



MEMORANDUM

TO: Jack Louws, County Executive
Whatcom County Council

THROUGH: Tyler Schroeder, Administrative Services Director *TS*

FROM: Brad Bennett, Finance Manager *BB*
Perry Rice, IT Manager *PR*

RE: Contract for Enterprise Resource Planning (ERP) Software Consultant

DATE: October 21, 2019

Enclosed for your consideration is the proposed agreement between Whatcom County and SoftResources LLC (SoftResources) for consulting services to assist with the replacement of our current Oracle JD Edwards (JDE) World software system.

- **Background and Purpose**

Our existing JDE World software system was purchased in 1993. It supports countywide financial, asset and human resources functions. The historic text-based software needs to be upgraded to the newer JDE EnterpriseOne product or replaced entirely by a different vendor's product. In today's market place, systems that provide consolidated finance, asset and human resources functions are referred to as Enterprise Resource Planning (ERP) systems.

In 2018, County Council adopted Ordinance 2018-049 establishing the Financial System Software Fund and associated project-based budget to upgrade or replace the current system.

SoftResources has been selected from Request for Proposal (RFP) #19-62 to assist the county plan for the replacement of the current JDE World system. SoftResources will perform a needs assessment and provide optional assistance with the development of an RFP and vendor selection should the county pursue a new vendor's ERP system.

A Project Steering Committee representing Finance, Human Resources, Treasurer's Office, Public Works, Information Technology and the Executive's Office has been formed to guide this countywide project. The Project Steering Committee and SoftResources will be working with all county departments on this important project.

- **Funding Amount and Source**

The agreement is structured in two phases. Phase I, ERP Needs Assessment, totals \$47,885.00. The optional Phase II, Vendor Selection, totals \$71,316.25. The entire agreement is for \$119,201.25. The source of funding is the Financial System Software project-based budget.

Please contact Brad Bennett at x5325 or Perry Rice at x5235 if you have any questions or concerns regarding this agreement.

**WHATCOM COUNTY CONTRACT
INFORMATION SHEET**

Whatcom County Contract No. _____

Originating Department:	Administrative Services
Division/Program: (i.e. Dept. Division and Program)	AS-Finance-Technology Capital (50.5030.959010)
Contract or Grant Administrator:	Brad Bennett \ Perry Rice
Contractor's / Agency Name:	SoftResources LLC
Is this a New Contract? If not, is this an Amendment or Renewal to an Existing Contract? Yes <input type="radio"/> No <input checked="" type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> If Amendment or Renewal, (per WCC 3.08.100 (a)) Original Contract #: _____	
Does contract require Council Approval? Yes <input type="radio"/> No <input checked="" type="radio"/> If No, include WCC: <u>3.08.100 (Capital Budget)</u> Already approved? Council Approved Date: _____ (Exclusions see: Whatcom County Codes 3.06.010, 3.08.090 and 3.08.100)	
Is this a grant agreement? Yes <input type="radio"/> No <input checked="" type="radio"/> If yes, grantor agency contract number(s): _____ CFDA#: _____	
Is this contract grant funded? Yes <input type="radio"/> No <input checked="" type="radio"/> If yes, Whatcom County grant contract number(s): _____	
Is this contract the result of a RFP or Bid process? Contract _____ Yes <input checked="" type="radio"/> No <input type="radio"/> If yes, RFP and Bid number(s): <u>RFP #19-62</u> Cost Center: <u>375100</u>	
Is this agreement excluded from E-Verify? No <input type="radio"/> Yes <input checked="" type="radio"/> If no, include Attachment D Contractor Declaration form.	
If YES, indicate exclusion(s) below: <input checked="" type="checkbox"/> Professional services agreement for certified/licensed professional. <input type="checkbox"/> Contract work is for less than \$100,000. <input type="checkbox"/> Contract for Commercial off the shelf items (COTS). <input type="checkbox"/> Contract work is for less than 120 days. <input type="checkbox"/> Work related subcontract less than \$25,000. <input type="checkbox"/> Interlocal Agreement (between Governments). <input type="checkbox"/> Public Works - Local Agency/Federally Funded FHWA.	
Contract Amount:(sum of original contract amount and any prior amendments): \$ <u>119,201.25</u> This Amendment Amount: \$ _____ Total Amended Amount: \$ _____	Council approval required for; all property leases, contracts or bid awards exceeding \$40,000 , and professional service contract amendments that have an increase greater than \$10,000 or 10% of contract amount, whichever is greater, except when: 1. Exercising an option contained in a contract previously approved by the council. 2. Contract is for design, construction, r-o-w acquisition, prof. services, or other capital costs approved by council in a capital budget appropriation ordinance. 3. Bid or award is for supplies. 4. Equipment is included in Exhibit "B" of the Budget Ordinance. 5. Contract is for manufacturer's technical support and hardware maintenance of electronic systems and/or technical support and software maintenance from the developer of proprietary software currently used by Whatcom County.
Summary of Scope: _____	
Agreement between Whatcom County and SoftResources LLC for consulting services to assist Whatcom County plan to replace the current J.D. Edwards World enterprise resource planning (ERP) system. This includes financial, asset management and human resources functions.	
Term of Contract: 14-Months Expiration Date: December 31, 2020	

Contract Routing:	1. Prepared by: <u>P. Rice</u>	Date: <u>10/21/2019</u>
	2. Attorney signoff: _____	Date: <u>10/21/19</u>
	3. AS Finance reviewed: <u>BR Bennett</u>	Date: <u>10/22/2019</u>
	4. IT reviewed (if IT related): <u>PAR</u>	Date: <u>10/21/2019</u>
	5. Contractor signed: _____	Date: _____
	6. Submitted to Exec.: _____	Date: _____
	7. Council approved (if necessary): _____	Date: _____
	8. Executive signed: _____	Date: _____
	9. Original to Council: _____	Date: _____

CONTRACT FOR SERVICES AGREEMENT
Enterprise Resource Planning Software Consultant

SoftResources, LLC., hereinafter called Contractor, and Whatcom County, hereinafter referred to as County, agree and contract as set forth in this Agreement, including:

General Conditions.....	pp. 02 to 08
Exhibit A (Scope of Work),	pp. A1 to A8
Exhibit B (Compensation),.....	pp. B1 to B2
Exhibit C (Certificate of Insurance).....	pp. C1 to C9

Copies of these items are attached hereto and incorporated herein by this reference as if fully set forth herein.

The term of this Agreement shall commence on the 6th day of November, 2019, and shall, unless terminated or renewed as elsewhere provided in the Agreement, terminate on the 31st day of December, 2020.

