civil rights Act, “49 C.F. R. Part 21 and any implementing requirement FTA may issue.

- a) **Federal Equal Employment Opportunity (EEO) Requirements.** These include, but are not limited to:
 - i. **Nondiscrimination in Federal Public Transportation Programs.** 49 U.S.C. § 5332, covering projects, programs, and activities financed under 49 U.S.C. Chapter 53, prohibits discrimination on the basis of race, color, religion, national origin, sex (including sexual orientation and gender identity), disability, or age, and prohibits discrimination in employment or business opportunity.
 - ii. **Prohibition against Employee Discrimination.** Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e, and Executive Order No. 11246, “Equal Employment Opportunity,” September 24, 1965, as amended, prohibit discrimination in employment on the basis of race, color, religion, sex, or national origin.
- b) **Nondiscrimination on the Basis of Sex.** Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. § 1681 et seq. and implementing Federal regulations, “Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance,” 49 C.F.R. part 25 prohibit discrimination on the basis of sex.
- c) **Nondiscrimination on the Basis of Age.** The “Age Discrimination Act of 1975,” as amended, 42 U.S.C. § 6101 et seq., and Department of Health and Human Services implementing regulations, “Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance,” 45 C.F.R. part 90, prohibit discrimination by participants in federally assisted programs against individuals on the basis of age. The Age Discrimination in Employment Act (ADEA), 29 U.S.C. § 621 et seq., and Equal Employment Opportunity Commission (EEOC) implementing regulations, “Age Discrimination in Employment Act,” 29 C.F.R. part 1625, also prohibit employment discrimination against individuals aged 40 and over on the basis of age.
- d) **Federal Protections for Individuals with Disabilities.** The Americans with Disabilities Act of 1990, as amended (ADA), 42 U.S.C. § 12101 et seq., prohibits discrimination against qualified individuals with disabilities in programs, activities, and services, and imposes specific requirements on public and private entities. Third party contractors must comply with their responsibilities under Titles I, II, III, IV, and V of the ADA in employment, public services, public accommodations, telecommunications, and other provisions, many of which are subject to regulations issued by other Federal agencies.

1.5 CIVIL RIGHTS AND EQUAL OPPORTUNITY

Skagit Transit is an Equal Opportunity Employer. As such, Skagit Transit agrees to comply with all applicable Federal civil rights laws and implemented regulations. Apart from inconsistent requirements imposed by Federal laws or regulations, the Skagit Transit agrees to comply with the requirements of 49 U.S.C. § 5323(h) (3) by not using any Federal assistance awarded by FTA to support procurements using exclusionary or discriminatory specifications. Under this Contract, the Contractor shall at all times comply with the following requirements and shall include these requirements in each subcontract entered into as part thereof.

- a) **Nondiscrimination.** In accordance with Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, disability, or age. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.
- b) **Race, Color, Religion, National Origin, Sex.** In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e et seq., and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. chapter 60, and Executive Order No. 11246, "Equal Employment Opportunity in Federal Employment," September 24, 1965, 42 U.S.C. § 2000e note, as amended by any later Executive Order that amends or supersedes it, referenced in 42 U.S.C. § 2000e note. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, national origin, or sex (including sexual orientation and gender identity). Such action shall include, but not be limited to, the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.
- c) **Age.** In accordance with the Age Discrimination in Employment Act, 29 U.S.C. §§ 621- 634, U.S. Equal Employment Opportunity Commission (U.S. EEOC) regulations, "Age Discrimination in Employment Act," 29 C.F.R. part 1625, the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101 et seq., U.S. Health and Human Services regulations, "Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance," 45 C.F.R. part 90, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any Implementing requirements FTA may issue.
- d) **Disabilities.** In accordance with section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101 et seq., the Architectural Barriers Act of 1968, as amended, 42 U.S.C. § 4151 et seq., and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against individuals on the basis of disability. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.
- e) **Promoting Free Speech and Religious Liberty.** The Contractor shall ensure that Federal funding is expended in full accordance with the U.S. Constitution, Federal Law, and statutory and public policy requirements: including, but not limited to, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination.

1.6 CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251-1387). Violations must be reported to FTA and the Regional Office of the Environmental Protection Skagit Transit. The following applies for contracts of amounts in excess of \$150,000:

a) Clean Air Act

- i. The contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
- ii. The contractor agrees to report each violation to the Skagit Transit and understands and agrees that the Skagit Transit will, in turn, report each violation as required to assure notification to the Skagit Transit, Federal Emergency Management Skagit Transit, and the appropriate Environmental Protection Skagit Transit Regional Office.

- iii. The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FTA.

b) Federal Water Pollution Control Act

- i. The contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
- ii. The contractor agrees to report each violation to the Skagit Transit and understands and agrees that the Skagit Transit will, in turn, report each violation as required to assure notification to the Skagit Transit, Federal Emergency Management Skagit Transit, and the appropriate Environmental Protection Skagit Transit Regional Office.
- iii. The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FTA.”

