



MEMORANDUM

To: Whatcom County Executive Satpal Sidhu
From: Jake Logan, Administrative Services Coordinator – Executive Staff
Subject: Amendment No. 1 to Contract No. 202409005 – Bear Creek Corridor Mitigation Bank
Date: April 17, 2026

Background and Purpose

In November 2024, the County and the City entered into Contract No. 202409005, providing a \$1,000,000 EDI (Economic Development Investment) grant from the Public Utilities Improvement Fund to support construction of the Bear Creek Corridor, the first site of the Bellingham Mitigation Bank. The project will generate compensatory mitigation credits available to public and private developers with unavoidable aquatic resource impacts.

The City has determined that the technical complexity of the construction work - including adaptive in-field decisions on planting, invasive species removal, and stream corridor enhancement - favors performing a portion of the work using City staff with City-owned vehicles and equipment rather than exclusively through a competitively bid third-party contract. The Original Agreement did not expressly contemplate this approach. Amendment No. 1 clarifies that the City may use City staff, third-party contracts, or a combination of both, and establishes documentation requirements for any City labor, vehicle, and equipment costs submitted for reimbursement. Such costs will be billed at the City's Public Works Operations standard composite billing rates, with the applicable rate schedule included with each reimbursement request.

Funding Amount and Source

Amendment No. 1 does not change the grant amount, funding source, Project scope, or contract term. The grant remains \$1,000,000 from the Public Utilities Improvement Fund, and the agreement expires December 31, 2029. See the Procedural Note below regarding Council approval.

Differences from Previous Contract

Section V.A.(iii) is amended to clarify that the City may perform construction using City staff with City-owned vehicles and equipment, competitively bid third-party contracts, or a combination of both; the City's obligation to comply with applicable public works bidding laws when using third-party contractors is retained. A new Section V.A.(v) requires that, when City staff are used, the City submit with each reimbursement request a work order report identifying each employee's hours and dates worked on the Project, hours and dates for vehicles or equipment used, a description of work performed, and documentation of any materials, rental equipment, or supply costs - all to be maintained under existing Section VI recordkeeping requirements. City labor, vehicles, and equipment shall be billed at the City's Public Works Operations standard composite billing rates; the City shall include its current composite billing rate schedule with each reimbursement request, and any updates to the composite rate shall apply prospectively only and be disclosed to the County in writing prior to their first application. Section II (Term) is also amended to replace the original and somewhat unclear event-based termination trigger with a fixed expiration date of December 31, 2029 (consistent with the original CIS and application submitted when this funding was granted) while preserving the County's disbursement conditions. All other terms of the Original Agreement remain unchanged.