The general purpose or objective of this Agreement is to: provide consulting services to assist Whatcom County plan to replace the current J.D. Edwards World enterprise resource planning (ERP) system, as more fully and definitively described in Exhibit A hereto. The language of Exhibit A controls in case of any conflict between it and that provided here.

The maximum consideration for the initial term of this agreement or for any renewal term shall not exceed \$ 119,201.25. This is a fixed price contract with payments by milestones as identified in Exhibit B. Exhibit B Activities 4, 5, 6, 7, 8 and their associated costs are optional. Contractor will not proceed with the optional activities without prior written approval from the County. The Contract Number, set forth above, shall be included on all billings or correspondence in connection therewith.

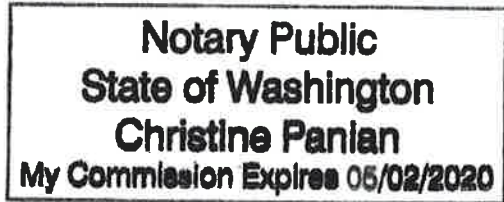
Contractor acknowledges and by signing this contract agrees that the Indemnification provisions set forth in Paragraphs 11.1, 21.1, 30.1, 31.2, 32.1, 34.2, and 34.3, if included, are totally and fully part of this contract and have been mutually negotiated by the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement this 22 day of October, 2019.

CONTRACTOR:

(SOFTRESOURCES LLC)

Spencer Ames
Spencer Ames
Principal



STATE OF WASHINGTON)
) ss.
COUNTY OF King)

On this 22 day of October, 2019, before me personally appeared Spencer Ames to me known to be the Principal (title) of SoftResources (Company) and who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

Christine Panian
NOTARY PUBLIC in and for the State of Washington, residing at King County. My commission expires 05/02/2020.

WHATCOM COUNTY:
Recommended for Approval:

David Bond 10/21/19 R. J. R. 10/21/2019
Finance Manager Date IT Manager Date

Approved as to form:
Karen H. Faby 10/24/19
Prosecuting Attorney Date

Approved:
Accepted for Whatcom County:

By: _____
Jack Louws, Whatcom County Executive

STATE OF WASHINGTON)
) ss
COUNTY OF WHATCOM)

On this _____ day of _____, 20 __, before me personally appeared Jack Louws, to me known to be the Executive of Whatcom County, who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

NOTARY PUBLIC in and for the State of Washington, residing at _____
My commission expires _____.

CONTRACTOR INFORMATION:

SoftResources LLC
(Type in Name of Contractor/Firm)

Spencer Arnesen, Principal
(Type in Name & Title of Signatory Authorized by Firm Bylaws, if applicable)

Address / Mailing Address:
11411 NE 124th Street, Suite 270
Kirkland, WA 98034

Contact Name: Spencer Arnesen

Contact Phone: (425) 216.4030

Contact Email: sarnesen@softresources.com

GENERAL CONDITIONS

Series 00-09: Provisions Related to Scope and Nature of Services

0.1 Scope of Services:

The Contractor agrees to provide to the County services and any materials as set forth in the project narrative identified as Exhibit "A", during the agreement period. No material, labor, or facilities will be furnished by the County, unless otherwise provided for in the Agreement.

Series 10-19: Provisions Related to Term and Termination

10.1 Term:

Services provided by Contractor prior to or after the term of this contract shall be performed at the expense of Contractor and are not compensable under this contract unless both parties hereto agree to such provision in writing. The term of this Agreement may be extended by mutual agreement of the parties; provided, however, that the Agreement is in writing and signed by both parties.

10.2 Extension: Not Applicable

11.1 Termination for Default:

If the Contractor defaults by failing to perform any of the obligations of the contract or becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, the County may, by depositing written notice to the Contractor in the U.S. mail, first class postage prepaid, terminate the contract, and at the County's option, obtain performance of the work elsewhere. Termination shall be effective upon Contractor's receipt of the written notice, or within three (3) days of the mailing of the notice, whichever occurs first. If the contract is terminated for default, the Contractor shall not be entitled to receive any further payments under the contract until all work called for has been fully performed. Any extra cost or damage to the County resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor shall bear any *reasonable* extra expenses incurred by the County in completing the work, including all *reasonable* increased costs for completing the work, and all damage sustained, or which may be sustained by the County by reason of such default.

11.2 Termination for Reduction in Funding: Not Applicable

11.3 Termination for Public Convenience: Not Applicable

Series 20-29: Provisions Related to Consideration and Payments

20.1 Accounting and Payment for Contractor Services:

Payment to the Contractor for services rendered under this Agreement shall be as set forth in Exhibit "B." Where Exhibit "B" requires payments by the County, payment shall be based upon written claims supported, unless otherwise provided in Exhibit "B," by documentation of units of work actually performed and amounts earned, including, where appropriate, the actual number of days worked each month, total number of hours for the month, and the total dollar payment requested, so as to comply with municipal auditing requirements.

Unless specifically stated in Exhibit "B" or approved in writing in advance by the official executing this Agreement for the County or his designee (hereinafter referred to as the "Administrative Officer") the County will not reimburse the Contractor for any costs or expenses incurred by the Contractor in the performance of this contract. Where required, the County shall, upon receipt of appropriate documentation, compensate the Contractor, no more often than monthly, in accordance with the County's customary procedures, pursuant to the fee schedule set forth in Exhibit "B."

21.1 Taxes:

The Contractor understands and acknowledges that the County will not withhold Federal or State income taxes. Where required by State or Federal law, the Contractor authorizes the County to withhold for any taxes other than income taxes (i.e., Medicare). All compensation received by the Contractor will be reported to the Internal Revenue Service at the end of the calendar year in accordance with the applicable IRS regulations. It is the responsibility of the Contractor to make the necessary estimated tax payments throughout the year, if any, and the Contractor is solely liable for any tax obligation arising from the Contractor's performance of this Agreement. The Contractor hereby agrees to indemnify the County against any demand to pay taxes arising from the Contractor's failure to pay taxes on compensation earned pursuant to this Agreement.

The County will pay sales and use taxes imposed on goods or services acquired hereunder as required by law. The Contractor must pay all other taxes, including, but not limited to, Business and Occupation Tax, taxes based on the Contractor's gross or net income, or personal property to which the County does not hold title. The County is exempt from Federal Excise Tax.