1.7 CONFLICT OF INTEREST

In accordance with 2 C.F.R. § 200.318(c), the Contractor certifies that no officer, employee, or agent of Skagit Transit who exercises any functions or responsibilities with respect to this Contract has any real or apparent conflict of interest, and that no gratuities, favors, or items of monetary value have been offered or given to any such person. The Contractor shall immediately disclose in writing to Skagit Transit any actual or potential conflict of interest that arises during the performance of this Contract and shall take appropriate steps to resolve such conflict as directed by Skagit Transit. The Contractor shall include equivalent conflict-of-interest provisions in all subcontracts at any tier.

1.8 DEBARMENT AND SUSPENSION

Debarment and Suspension (Executive Orders 12549 and 12689). A covered transaction (see 2 C.F.R. §§ 180.220 and 1200.220) must not be entered into with any party listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. 180 that implement Executive Orders 12549 (31 U.S.C. § 6101 note, 51 Fed. Reg. 6370,) and 12689 (31 U.S.C. § 6101 note, 54 Fed. Reg. 34131), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. The Recipient agrees to include, and require each Third-Party Participant to include, a similar provision in each lower tier covered transaction, ensuring that each lower tier Third Party Participant:

- a) Complies with federal debarment and suspension requirements; and
- b) Reviews the SAM at <https://www.sam.gov>, if necessary to comply with U.S. DOT regulations, 2 CFR Part 1200.

1.9 DISADVANTAGED BUSINESS ENTERPRISE (DBE)

The Contractor shall comply with all applicable U.S. Department of Transportation (DOT) and Federal Transit Administration (FTA) Disadvantaged Business Enterprise (DBE) program requirements, including those in 49 CFR Part 26 and any subsequent revisions. In accordance with the Interim Final Rule effective October 3, 2025, DBE certification is based on individualized evidence of social and economic disadvantage, and the Contractor acknowledges that previously certified DBE firms may be undergoing new evaluations or recertification. The Contractor shall make good-faith efforts to solicit and utilize DBE participation consistent with the Contract requirements and with current DBE certification determinations. The Contractor must document and submit evidence of good-faith efforts, DBE certifications, and participation data as required by the Recipient and as further defined in the Contract exhibits. Noncompliance with DBE program requirements, including failure to demonstrate good-faith efforts where contract goals apply, shall constitute a material breach of this Contract.

1.10 DOMESTIC PREFERENCES FOR PROCUREMENTS

In accordance with 2 CFR § 200.322 and the requirements of the Federal Transit Administration (FTA), the Contractor shall, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States under this Contract.

Domestic preference applies to, but is not limited to:

- a) Iron, steel, construction materials
- b) Manufactured products
- c) Computer, networking, and electronic equipment
- d) Supplies and consumables
- e) All other goods, products, or materials used in the performance of this Contract

The Contractor shall incorporate this requirement into all subcontracts and sub-agreements at any tier.

Nothing in this clause shall be interpreted to alter or replace any additional domestic content requirements that may apply under FTA Buy America statutes or regulations when applicable to the specific procurement (e.g., 49 U.S.C. § 5323(j), 49 CFR Part 661).

1.11 ENERGY CONSERVATION

The contractor agrees to comply with mandatory standards and policies relating to energy efficiency, which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. § 6201).

1.12 FALSE STATEMENTS OR CLAIMS

- a) **Civil Fraud.** The Recipient acknowledges and agrees that:
 - i. Federal laws, regulations, and requirements apply to itself and its Underlying Agreement, including the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq., and U.S. DOT regulations, “Program Fraud Civil Remedies,” 49 C.F.R. part 31.
 - ii. By executing the Underlying Agreement, the Recipient certifies and affirms to the Federal Government the truthfulness and accuracy of any claim, statement, submission, certification, assurance, affirmation, or representation that the Recipient provides to the Federal Government.
 - iii. The Federal Government may impose the penalties of the Program Fraud Civil Remedies Act of 1986, as amended, and other applicable penalties if the Recipient presents, submits, or makes available any false, fictitious, or fraudulent information.
- b) **Criminal Fraud.** The Recipient acknowledges that 49 U.S.C. § 5323(l)(1) authorizes the Federal Government to impose the penalties under 18 U.S.C. § 1001 if the Recipient provides a false, fictitious, or fraudulent claim, statement, submission, certification, assurance, or representation in connection with a federal public transportation program under 49 U.S.C. chapter 53 or any other applicable federal law.

1.13 FEDERAL TAX LIABILITY AND RECENT FELONY CONVICTIONS

- a) The contractor certifies that it:
 - i. Does not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and

- ii. Was not convicted of the felony criminal violation under any Federal law within the preceding 24 months.
 - iii. If the contractor cannot so certify, the Recipient will refer the matter to FTA and not enter into any Third-Party Agreement with the Third-Party Participant without FTA's written approval.
- b) **Flow-Down.** The contractor shall flow this requirement down to participants at all lower tiers, without regard to the value of any sub agreement.

1.14 INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

The provisions within include, in part, certain Standard Terms and Conditions required under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR § 200), whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, detailed in 2 CFR § 200 or as amended by 2 CFR § 1201, or the most recent version of FTA Circular 4220.1 are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Contract. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any request which would cause a violation of the FTA terms and conditions.

