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09/11/07

**INTERLOCAL AGREEMENT
BETWEEN
THE STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT
AND
CLALLAM COUNTY**

THIS AGREEMENT is made and entered into by and between the OFFICE OF FINANCIAL MANAGEMENT, hereinafter referred to as "OFM," and CLALLAM COUNTY, hereinafter referred to as "COUNTY", pursuant to the authority granted by Chapter 39.34 RCW.

IT IS THE PURPOSE OF THIS AGREEMENT to provide funding to the COUNTY for its chemical dependency program.

STATEMENT OF WORK

Section 101 was newly added to Chapter 70.96A RCW by the 2007 Legislature stating in part:

- (1) Any county that has imposed the sales and use tax authorized by RCW 82.14.460 may seek a state appropriation of up to one hundred thousand dollars annually beginning in fiscal year 2008 and ending in fiscal year 2010. The funds shall be used to provide additional support to counties for mental health or substance abuse treatment for persons with methamphetamine addiction. Local agreements receiving funds under this section may not use the funds to supplant existing funding.

Under the terms of this Agreement, the COUNTY shall provide the following services:

- (a) Submit a financial plan to OFM describing the proposed expenditure of the potential funds and the deliverables to be provided and/or goals to be accomplished related to its chemical dependency program. No more than ten percent of the total funds may be expended for administrative costs or for information technology, and the funds shall not be used to supplant existing funding. The financial plan will be the first deliverable under this Agreement and shall be submitted to OFM no later than October 1, 2007. The plan will be approved by OFM prior to any funds being awarded.
- (b) Submit quarterly reports (deliverables) to the OFM Program Manager on the progress of the plan, statement of expenditures, services provided, purchases made, clients served, etc.
- (c) Submit an annual report to OFM and to the appropriate committees of the Washington State Legislature regarding the number of clients served, services provided, and a statement of expenditures. The annual plan shall be submitted no later than July 31, 2008 for the first fiscal year and July 31, 2009 for the second fiscal year.

PERIOD OF PERFORMANCE

Subject to its other provisions, the period of performance of this Agreement shall commence on September 1, 2007, or date of execution whichever is later, and be completed on June 30, 2009, unless terminated sooner or extended, as provided herein.

PAYMENT

OFM shall provide compensation to the COUNTY in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per fiscal year beginning in fiscal year 2008, contingent upon approval by OFM of the

financial plan submitted by the COUNTY. Should funding be approved for FY 2009, the total compensation that may be provided under this Agreement is Two Hundred Thousand Dollars (\$200,000). Payment for satisfactory performance of the work shall not exceed this amount unless the parties mutually agree to a higher amount.

Compensation for services shall be based on the budget set forth in the financial plan which, when submitted to OFM and approved by OFM, will be incorporated as Exhibit A to this Agreement. The budget in the financial plan will take precedence over the estimates provided below. Funding not expended in a fiscal year will not be carried over to the next fiscal year.

Reimbursement is estimated as follows for fiscal year 2008:

Receipt of COUNTY'S financial plan and approval by OFM	\$25,000
Completion of quarter ending 12/31/07	\$25,000
Completion of quarter ending 3/31/08	\$25,000
Completion of quarter ending 6/30/08	\$25,000

Should funding be authorized for fiscal year 2009, reimbursement is estimated as follows:

Completion of quarter ending 9/30/08	\$25,000
Completion of quarter ending 12/31/08	\$25,000
Completion of quarter ending 3/31/09	\$25,000
Completion of quarter ending 6/30/09	\$25,000

BILLING PROCEDURE

The COUNTY shall submit invoices quarterly to the OFM Program Manager. Payment to the COUNTY for approved and completed work will be made by warrant or account transfer by OFM within 30 days of receipt of a properly completed invoice. Upon expiration of the Agreement, any claim for payment not already made shall be submitted within 30 days after the expiration date or the end of the fiscal year, whichever is earlier.

RECORDS MAINTENANCE

The parties to this Agreement shall each maintain books, records, documents and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject to inspection, review or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

Records and other documents, in any medium, furnished by one party to this agreement to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this material to any third parties without first giving notice to the furnishing party and giving it a reasonable opportunity to respond. Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties.

RIGHTS IN DATA

Unless otherwise provided, data which originates from this Agreement shall be "works for hire" as defined by the U.S. Copyright Act of 1976 and shall be owned by OFM. Data shall include, but not be limited to, reports, documents, pamphlets, advertisements, books magazines, surveys, studies, computer programs, films, tapes,

and/or sound reproductions. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights.

INDEPENDENT CAPACITY

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

AGREEMENT CHANGES, MODIFICATIONS AND AMENDMENTS

This Agreement may be changed, modified, or amended by written agreement executed by both parties.

TERMINATION

Either party may terminate this Agreement upon 30 days' prior written notification to the other party. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

TERMINATION FOR CAUSE

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within 15 working days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, agreement terms and applicable statutes and rules and make a determination of the dispute. If the Dispute Board cannot agree, the dispute shall be decided with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto.

GOVERNANCE

This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this Agreement shall be construed to conform to those laws.

In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

- a. Applicable state and federal statutes and rules;
- b. Statement of work; and
- c. Any other provisions of the agreement, including materials incorporated by reference.

ASSIGNMENT

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

WAIVER

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

SEVERABILITY

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

MANAGEMENT

The Program Manager for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement.

The Program Manager for OFM is Brian Enslow, OFM, PO Box 43113, Olympia, WA 98504-3113, (360) 902-0539, Fax: (360) 664-2832, e-mail: Brian.Enslow@OFM.WA.GOV

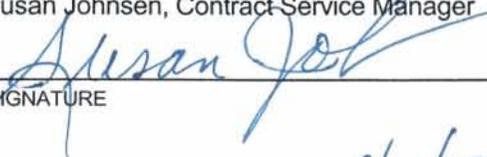
The Program Manager for CLALLAM COUNTY is Florence Bucierka, Clallam County Department of Health and Human Services, 224 E. 4th Street, Suite 14, Port Angeles, WA 98362. Phone: 360-417-2366 FAX: 360-417-2583 E-mail: fbucierka@co.clallam.wa.us

ALL WRITINGS CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Interlocal Agreement.

OFFICE OF FINANCIAL MANAGEMENT
Susan Johnsen, Contract Service Manager



SIGNATURE

TITLE

9/13/07

DATE

CLALLAM COUNTY

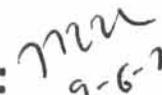


SIGNATURE Stephen P. Tharinger

Chair, Board of Commissioners 09/11/07

TITLE DATE

APPROVED AS TO FORM:
ATTORNEY GENERAL'S OFFICE

Approved as to form: 
Mark Nichols
Deputy Prosecuting Attorney
Clallam County
9-6-2007