22.1 Withholding Payment:

In the event the County's Administrative Officer determines that the Contractor has failed to perform any obligation under this Agreement within the times set forth in this Agreement, then the County may withhold from amounts otherwise due and payable to Contractor the amount determined by the County as necessary to cure the default, until the Administrative Officer determines that such failure to perform has been cured. Withholding under this clause shall not be deemed a breach entitling Contractor to termination or damages, provided that the County promptly gives notice in writing to the Contractor of the nature of the default or failure to perform, and in no case more than 10 days after it determines to withhold amounts otherwise due. A determination of the Administrative Officer set forth in a notice to the Contractor of the action required and/or the amount required to cure any alleged failure to perform shall be deemed conclusive, except to the extent that the Contractor acts within the times and in strict accord with the provisions of the Disputes clause of this Agreement. The County may act in accordance with any determination of the Administrative Officer which has become conclusive under this clause, without prejudice to any other remedy under the Agreement, to take all or any of the following actions: (1) cure any failure or default, (2) to pay any amount so required to be paid and to charge the same to the account of the Contractor, (3) to set off any amount so paid or incurred from amounts due or to become due the Contractor. In the event the Contractor obtains relief upon a claim under the Disputes clause, no penalty or damages shall accrue to Contractor by reason of good faith withholding by the County under this clause.

23.1 Labor Standards:

The Contractor agrees to comply with all applicable state and federal requirements, including but not limited to those pertaining to payment of wages and working conditions, in accordance with RCW 39.12.040, the Prevailing Wage Act; the Americans with Disabilities Act of 1990; the Davis-Bacon Act; and the Contract Work Hours and Safety Standards Act providing for weekly payment of prevailing wages, minimum overtime pay, and providing that no laborer or mechanic shall be required to work in surroundings or under conditions which are unsanitary, hazardous, or dangerous to health and safety as determined by regulations promulgated by the Federal Secretary of Labor and the State of Washington.

Series 30-39: Provisions Related to Administration of Agreement

30.1 Independent Contractor:

The Contractor's services shall be furnished by the Contractor as an independent contractor, and nothing herein contained shall be construed to create a relationship of employer-employee or master-servant, but all payments made hereunder and all services performed shall be made and performed pursuant to this Agreement by the Contractor as an independent contractor.

The Contractor acknowledges that the entire compensation for this Agreement is specified in Exhibit "B" and the Contractor is not entitled to any benefits including, but not limited to: vacation pay, holiday pay, sick leave pay, medical, dental, or other insurance benefits, or any other rights or privileges afforded to employees of the County. The Contractor represents that he/she/it maintains a separate place of business, serves clients other than the County, will report all income and expense accrued under this contract to the Internal Revenue Service, and has a tax account with the State of Washington Department of Revenue for payment of all sales and use and Business and Occupation taxes collected by the State of Washington.

Contractor will defend, indemnify and hold harmless the County, its officers, agents or employees from any loss or expense, including, but not limited to, settlements, judgments, setoffs, attorneys' fees or costs incurred by reason of claims or demands because of breach of the provisions of this paragraph.

30.2 Assignment and Subcontracting:

The performance of all activities contemplated by this agreement shall be accomplished by the Contractor. No portion of this contract may be assigned or subcontracted to any other individual, firm or entity without the express and prior written approval of the County.

30.3 No Guarantee of Employment:

The performance of all or part of this contract by the Contractor shall not operate to vest any employment rights whatsoever and shall not be deemed to guarantee any employment of the Contractor or any employee of the Contractor or any subcontractor or any employee of any subcontractor by the County at the present time or in the future.

31.1 Ownership of Items Produced:

All writings, programs, data, public records or other materials prepared by the Contractor and/or its consultants or subcontractors, in connection with performance of this Agreement, shall be the sole and absolute property of the County. *Except for any tools, templates, information and other documents developed independently of this contract that Contractor uses for many different clients.*

31.2 Patent/Copyright Infringement:

Contractor will defend and indemnify the County from any claimed action, cause or demand brought against the County, to the extent such action is based on the claim that information supplied by the Contractor infringes any patent or copyright. The Contractor will pay those costs and damages attributable to any such claims that are finally awarded against the County in any action. Such defense and payments are conditioned upon the following:

A. The Contractor shall be notified promptly in writing by the County of any notice of such claim.

B. Contractor shall have the right, hereunder, at its option and expense, to obtain for the County the right to continue using the information, in the event such claim of infringement, is made, provided no reduction in performance or loss results to the County.

32.1 Confidentiality:

The Contractor, its employees, subcontractors, and their employees shall maintain the confidentiality of all information provided by the County or acquired by the Contractor in performance of this Agreement, except upon the prior written consent of the County or an order entered by a court after having acquired jurisdiction over the County. Contractor shall immediately give to the County notice of any judicial proceeding seeking disclosure of such information. Contractor shall indemnify and hold harmless the County, its officials, agents or employees from all loss or expense, including, but not limited to, settlements, judgments, setoffs, attorneys' fees and costs resulting from Contractor's breach of this provision.

33.1 Right to Review:

This contract is subject to review by any Federal, State or County auditor. The County or its designee shall have the right to review and monitor the financial and service components of this program by whatever means are deemed expedient by the Administrative Officer or by the County Auditor's Office. Such review may occur with or without notice and may include, but is not limited to, on-site inspection by County agents or employees, inspection of all records or other materials which the County deems pertinent to the Agreement and its performance, and any and all communications with or evaluations by service recipients under this Agreement. The Contractor shall preserve and maintain all financial records and records relating to the performance of work under this Agreement for three (3) years after contract termination, and shall make them available for such review, within Whatcom County, State of Washington, upon request. Contractor also agrees to notify the Administrative Officer in advance of any inspections, audits, or program review by any individual, agency, or governmental unit whose purpose is to review the services provided within the terms of this Agreement. If no advance notice is given to the Contractor, then the Contractor agrees to notify the Administrative Officer as soon as it is practical.

34.1 Proof of Insurance:

The Contractor shall carry for the duration of this Agreement general liability, property damage, and automobile liability insurance with the following minimums:

Property Damage per occurrence - \$500,000.00

General Liability & Property Damage for bodily injury- \$1,000,000.00

Automobile Liability - \$1,000,000.00 per occurrence

A Certificate of insurance, that also identifies the County as an additional insured, is attached hereto as Exhibit "C". This insurance shall be considered as primary and shall waive all rights of subrogation. The County insurance shall be noncontributory.

a. Professional Liability - \$1,000,000 per occurrence:

If the professional liability insurance is a claims made policy, and should the contractor discontinue coverage either during the term of this contract or within three years of completion, the contractor agrees to purchase tail coverage for a minimum of three years from the completion date of this contract or any amendment to this contract.