1.15 NO FEDERAL OBLIGATIONS TO THIRD PARTIES

The Recipient and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying Contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this Contract and shall not be subject to any obligations or liabilities to the Recipient, Contractor or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying Contract. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by the FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

1.16 NOTICE TO FTA AND U.S. DOT INSPECTOR GENERAL OF INFORMATION RELATED TO FRAUD, WASTE, ABUSE, OR OTHER LEGAL MATTERS

If a current or prospective legal matter that may affect the Federal Government emerges, the Recipient must promptly notify the FTA Chief Counsel and FTA Regional Counsel for the Region in which the Recipient is located. The Recipient must include a similar notification requirement in its Third-Party Agreements and must require each Third-Party Participant to include an equivalent provision in its sub agreements at every tier, for any agreement that is a "covered transaction" according to 2 C.F.R. §§180.220 and 1200.220.

- a) The types of legal matters that require notification include, but are not limited to, a major dispute, breach, default, litigation, or naming the Federal Government as a party to litigation or a legal disagreement in any forum for any reason.
- b) Matters that may affect the Federal Government include, but are not limited to, the Federal Government's interests in the Award, the accompanying Underlying Agreement, and any Amendments thereto, or the Federal Government's administration or enforcement of federal laws, regulations, and requirements.
- c) The Recipient must promptly notify the U.S. DOT Inspector General in addition to the FTA Chief Counsel or Regional Counsel for the Region in which the Recipient is located, if the Recipient has knowledge of potential fraud, waste, or abuse occurring on a Project receiving assistance from FTA. The notification provision applies if a person has or may have submitted a false claim under the False Claims Act, 31 U.S.C. § 3729 et seq., or has or may have committed a criminal or civil violation of law pertaining to such matters as fraud, conflict of interest, bribery, gratuity, or similar misconduct. This responsibility occurs whether the Project is subject to this Agreement or another agreement between the Recipient and FTA, or an agreement involving a principal, officer, employee, agent, or Third-Party Participant of the Recipient. It also applies to subcontractors at any tier. Knowledge, as used in this paragraph, includes,

but is not limited to, knowledge of a criminal or civil investigation by a Federal, state, or local law enforcement or other investigative Skagit Transit, a criminal indictment or civil complaint, or probable cause that could support a criminal indictment, or any other credible information in the possession of the Recipient.

1.17 PATENT RIGHTS AND RIGHTS IN DATA

Intellectual Property Rights. This Project is funded through a Federal award with FTA for experimental, developmental, or research work purposes. As such, certain Patent Rights and Data Rights apply to all subject data first produced in the performance of this Contract. The Contractor shall grant the Skagit Transit intellectual property access and licenses deemed necessary for the work performed under this Contract and in accordance with the requirements of 37 C.F.R. part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by FTA or U.S. DOT.

The terms of an intellectual property agreement and software license rights will be finalized prior to execution of this Contract and shall, at a minimum, include the following restrictions:

- a) Except for its own internal use, the Contractor may not publish or reproduce subject data in whole or in part, or in any manner or form, nor may the Contractor authorize others to do so, without the written consent of FTA, until such time as FTA may have either released or approved the release of such data to the public. This restriction on publication, however, does not apply to any contract with an academic institution.
- b) For purposes of this Contract, the term "subject data" means recorded information whether or not copyrighted, and that is delivered or specified to be delivered as required by the Contract. Examples of "subject data" include, but are not limited to computer software, standards, specifications, engineering drawings and associated lists, process sheets, manuals, technical reports, catalog item identifications, and related information, but do not include financial reports, cost analyses, or other similar information used for performance or administration of the Contract.
 - i. The Federal Government reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use for "Federal Government Purposes," any subject data or copyright described below. For "Federal Government Purposes," means use only for the direct purposes of the Federal Government. Without the copyright owner's consent, the Federal Government may not extend its Federal license to any other party.
 - Any subject data developed under the Contract, whether or not a copyright has been obtained; and
 - Any rights of copyright purchased by the Contractor using Federal assistance in whole or in part by the FTA.
 - ii. Unless FTA determines otherwise, the Contractor performing experimental, developmental, or research work required as part of this Contract agrees to permit FTA to make available to the public, either FTA's license in the copyright to any subject data developed in the course of the Contract, or a copy of the subject data first produced under the Contract for which a copyright has not been obtained. If the experimental, developmental, or research work, which is the subject of this Contract, is not completed for any reason whatsoever, all data developed under the Contract shall become subject data as defined herein and shall be delivered as the Federal Government may direct.
 - iii. Unless prohibited by state law, upon request by the Federal Government, the Contractor agrees to indemnify, save, and hold harmless the Federal Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the Contractor of proprietary rights, copyrights, or right of privacy, arising out of the publication, translation, reproduction,

delivery, use, or disposition of any data furnished under that contract. The Contractor shall not be required to indemnify the Federal Government for any such liability arising out of the wrongful act of any employee, official, or agents of the Federal Government.