For professional liability only. The total liability will be limited to \$1,000,000 per occurrence.

34.2 Industrial Insurance Waiver:

With respect to the performance of this agreement and as to claims against the County, its officers, agents and employees, the Contractor expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligations to indemnify, defend and hold harmless provided in this agreement extend to any claim brought by or on behalf of any employee of the Contractor. This waiver is mutually negotiated by the parties to this agreement.

34.3 Defense & Indemnity Agreement:

The Contractor agrees to defend, indemnify and save harmless the County, its appointed and elective officers and employees, from and against all loss or expense, including, but not limited to, judgments, settlements, attorneys' fees and costs by reason of any and all claims and demands upon the County, its elected or appointed officials or employees for damages because of personal or bodily injury, including death at any time resulting therefrom, sustained by any person or persons and on account of damage to property, including loss of use thereof, whether such injury to persons or damage to property is due to the negligence of the Contractor, its subcontractors, its successor or assigns, or its agents, servants, or employees, the County, its appointed or elected officers, employees or their agents, except only

such injury or damage as shall have been occasioned by the sole negligence of the County or its appointed or elected officials or employees. In case of damages caused by the concurrent negligence of Contractor, its subcontractors, its successors or assigns, or its agents, servants, or employees, and the County, its appointed or elected officers, employees or their agents, then this indemnification provision is enforceable only to the extent of the negligence of the Contractor, its agents, or its employees.

It is further provided that no liability shall attach to the County by reason of entering into this contract, except as expressly provided herein. The parties specifically agree that this agreement is for the benefit of the parties only and this agreement shall create no rights in any third party. *For Professional Liability ONLY (errors and omissions for the written reports and verbal counsel provided by CONSULTANT for this CONTRACT) total CONSULTANT liability will be limited to the amount of Professional Liability insurance required in this CONTRACT.*

35.1 Non-Discrimination in Employment:

The County's policy is to provide equal opportunity in all terms, conditions and privileges of employment for all qualified applicants and employees without regard to race, color, creed, religion, national origin, sex, sexual orientation, age, marital status, disability, or veteran status. The Contractor shall comply with all laws prohibiting discrimination against any employee or applicant for employment on the grounds of race, color, creed, religion, national origin, sex, sexual orientation, age, marital status, disability, or veteran status, except where such constitutes a bona fide occupational qualification.

Furthermore, in those cases in which the Contractor is governed by such laws, the Contractor shall take affirmative action to insure that applicants are employed, and treated during employment, without regard to their race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, disability, or veteran status, except where such constitutes a bona fide occupational qualification. Such action shall include, but not be limited to: advertising, hiring, promotions, layoffs or terminations, rate of pay or other forms of compensation benefits, selection for training including apprenticeship, and participation in recreational and educational activities. In all solicitations or advertisements for employees placed by them or on their behalf, the Contractor shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The foregoing provisions shall also be binding upon any subcontractor, provided that the foregoing provision shall not apply to contracts or subcontractors for standard commercial supplies or raw materials, or to sole proprietorships with no employees.

35.2 Non-Discrimination in Client Services: Not Applicable

36.1 Waiver of Noncompetition: Not Applicable

36.2 Conflict of Interest:

If at any time prior to commencement of, or during the term of this Agreement, Contractor or any of its employees involved in the performance of this Agreement shall have or develop an interest in the subject matter of this Agreement that is potentially in conflict with the County's interest, then Contractor shall immediately notify the County of the same. The notification of the County shall be made with sufficient specificity to enable the County to make an informed judgment as to whether or not the County's interest may be compromised in any manner by the existence of the conflict, actual or potential. Thereafter, the County may require the Contractor to take reasonable steps to remove the conflict of interest. The County may also terminate this contract according to the provisions herein for termination.

37.1 Administration of Contract:

This Agreement shall be subject to all laws, rules, and regulations of the United States of America, the State of Washington, and political subdivisions of the State of Washington. The Contractor also agrees to comply with applicable federal, state, county or municipal standards for licensing, certification and operation of facilities and programs, and accreditation and licensing of individuals.

The County hereby appoints, and the Contractor hereby accepts, the Whatcom County Executive, and his or her designee, as the County's representative, hereinafter referred to as the Administrative Officer, for the purposes of administering the provisions of this Agreement, including the County's right to receive and act on all reports and documents, and any auditing performed by the County related to this Agreement. The Administrative Officer for purposes of this agreement is:

Brad Bennett – Finance Manager

Whatcom County Finance

311 Grand Avenue, Suite #503 | Bellingham, WA | 98225

&

Perry Rice – IT Manager

Whatcom County Information Technology

311 Grand Avenue, Suite #305 | Bellingham, WA | 98225

37.2 Notice:

Except as set forth elsewhere in the Agreement, for all purposes under this Agreement except service of process, notice shall be given by the Contractor to the County's Administrative Officer under this Agreement. Notice to the Contractor for all purposes under this Agreement shall be given to the address provided by the Contractor herein above in the "Contractor Information" section. Notice may be given by delivery or by depositing in the US Mail, first class, postage prepaid.

38.1 Certification of Public Works Contractor's Status under State Law: Not Applicable

38.2 Certification Regarding Federal Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions: Not Applicable

38.3 E-Verify: Not Applicable

Series 40-49: Provisions Related to Interpretation of Agreement and Resolution of Disputes

40.1 Modifications:

Either party may request changes in the Agreement. Any and all agreed modifications, to be valid and binding upon either party, shall be in writing and signed by both of the parties.

40.2 Contractor Commitments, Warranties and Representations: Not Applicable

41.1 Severability:

If any term or condition of this contract or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this contract are declared severable.

41.2 Waiver:

Waiver of any breach or condition of this contract shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this contract shall be held to be waived, modified or deleted except by an instrument, in writing, signed by the parties hereto. The failure of the County to insist upon strict performance of any of the covenants and agreements of this Agreement, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such, or any other covenants or agreements, but the same shall be and remain in full force and effect.

42.1 Disputes:

a. General:

Differences between the Contractor and the County, arising under and by virtue of the Contract Documents, shall be brought to the attention of the County at the earliest possible time in order that such matters may be settled or other appropriate action promptly taken. Except for such objections as are made of record in the manner hereinafter specified and within the time limits stated, the records, orders, rulings, instructions, and decisions of the Administrative Officer shall be final and conclusive.

b. Notice of Potential Claims:

The Contractor shall not be entitled to additional compensation which otherwise may be payable, or to extension of time for (1) any act or failure to act by the Administrative Officer or the County, or (2) the happening of any event or occurrence, unless the Contractor has given the County a written Notice of Potential Claim within ten (10) days of the commencement of the act, failure, or event giving rise to

the claim, and before final payment by the County. The written Notice of Potential Claim shall set forth the reasons for which the Contractor believes additional compensation or extension of time is due, the nature of the cost involved, and insofar as possible, the amount of the potential claim. Contractor shall keep full and complete daily records of the work performed, labor and material used, and all costs and additional time claimed to be additional.

c. **Detailed Claim:**

The Contractor shall not be entitled to claim any such additional compensation, or extension of time, unless within thirty (30) days of the accomplishment of the portion of the work from which the claim arose, and before final payment by the County, the Contractor has given the County a detailed written statement of each element of cost or other compensation requested and of all elements of additional time required, and copies of any supporting documents evidencing the amount or the extension of time claimed to be due.

d. **Arbitration: Not Applicable**

43.1 **Venue and Choice of Law:**

In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action of litigation shall be in the courts of the State of Washington in and for the County of Whatcom. This Agreement shall be governed by the laws of the State of Washington.

44.1 **Survival:**

The provisions of paragraphs 11.1, 11.2, 11.3, 21.1, 22.1, 30.1, 31.1, 31.2, 32.1, 33.1, 34.2, 34.3, 36.1, 40.2, 41.2, 42.1, and 43.1, if utilized, shall survive, notwithstanding the termination or invalidity of this Agreement for any reason.

45.1 **Entire Agreement:**

This written Agreement, comprised of the writings signed or otherwise identified and attached hereto, represents the entire Agreement between the parties and supersedes any prior oral statements, discussions or understandings between the parties.

EXHIBIT "A"
(SCOPE OF WORK)

SoftResources will partner with Whatcom County (County) Project Steering Committee to assist the County to assess its current ERP system, define system requirements, determine an ERP strategy that includes estimated cost and gap analysis, and prepare an ERP replacement plan. Optionally the County will make the determination for the following optional services: develop an RFP for ERP software and conduct software vendor selection.

It is understood that the County wishes to move to a cloud-based infrastructure solution or software as a service (SaaS) solution. The County purchased licenses for JD Edwards (JDE) EnterpriseOne in 2000 but to date EnterpriseOne has not been implemented. The services performed will assist the County to determine if they should upgrade World to EnterpriseOne or move to a different ERP solution.

Oracle JD Edwards World has been in place since 1994 and provides the following functions:

- General Ledger and Financial Reporting
- Payroll and Human Resources
- Purchasing and Accounts Payable
- Cash Receipts and Accounts Receivable
- Budget, Position Control and Capital Planning
- Job Cost and Contract Management
- Asset Management including Fleet Management

The County has targeted end of March 2020 to complete the following:

- ERP system analysis
- ERP Selection/Implementation Project Plan
- ERP Project Budget

Work Plan

PHASE I – ERP NEEDS ASSESSMENT



Activity 1 – Project Plan and Management

SoftResources will work with the County to prepare the Project Plan, kick off the project and manage and monitor through completion as follows:

- a. Team introductions. Conduct Project Team introductions, collect contact information, and advise project team setup as needed.
- b. Project Plan. Coordinate with the County to discuss and align expectations for contracted work, drivers and objectives, resource availability and constraints, communications, etc. Develop the Project Plan (schedule, milestones, deliverables, resources, etc.). The County will approve the Project Plan.
- c. Project Management. Manage the Project Plan, monitor and control project work, provide periodic status reports and related communications via email or web conferencing over the life of the project, set up Microsoft Teams Project Collaboration Portal if needed. Conduct Project Close with the County to discuss lessons learned, outcome of the project, and closeout Project Plan.

Deliverables

- Project Plan
- Status Updates



Activity 2 – System Review and Requirements

SoftResources will conduct three days of onsite ERP Workshops with County staff for system review, requirements definition, and process analysis.

- a. **Pre-System Review Planning.** Work with the County to setup and prepare for Workshops that will be used to assess the current system environment as follows:
 - **Schedule Workshops.** Work with the County to develop a three-day Workshop Schedule and determine participants (e.g., stakeholders, executive management, IT, technical staff, department heads, key users, subject matter experts (SMEs), etc.) The County can expect 12-18 Workshops (1-2 hours each) that are scheduled by functional topic/module listed above. Workshops are structured to promote collaboration across departments and aid in preparing staff for change.
- b. **Facilitate Workshops.** Conduct 3 days of scheduled Workshops in order to engage staff and assess the current system environment using interactive-style interviewing to:
 - ✓ Analyze the current JD Edwards system environment, how it is used, and identify shadow systems and manual workarounds.
 - ✓ Review the current technical environment including interfaces, integrations and infrastructure.
 - ✓ Observe current business processes and workflows and discuss opportunities for improvement.
 - ✓ Analyze current system limitations and functional and technical requirements of system users.
 - ✓ Educate attendees about modern ERP systems and usage.
 - ✓ Conduct follow up review calls for clarification and additional details to Workshops as needed.
- c. **System Review.** SoftResources will identify components that make up the County’s current ERP system and create a Current Systems Map that highlights applications being used with the ERP solution and integration points. We will also conduct a high-level review of the systems in place at the County and how they may be incorporated in a future ERP solution and/or integrated to the new ERP solution.
- d. **Requirements Definition.** Conduct functional and technical requirements definition as follows:
 - **Key Requirements Document Draft.** Using the Workshop notes, our knowledge of the County, and experience conducting other ERP software selection projects – we will identify the key functional and technical requirements and compile them into a draft Key Requirements Document. Approximately 200-300 County-specific requirements will be organized in table format and prioritized (e.g., Required, Important, Nice to Have, Explore) by module/functions that are in scope. The Key Requirements will be used in the RFP, and during vendor fit analysis, demos, and decision analysis.
 - **Finalize Key Requirements.** Deliver the draft Key Requirements to the County via email and discuss via web conference. The County will review and provide one source of feedback. SoftResources will edit with County feedback and provide the finalized Key Requirements document for final approval by the County. Key Requirements will gather information about potential software solutions for: technology, modules/functionality, implementation, future requirements, business needs, peripheral systems interfaces/integration, cost, etc. in order to foster a better software match.

- e. Business Process Analysis. Based on observations made during the Workshops and our experience providing similar projects and evaluating ERP vendors, SoftResources will identify key current business processes/controls that are not working well and identify opportunities for improvement in table format. These recommendations will include improvements that can be realized by implementing a new ERP solution and utilizing the best practices offered by software vendors. The final processes implemented by the County will depend on the best practices of the software solution selected to reduce implementation cost and complexity. Provide the Business Processes Observations and Opportunities document to the County for review and final acceptance.