- iv. Nothing contained in this clause on rights in data shall imply a license to the Federal Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Federal Government under any patent.
- v. Data developed by the Contractor and financed entirely without using Federal assistance provided by the Federal Government that has been incorporated into work required by the underlying Contract is exempt from the requirements herein, provided that the Contractor identifies those data in writing at the time of delivery of the Contract work.
- vi. The Contractor agrees to include these requirements in each subcontract for experimental, developmental, or research work financed in whole or in part with Federal assistance.

1.18 PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT

- a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:
 - i. Procure or obtain covered telecommunications equipment or services;
 - ii. Extend or renew a contract to procure or obtain covered telecommunications equipment or services; or
 - iii. Enter into a contract (or extend or renew a contract) to procure or obtain covered telecommunications equipment or services.
- b) As described in section 889 of Public Law 115-232, “covered telecommunications equipment or services” means any of the following:
 - i. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
 - ii. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
 - iii. Telecommunications or video surveillance services provided by such entities or using such equipment;
 - iv. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.
- c) For the purposes of this section, “covered telecommunications equipment or services” also include systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.
- d) In implementing the prohibition under section 889 of Public Law 115-232, heads of executive agencies administering loan, grant, or subsidy programs must prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered telecommunications equipment or services, to procure replacement equipment or services, and to ensure that communications service to users and customers is sustained.

- e) When the recipient or subrecipient accepts a loan or grant, it is certifying that it will comply with the prohibition on covered telecommunications equipment and services in this section. The recipient or subrecipient is not required to certify that funds will not be expended on covered telecommunications equipment or services beyond the certification provided upon accepting the loan or grant and those provided upon submitting payment requests and financial reports.
- f) For additional information, see section 889 of Public Law 115-232 and § 200.471.

1.19 PROMPT PAYMENT

The contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the contractor's receipt of payment for that work. In addition, the contractor is required to return any retainage payments to those subcontractors within 30 days after the subcontractor's work related to this contract is satisfactorily completed.

The contractor must promptly notify the Skagit Transit, whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of Skagit Transit.

1.20 RESTRICTIONS ON LOBBYING

a) Conditions on use of funds.

- i. No appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any Skagit Transit, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- ii. Each person who requests or receives from a Skagit Transit a Federal contract, grant, loan, or cooperative agreement shall file with that Skagit Transit a certification, that the person has not made, and will not make, any payment prohibited by paragraph (a) of this section.
- iii. Each person who requests or receives from a Skagit Transit a Federal contract, grant, loan, or a cooperative agreement shall file with that Skagit Transit a disclosure form if such person has made or has agreed to make any payment using non-appropriated funds (to include profits from any covered Federal action), which would be prohibited under paragraph (a) of this section if paid for with appropriated funds.
- iv. Each person who requests or receives from an Skagit Transit a commitment providing for the United States to insure or guarantee a loan shall file with that Skagit Transit a statement, whether that person has made or has agreed to make any payment to influence or attempt to influence an officer or employee of any Skagit Transit, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with that loan insurance or guarantee.
- v. Each person who requests or receives from an Skagit Transit a commitment providing for the United States to insure or guarantee a loan shall file with that Skagit Transit a disclosure form if that person has made or has agreed to make any payment to influence or attempt to influence an officer or employee of any Skagit Transit, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with that loan insurance or guarantee.

b) Certification and Disclosure.

- i. Each person shall file a certification, and a disclosure form, if required, with each submission that initiates Skagit Transit consideration of such person for:
 - Award of a Federal contract, grant, or cooperative agreement exceeding \$100,000; or
 - An award of a Federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding \$150,000.
- ii. Each person shall file a certification, and a disclosure form, if required, upon receipt by such person of:
 - A Federal contract, grant, or cooperative agreement exceeding \$100,000; or
 - A Federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding \$150,000, Unless such person previously filed a certification, and a disclosure form, if required, under paragraph (a) of this section.
- iii. Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraphs (a) or (b) of this section. An event that materially affects the accuracy of the information reported includes:
 - A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
 - A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or,
 - A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- iv. Any person must file a certification, and a disclosure form, if required, to the next tier above who requests or receives from a person referred to in paragraphs (a) or (b) of this section:
 - A subcontract exceeding \$100,000 at any tier under a Federal contract;
 - A subgrant, contract, or subcontract exceeding \$100,000 at any tier under a Federal grant;
 - A contract or subcontract exceeding \$100,000 at any tier under a Federal loan exceeding \$150,000; or,
 - A contract or subcontract exceeding \$100,000 at any tier under a Federal cooperative agreement.
- v. All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraphs (a) or (b) of this section. That person shall forward all disclosure forms to Skagit Transit.
- vi. Any certification or disclosure form filed under paragraph (e) of this section shall be treated as a material representation of fact upon which all receiving tiers shall rely. All liability arising from an erroneous representation shall be borne solely by the tier filing that representation and shall not be shared by any tier to which the erroneous representation is forwarded. Submitting an erroneous certification or disclosure constitutes a failure to file the required certification or disclosure, respectively. If a person fails to file a required certification or disclosure, the United States may pursue all available remedies, including those authorized by section 1352, title 31, U.S. Code.

- vii. No reporting is required for an activity paid for with appropriated funds if that activity is allowable under either subpart B or C.