Deliverables

- System Review Workshop Schedule
- Onsite Workshops – 3 days
- Current System Map and System Review (5-10 pages)
- Key Requirements Document (200-300 requirements)
- Business Process Observations and Opportunities Document (Table format)



Activity 3 – ERP Strategy and Replacement Plan

- a. ERP Market Analysis. Using the Workshop notes and approved Key Requirements conduct market analysis including:
- *Conduct High Level Fit to JD Edwards EnterpriseOne*. SoftResources will conduct a high-level call with JD Edwards to determine viability of EnterpriseOne for Whatcom County. This high-level fit analysis will include evaluating:
 - ✓ Strengths and Weaknesses of current systems and critical gaps
 - ✓ Key benefits of new technology
 - ✓ Integration and interfaces
 - ✓ Risk assessment and mitigation
 - *ERP Strategy Options*. Conduct discussions with our contacts at some of the major ERP software vendors and determine ERP software options for Cloud vs. on-premises and other ERP approaches and analysis of the advantages and disadvantages of each approach.
 - *Cost Benefit Analysis*. Review similar projects and work with some of the major software vendors to develop cost estimates for the implementation of JD Edwards EnterpriseOne as compared to selecting and implementing other ERP solutions.
- b. Industry Review and Gap Summary. Compile the industry review and gap analysis data into a written Industry Review and Gap Summary Document (10-25 pages) draft and provide to the County for review and input. Finalize the document and deliver to the County for final approval. The Industry Review and Gap Summary will include the following (this may be adjusted based on the results of the research and County input):
- ✓ Executive Summary
 - ✓ EnterpriseOne High-Level Fit Analysis
 - ✓ ERP Software/Strategy Options
 - ✓ Advantages/Disadvantages of JD Edwards or Moving to New ERP Solution
 - ✓ ERP Budget/On-Going Cost Estimates
 - ✓ Cost/Benefit Analysis of JD Edwards vs. Other ERP Solutions
 - ✓ Recommendations

- c. High-Level ERP Replacement Plan. Based on the outcome of the ERP strategy analysis and experience, develop an ERP replacement approach and timeline that includes estimated cost for the project and for a replacement ERP system. Produce a draft high-level ERP Replacement Plan (10-20 pages) for the County's review and feedback. Edit the Plan with feedback and finalize. Deliver the ERP Replacement Plan via email and present findings to the County Council. The Plan will include the following:
- ✓ ERP Replacement Approach/Timeline
 - ✓ ERP Project Cost/On-Going Cost
 - ✓ ERP Implementation Phase Estimates
 - ✓ Recommendations

Deliverables

- Industry Review and Gap Summary Document (10-25 pages)
- High-Level ERP Replacement Plan Document (10-20 pages)
- ERP Replacement Plan Presentation (PowerPoint Presentation)

OPTIONAL PHASE II – VENDOR SELECTION

SoftResources will work with the County to prepare an RFP for ERP Software, evaluate vendor options, recommend a Short List for the County to review, develop a Demo Script and facilitate Demos, advise the County through the final decision process, and assist the County with contract review. Please note that SoftResources will be advising the County through the process, but the County will make the final decision for all steps in the evaluation.



Activity 4 – Request for Proposal

- a. Develop RFP for ERP. Starting with our experience developing the RFP for Whatcom County's Permitting software selection project and our in-house templates, we will help the County develop an RFP for ERP software:
- *RFP Draft*. Develop an RFP for ERP draft and work with the County to incorporate purchasing requirements. The approved Key Requirements will be inserted. The RFP will gather important decision-making information including: vendor profile, total 5-10-year cost, implementation methodology and team, vendor references, functional and technical requirements, interface requirements, technical and security requirements, training plan, other information pertinent to the software evaluation or required by the County.
 - *Finalize RFP*. Deliver the draft RFP via email and teleconference to discuss with the County. The County will review and provide feedback. SoftResources will edit with feedback, finalize the RFP and deliver to the County for final approval.
- b. ERP Vendor Long List. Using SoftResources' knowledge of software market, the County's Key Requirements and additional research provide an ERP Vendor Long List of solutions that may be a fit and should be notified of the RFP. This is an important step in broadcasting the RFP opportunity and increasing vendor response.
- c. RFP Solicitation Support. The County will issue the RFP according to its purchasing requirements. SoftResources will notify vendors on the ERP Vendor Long List of the RFP, assist to facilitate a standard methodology for question and answer addenda, assist with pre-bidder conference as needed, and liaise between the County and the vendors through the solicitation. We recommend a minimum of four weeks for vendors to respond to the RFP.

Deliverables

- RFP for ERP Software
- ERP Vendor Long List



Activity 5 – Vendor Selection

SoftResources will conduct vendor evaluation using SoftResources' Selection Methodology to conduct and document the ERP vendor selection process.

- a. Initial Review of Vendor Proposals. The County will receive vendor proposals and send one hard copy and one soft copy of each respondent to SoftResources. The received vendor proposals will undergo an initial review and vendors will be eliminated or elevated based on the following filters:
 - ✓ RFP Compliance
 - ✓ Vendor Experience with Similar Entities
 - ✓ Cost Estimates for Software, Implementation and Training
 - ✓ Implementation Team
 - ✓ County Specific Requirements
- b. Vendor Fit Analysis. SoftResources will conduct fit analysis on elevated vendor proposals using the Key Requirements. Discussions with the vendor's development and technical resources will be held to validate and clarify the information provided in their proposals e.g., vendor viability, key requirements fit, cost, implementation assumptions, technical environment, 3rd party requirements, vendor market presence and momentum, and other key factors. Vendor discussions mitigate the risk of inaccurate assumptions about the requirements and the vendors' responses.
- c. Vendor Short List Comparison. Based on the fit analysis, develop in table format the Short List Vendor Comparison Chart detailing the fit/gap comparison as compared to the County's Key Requirements of approximately three viable vendors. This Chart is a good decision tool and will aid the County to make the Short List decision and be used during demos and the final decision.
- d. Cost Analysis. Provide a review of the estimated cost over five to ten years in an equalized format for each vendor on the Short List.
- e. Short List Presentation. Prepare an executive-level Short List Presentation (using PowerPoint) that provides an overview of the project to date, summary of vendor proposals received, an executive summary of the Short List Vendor Comparison Chart and cost analysis. Present to the County onsite (or via web conference) and answer any questions regarding the vendor analysis. The County will make the final decision of the vendors to be shortlisted.