1.21 SAFE OPERATION OF MOTOR VEHICLES

- a) **Seat Belt Use:** The Contractor is encouraged to adopt and promote on-the-job seat belt use policies and programs for its employees and other personnel that operate company-owned vehicles, company rented vehicles, or personally operated vehicles. The terms “company-owned” and “company-leased” refer to vehicles owned or leased either by the Contractor or Skagit Transit.
- b) **Distracted Driving:** The Contractor agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Contractor owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the work performed under this Contract.

1.22 TRAFFICKING IN PERSONS

The contractor agrees that it and its employees that participate in the Recipient’s Award, may not:

- a) Engage in severe forms of trafficking in persons during the period of time that the Recipient’s Award is in effect;
- b) Procure a commercial sex act during the period of time that the Recipient’s Award is in effect; or
- c) Use forced labor in the performance of the Recipient’s Award or sub agreements thereunder.

1.23 VIOLATION AND BREACH OF CONTRACT

- a) **Disputes:** Disputes arising in the performance of this Contract that are not resolved by agreement of the parties shall be decided in writing by the authorized representative of the Skagit Transit. This decision shall be final and conclusive unless within [10] days from the date of receipt of its copy, the Contractor mails or otherwise furnishes a written appeal to the agencies authorized representative. In connection with any such appeal, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the agencies authorized representative shall be binding upon the Contractor and the Contractor shall abide by the decision.
- b) **Performance during Dispute:** Unless otherwise directed by Skagit Transit’s authorized representative, the contractor shall continue performance under this contract while matters in dispute are being resolved.
- c) **Claims for Damages:** Should either party to the contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefore shall be made in writing to such other party within a reasonable time after the first observance of such injury or damage.
- d) **Remedies:** Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between the agencies authorized representative and contractor arising out of or relating to this agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State in which the Skagit Transit is located.
- e) **Rights and Remedies:** Duties and obligations imposed by the contract documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the Skagit Transit or contractor shall constitute a waiver of any right or duty afforded any of them under the contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.



TO: Skagit Transit Board of Directors

FROM: Crystle Stidham, Chief Executive Officer

SUBJECT: Approve Resolution 2026-02 Appointing Representatives to the Washington State Transit Insurance Pool (WSTIP)

INFORMATION:

The Board of Directors of Skagit Transit System approved participation in the Washington State Transit Insurance Pool (WSTIP) at its July 29, 1993 Board meeting.

At the October 2001 Meeting, the Board of Directors appointed the Executive Director as Skagit Transit's Representative to the Board of Directors of WSTIP. The Manager of Finance and Administration was appointed as Skagit Transit's alternate representative to the Board of Directors of WSTIP.

At the September 2018 Meeting, the Board of Directors appointed the Safety Supervisor as Skagit Transit's Representative to the Board of Directors of WSTIP. The Executive Director was appointed as Skagit Transit's alternate representative to the Board of Directors of WSTIP.

Due to the recent retirement of the Manager of Safety and Training, previously referred to as the Safety Supervisor, Skagit Transit needs to appoint a new primary representative to WSTIP. The Chief Executive Officer would represent the agency as the Washington State Transit Insurance Pool representative. The Director of Finance and the Director of Human Resources would serve as the alternate representatives.

RECOMMENDATION:

Staff recommends the Board approve Resolution 2026-02 which appoints the Chief Executive Officer as the primary representative, with the Director of Finance and the Director of Human Resources as the two (2) alternate representatives.

BUDGET IMPACT:

None.

RESOLUTION NO. 2026-02

**A RESOLUTION APPOINTING REPRESENTATIVES TO THE
WASHINGTON STATE TRANSIT INSURANCE POOL**

WHEREAS, the Board of Directors of Skagit Transit System voted to approve participation in the Washington State Transit Insurance Pool at its July 29, 1993 Board meeting; and

WHEREAS, the Washington State Transit Insurance Pool has requested each transit agency to designate a representative and two (2) alternates; and

WHEREAS, the Chief Executive Officer can best serve the interests of Skagit Transit as its representative;

NOW, THEREFORE, BE IT RESOLVED AND IT IS HEREBY ORDERED THAT

1. The Chief Executive Officer is appointed as Skagit Transit's Representative to the Board of Directors of the Washington State Transit Insurance Pool.
2. The Director of Finance is appointed as the first of two (2) alternate representatives to the Board of Directors of the Washington State Transit Insurance Pool.
3. The Director of Human Resources is appointed as the second of two (2) alternate representatives to the Board of Directors of the Washington State Transit Insurance Pool.

PASSED in open public meeting this 18th day of March 2026.

**SKAGIT TRANSIT SYSTEM
SKAGIT COUNTY, WASHINGTON**

By _____
Peter Browning, Chair Skagit Transit Board of Directors

By _____
Crystle Stidham, Chief Executive Officer

ATTEST TO FORM:

Larissa Farrell, Clerk of Skagit Transit

APPROVED AS TO FORM:

Dannon Traxler, Counsel to Skagit Transit

TO: Skagit Transit Board of Directors
FROM: Crystle Stidham, Chief Executive Officer
SUBJECT: March Grants Update

SUMMARY:

The table below reflects grant applications submitted to support agency needs and goals identified in the Transit Development Plan (TDP) since the last update regarding applications submitted.