Deliverables

- Short List Vendor Comparison Chart
- Cost Analysis
- Short List Presentation



Activity 6 – Software Demos

- a. Develop Demo Documents. Prepare documents that will be used during onsite demonstrations:
- *Demo Script.* Develop a draft Demo Script based on the County’s Key Requirements and vendor analysis. The Demo Script will be delivered to the County via email for review and input. The County may consider adding business case scenarios, SoftResources will advise. SoftResources will edit with feedback and finalize the Demo Script and return to the County for final approval. The Demo Script will require vendors to show: 1) how key County requirements will be supported, 2) the County’s functional footprint, and 3) specific data gathered through Workshops and direct vendor discussions that require further investigation.
 - *Request for Demo Letter.* Prepare the Request for Demo Letter used to invite the shortlisted vendors to present demos. It will include information about whom to contact at the County, expectations for the demos, and instructions for how to properly prepare for the Demos. The Request for Demo Letter will be delivered to the County. The County will issue the Request for Demo Letter and Demo Script to the shortlisted vendors.
 - *Demo Score Sheet.* Starting with SoftResources’ template, prepare the Demo Score Sheet that will be provided to staff attending demo sessions to record feedback. The Demo Score Sheets will be collected at the end of each demo and used to summarize staff feedback.
- b. Pre-Demo Preparation. Assist the County to prepare for the software demos:
- *Schedule Vendor Demos.* Work with the County to schedule the Vendor Demos. Currently, SoftResources anticipates three 2-day demos plus a Demo Wrap Up Meeting. We recommend that the demos be scheduled as close together as possible for best comparative analysis.
 - *Pre-Demo Vendor Meetings.* Work with the County to schedule Pre-Demo Meetings and facilitate via web conference with each Short List Vendor. Pre-Demo Meetings provide the vendors with information about the County, allows vendors to ask questions and assists the vendors to prepare for successful demos. We recommend the vendors be allowed 3-4 weeks to schedule resources and prepare for the demos.
- c. Software Demos. Attend, kickoff, and facilitate the software demos onsite at County offices. Keep vendors and demos on track, manage questions, and ensure demo script adherence, manage Demo Score Sheets. The length of each software demo will depend on the number of modules included in the scope. Currently, we estimate three 2-day demos.
- d. Demo Wrap Up Meeting. After demos are complete, conduct a Demo Wrap Up Meeting onsite or via web conference to assist the County to review demo feedback, vendor analysis to date, identify the one or two top vendors, and discuss next steps of decision analysis.

Deliverables

- Demo Script
- Demo Letter
- Demo Score Sheet
- Demo Facilitation and Wrap Up



Activity 7 – Decision Analysis

SoftResources will provide decision consulting tailored to the County with the following:

- a. Final Decision Support. Provide tools and templates, assist through the review of data collected throughout the vendor evaluation process, and advise the County with final decision analysis.
- b. Vendor Management. Continue to manage vendor communications and questions, do follow up work, and liaise with the vendors.
- c. Due Diligence Demos. Due Diligence Demos are structured to review select functional and technical topics requiring additional presentation to the County and may be onsite or managed remotely. SoftResources will advise the County through Due Diligence Demos as needed. SoftResources' direct participation with Due Diligence Demos will be billed on a Time and Materials basis.
- d. Vendor Reference Checks. Provide SoftResources' Reference Check template with directions and questions that may help direct Reference Check discussions and advise the County through Vendor Reference Checks. Conducting reference checks is important as they allow meetings with organizations that have implemented the software being considered. SoftResources' direct participation during Vendor Reference Checks will be billed on a Time and Materials basis.
- e. Final Decision Meeting. Work with the County to prepare for and participate in the Final Decision Meeting via web conference. Discuss vendor information gathered to date about the finalist vendors and facilitate discussion to support the County to make the final decision. The County will make the final decision.

Deliverables

- Final Decision Tools and Templates



Activity 8 - Contract Review

SoftResources will act in an advisory role to the County through Contract Review for a single vendor as detailed below. Please note our review focuses on business issues and the County's legal counsel should conduct a final review of the contract documentation.

- a. Software Contract Review. If an on-premise solution is selected there will likely be three contracts 1) Software License, 2) Software Maintenance, and 3) Implementation Services to be reviewed and negotiated. If a hosted or Cloud vendor is selected, there will also be a Service Level Agreement (SLA). SoftResources will review contract documents, provide redlined and review comments for each document.
- b. Vendor Statement of Work (SOW) Review. SoftResources recommends that the vendor SOW proposed for the implementation be negotiated before signing the contract. SoftResources will review the SOW proposed for the implementation and suggest areas that may need further discussion and areas that may need to be negotiated, provide written recommendations, and discuss with the County.

Deliverables

- Software Contracts – Redline and Review Comments
- SOW – Redline and Review Comments

Estimated Timeline

SoftResources estimates the following projected timeline to complete the County’s project for Phases I-II. These estimates are based on experience working with clients on similar projects, but adjustments during the project may be necessary based on the County’s ability to schedule staff, make timely decisions, turnaround deliverables, obtain approval where required, and overall vendor availability.

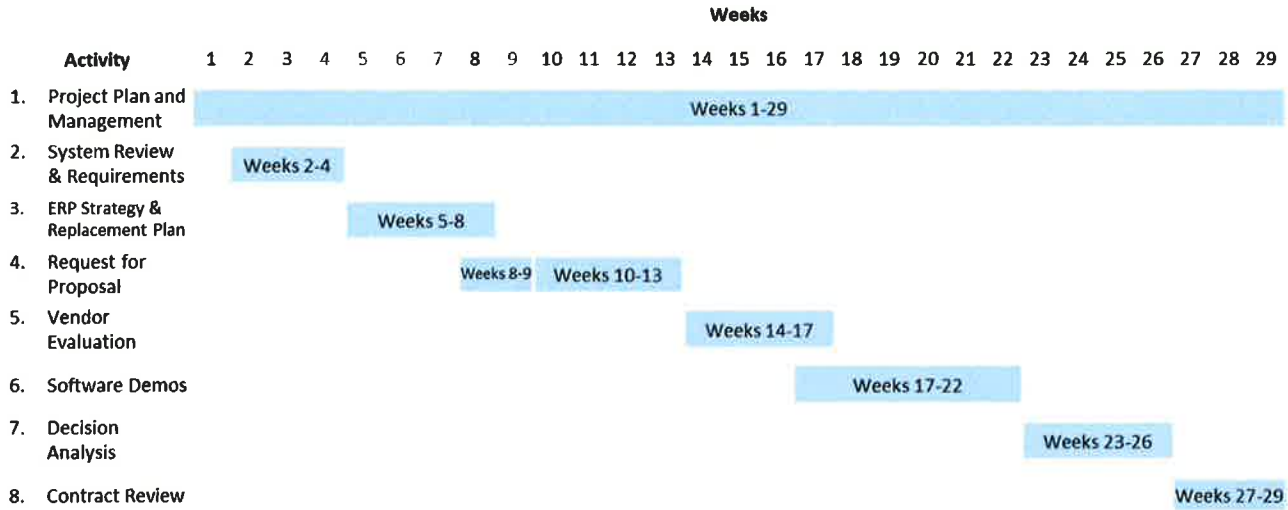


EXHIBIT "B"
(COMPENSATION)