Grant Applications

Grant Program	Application Scope	Total Project Cost	Funding Request	Match Percent	Match Required
WSDOT Regional Mobility Grant: Pre-Application	ORCA Fare System: Capital Equipment Purchase	\$436,476	\$349,181	20%	\$87,295
	Microtransit Service: Anacortes & Sedro-Woolley 10 Vehicles & Operating Costs	\$6,882,847 ⁱ	\$4,134,315	20%	\$1,376,569
Congressionally Directed Spending Requests: -Rep. Larsen - Sen. Cantwell - Sen. Murray	Nine Paratransit Vehicles: 6 replacement & 3 expansion	\$1,865,053	\$1,492,042	20%	\$373,011
TOTAL		\$9,197,376	\$5,988,538		\$1,836,875

ⁱ Total project costs include one-time vehicle purchase and operations for 18 months providing a 6-month ramp-up period.

RECOMMENDATION

No action requested at this time.

SERVICE REPORTING JANUARY 2026



Fixed Route

Total Fixed Route Ridership	
Unlinked Passenger Trips (UPT)	42,857
Compared to Previous Year	41,825
Net Increase/Decrease Year-over-Year	2.47% Δ

(MB) Local Route Service Supplied	
Passenger Miles Traveled (PMT)	110,852.50
Vehicle Revenue Miles (VRM)	88,841.88
Vehicle Revenue Hours (VRH)	5,987.87
Vehicles Operated in Maximum Service	20
Vehicles Available for Maximum Service	22
Spare Ratio	9%

(MB) Local Route Service Efficiency	
Operating Expense per VRM	\$10.90
Operating Expense per VRH	\$161.75
Unlinked Passenger Trips per VRM	0.39
Unlinked Passenger Trips per VRH	5.39
Operating Expenses per PMT	\$8.74
Operating Expenses per UPT	\$30.04

Fixed Route Vehicle Operator Statistics	
Operator Count	63
Total Operator Hours	11,359.84
Operator Productive Hours	9,090.51
Operator Non-Productive Hours	1,440.11
Operator Productivity %	86.32%
Operator Sum of Paid Overtime	\$43,865.53
Operator Overtime Hours	829.22

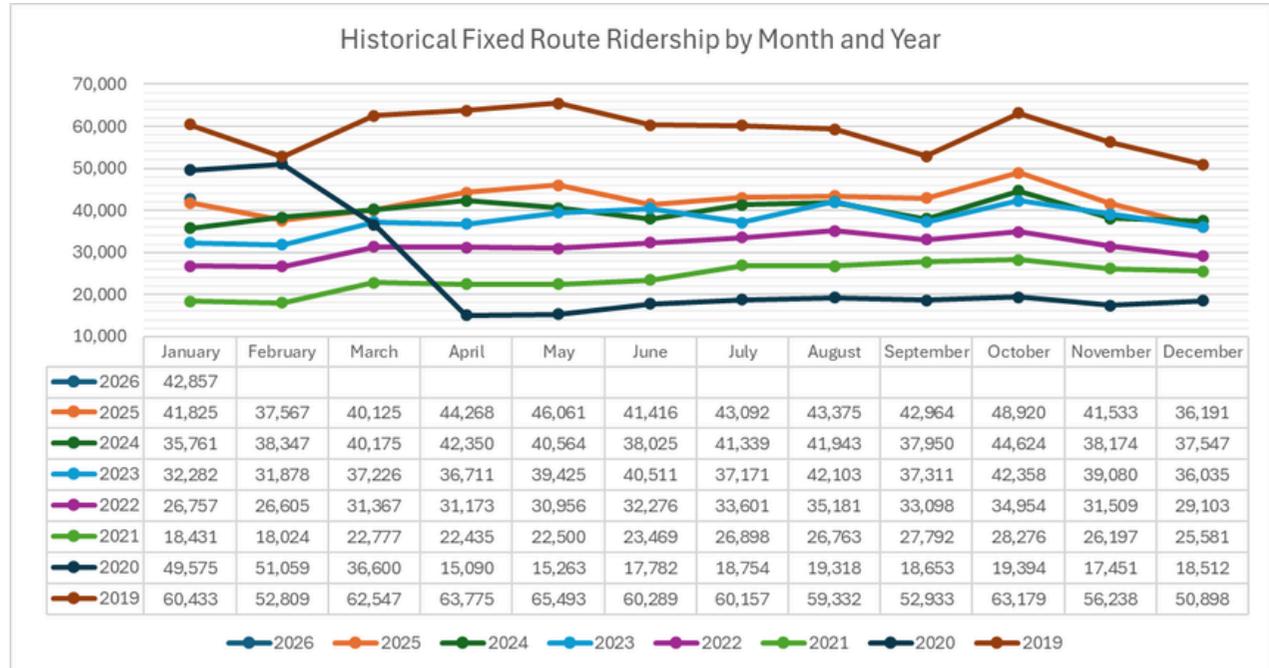
Fixed Route Road Calls	
Road Calls	0
Previous Year	3
Road Failures	5
Previous Year	1

(CB) Commuter Route Service Supplied	
Passenger Miles Traveled (PMT)	224,925.29
Vehicle Revenue Miles (VRM)	51,013.66
Vehicle Revenue Hours (VRH)	1,673.36
Vehicles Operated in Maximum Service	6
Vehicles Available for Maximum Service	8
Spare Ratio	25%

(CB) Commuter Route Service Efficiency	
Operating Expense per VRM	\$5.36
Operating Expense per VRH	\$ 163.40
Unlinked Passenger Trips per VRM	0.167
Unlinked Passenger Trips per VRH	5.092
Operating Expenses per PMT	\$1.22
Operating Expenses per UPT	\$32.09

YTD Ridership Comparison (Jan-Dec 2026 vs. 2025)	
Fixed Route	↑ 2.47%

Route On-Time Departure Performance	
CB-Average	89.65%
MB-Average	85.22%
Combined Average	87.44%



SERVICE REPORTING JANUARY 2026



Paratransit

YTD Ridership Comparison (Jan–Dec 2026 vs. 2025)	
Paratransit	↑ 10.71%

Para Service Operating Expenses	
Operating Expenses per VRM	\$9.44
Operating Expenses per VRH	\$72.02
Operating Expenses per UPT	\$ 62.05

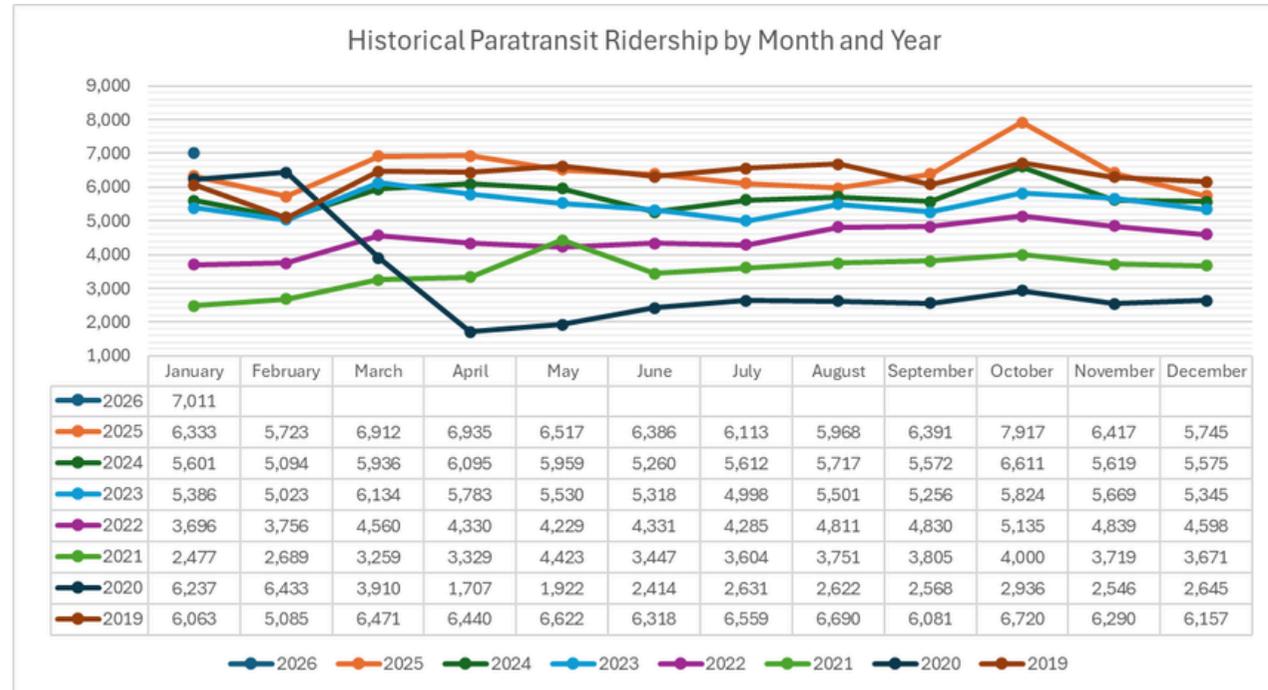
Para Service Efficiency	
Unlinked Passenger Trips per VRM	6.57
Unlinked Passenger Trips per VRH	1.94

Paratransit Route Vehicle Driver Statistics	
Driver Count	22
Total Driver Hours	3,922.21
Driver Productive Hours	2,852.70
Driver Non-Productive Hours	766.94
Operator Productivity %	78.81%
Operator Sum of Paid Overtime	\$17,032.09
Operator Overtime Hours	302.57

Paratransit Service Consumption	
Passenger Miles Traveled (PMT)	46,081.00
Unlinked Passenger Trips (UPT)	7,011
Compared to Previous Year	6,333
Net Increase/Decrease Year-over-Year	10.71% Δ

Year to Date Ridership 2026 Compared to 2025	
Fixed Route	↑ 2.47%
Paratransit	↑ 10.71%

Paratransit Service Supplied	
Vehicle Revenue Miles (VRM)	46,081.00
Vehicle Revenue Hours (VRH)	3,606.10
Vehicles Operated in Maximum Service	22
Vehicles Available for Maximum Service	26
Spare Ratio	15%



SERVICE REPORTING

JANUARY 2026

Expenses and Revenue



Fixed Route Statistics by Month							
Route	Ridership	VRM	Total Miles	VRH	Total Hours	Route Cost	Cost Per UPT
101	703	4,114.05	4,178.54	323.95	330.54	\$21,324.73	\$30.33
202	1880	5,301.29	5,626.23	428.57	439.65	\$26,012.47	\$13.84
204	2560	5,804.83	6,151.27	417.62	427.86	\$25,916.86	\$10.12
205	4363	4,195.56	4,535.10	402.05	412.78	\$24,415.07	\$5.60
206	2015	3,985.23	4,316.67	378.10	390.11	\$23,490.75	\$11.66
207	3533	8,090.74	8,657.64	582.66	604.42	\$33,601.21	\$9.51
208	6810	7,561.34	7,686.92	724.95	736.69	\$37,640.39	\$5.53
300	1670	5,483.54	6,007.04	380.97	401.76	\$24,917.36	\$14.92
301	1694	5,154.21	5,343.38	399.10	405.95	\$24,663.67	\$14.56
305	892	6,584.53	6,942.77	335.76	351.98	\$23,741.16	\$26.62
409	662	3,711.48	3,748.07	269.67	273.20	\$19,060.40	\$28.79
410	2904	6,849.65	7,491.24	353.11	372.76	\$24,798.41	\$8.54
513	737	7,928.37	7,949.37	334.30	337.06	\$23,826.50	\$32.33
615	1364	7,726.93	8,228.25	353.08	369.09	\$25,114.52	\$18.41
717	459	6,350.13	7,503.23	303.98	331.32	\$23,356.79	\$50.89
40X	1581	8,486.98	9,044.69	345.88	364.04	\$24,589.25	\$15.55
70X	989	10,318.68	10,733.70	376.01	393.81	\$26,491.35	\$26.79
80X	2145	7,073.01	7,337.36	235.63	242.60	\$19,472.51	\$9.08
90X	3805	25,134.99	25,484.53	715.84	758.83	\$46,776.36	\$12.29
Unknown	2091						
Totals	42,857	139,855.54	146,966.00	7,661.23	7,944.45	\$499,209.75	

Operating Expenses By Class	
Labor	\$836,005.35
Salaries	\$498,757.40
Fringe & Paid Absences	\$337,247.95
Services	\$870.00
Materials & Supplies	\$110,889.35
Fuels & Lubricants	\$110,889.35
Tires & Tubes	
Other Materials	
Utilities	
Casualty & Liability	\$45,970.85
Taxes	
Purchased Transportation	
Operating Lease Expenses	
Miscellaneous Expenses	\$270.00
Security Services	\$145.55

Fare Revenue	
Fixed Route	\$30,711.95
Paratransit	\$11,130.80
Grand Total	\$41,842.75

Total Fixed Route Operating Expenses	
Operating Expenses per VRM	\$10.09
Operating Expenses per VRH	\$184.12
Operating Expenses per UPT	\$32.91

Average Cost Per UPT*	\$18.18
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*This figure is for planning purposes only and does not include all agency overhead.

National Transit Database (NTD) Terminology Glossary	
UPT	Unlinked Passenger Trip – A single, one-way passenger boarding.
PMT	Passenger Miles Traveled – Miles traveled during which passengers are on board.
VRM	Vehicle Revenue Mile – Miles traveled when a vehicle is in service and available to collect revenue.
VRH	Vehicle Revenue Hour – Hours traveled when a vehicle is in service and available to collect revenue.
CB	Commuter Bus - A fixed route with limited stops that primarily connects outlying areas with a central city.
MB	Motor Bus - A local fixed route with numerous stops that serves a smaller, defined area.
Total Miles	All miles traveled for any purpose, including service miles, deadhead miles, training miles, and travel to and from the depot.
Total Hours	All hours a vehicle is operated for any purpose, including service hours, deadhead hours, training hours, and travel to and from the depot.

CAC REPORT
March 10, 2026

The staff report was given regarding ridership, current events, and upcoming projects and timelines.

Since there were so many to cover, most of the meeting was taken up in fielding many questions surrounding staff report information.

One event never experienced before in Skagit County was the Walk/Roll event, hosted by Mayor Julia Johnson of Sedro-Woolley, and Anna Zivarts of Nondriver Alliance. There were several elected officials who attended, along with Commissioner Burns, and Council Person Carolyn Moulton of Anacortes. Two CAC members were also in attendance, along with Skog and Washdot, among others. Skagit Transit reps were Sarah Pelle and Derek Messling. A walk/roll audit was carried out through data mapping software used by UW and the Taskar Center, currently under development and being promoted statewide, with the intent for sharing data use in future city and community planning for safe streets and sidewalks.

Next, there were also suggestions by committee members for placement of rider guides in the Sedro-Woolley Central Skagit Library, and also on possible signage for interlined routes that would make those routes less confusing for people not as familiar with the network.

Next meeting, April 14.

Respectfully Submitted,

Judy Jones

CAC Chair