The maximum consideration for the initial term of this agreement or for any renewal term shall not exceed \$119,201.25. This is a fixed price contract and payments will be made upon acceptance of project milestones as identified below and as described in the Scope of Work in Exhibit A. Exhibit B Activities 4, 5, 6, 7, 8 and their associated costs are optional. Contractor will not proceed with the optional activities without written approval from the County. SoftResources LLC fixed pricing was developed using a rate of \$175 per hour, with the fixed fees discounted 5% for this project and no travel expenses will be charged for this project. The Whatcom County Contract Number shall be included on all billings or correspondence in connection with this Agreement. Payment will be made upon receipt of a properly prepared invoice from subsequent to completion of the milestone. All travel expenses are included in these fixed costs.

PHASE I – ERP NEEDS ASSESSMENT

Payment	Amount	Project Milestone
1	\$3,990.00	Activity 1 – Project Plan and Management a. Team Planning b. Project Plan
2	\$2,000.00	Activity 1 – Project Plan and Management c. Project Management
3	\$11,305.00	Activity 2 – System Review and Requirements a. Pre-System Review and Planning b. Facilitate Workshops
4	\$16,957.50	Activity 2 – System Review and Requirements c. System Review d. Requirements Definition e. Business Process Analysis
5	\$5,320.00	Activity 3 – ERP Strategy and Replacement Plan a. ERP Market Analysis
6	\$4,987.50	Activity 3 – ERP Strategy and Replacement Plan b. Industry Review and Gap Summary
7	\$3,325.00	Activity 3 – ERP Strategy and Replacement Plan c. High-Level ERP Replacement Plan
Total	\$47,885.00	

(OPTIONAL) PHASE II – VENDOR SELECTION

Payment	Amount	Project Milestone
1	\$1,491.25	Activity 1 – Project Plan and Management c. Project Management
2	\$7,980.00	Activity 4 – Request for Proposal a. Develop RFP for ERP b. ERP Vendor Long List c. RFP Solicitation Support
3	\$13,300.00	Activity 5 – Vendor Evaluation a. Initial Review of Vendor Proposals b. Vendor Fit Analysis
4	\$13,300.00	Activity 5 – Vendor Evaluation c. Short List Vendor Comparison Chart d. Cost Analysis e. Short List Presentation
5	\$16,625.00	Activity 6 – Software Demos a. Prepare Demo Documents b. Pre-Demo Preparation c. Live Demos (3 2-day demos) d. Demo Wrap Up Meeting
6	\$7,980.00	Activity 7 – Decision Analysis a. Final Decision Support b. Vendor Management c. Due Diligence Demos d. Vendor Reference Checks e. Final Decision Meeting
7	\$10,640.00	Activity 8 – Contract Review a. Software Contract Review b. Vendor Statement of Work Review
Total	\$71,316.25	

EXHIBIT "C"
(CERTIFICATE OF INSURANCE)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/15/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. 18201 Von Kaman Avenue, Suite 200 Irvine CA 92612	CONTACT NAME: Tina Coburn	
	PHONE (A/C No. Ext): 253-238-1134	FAX (A/C No): 949-340-8900
E-MAIL ADDRESS: Tina_Coburn@ajg.com		
INSURED Softresources, LLC 11411 NE 124th Street Suite 270 Kirkland WA 98034	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Ohio Security Insurance Company	
	INSURER B: Ohio Casualty Insurance Company	
	INSURER C: Mount Vernon Fire Insurance Company	
	INSURER D:	
	INSURER E:	
INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** 1490087517 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSTR	TYPE OF INSURANCE	ADDITIONAL INSD	SUBR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y		BK556021518	1/25/2019	1/25/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPOP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY				BK556021518	1/25/2019	1/25/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$				ES056021518	1/25/2019	1/25/2020	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N		N/A	BK556021518	1/25/2019	1/25/2020	<input type="checkbox"/> PER STATUTE <input checked="" type="checkbox"/> OTHER WA STOP GAP E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Professional Liability				TK2000808M	1/25/2019	1/25/2020	Aggregate Per Claim 2,000,000 Deductible 2,000,000 1,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 RE: Job: RFP #19-62 - Enterprise Resource Planning System (ERP) Software Consultant
 Whatcom County, Washington and Brad Bennett, Finance Manager are named as additional insured on the above Commercial General Liability Policy per Form CG 88 10 04 13. Coverage is Primary and Non-Contributory and waiver of subrogation shall apply per written contract.

CERTIFICATE HOLDER Whatcom County Brad Bennett, Finance Manager 311 Grand Avenue, Suite 503 Bellingham WA 98225	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	--

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

INDEX



<u>SUBJECT</u>	<u>PAGE</u>
NON-OWNED AIRCRAFT	2
NON-OWNED WATERCRAFT	2
PROPERTY DAMAGE LIABILITY - ELEVATORS	2
EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)	2
MEDICAL PAYMENTS EXTENSION	3
EXTENSION OF SUPPLEMENTARY PAYMENTS - COVERAGES A AND B	3
ADDITIONAL INSURED - BY CONTRACT, AGREEMENT OR PERMIT	3
PRIMARY AND NON-CONTRIBUTORY- ADDITIONAL INSURED EXTENSION	5
ADDITIONAL INSURED - EXTENDED PROTECTION OF YOUR "LIMITS OF INSURANCE"	6
WHO IS AN INSURED - INCIDENTAL MEDICAL ERRORS/MALPRACTICE AND WHO IS AN INSURED - FELLOW EMPLOYEE EXTENSION - MANAGEMENT EMPLOYEES	6
NEWLY FORMED OR ADDITIONALLY ACQUIRED ENTITIES	7
FAILURE TO DISCLOSE HAZARDS AND PRIOR OCCURRENCES	7
KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT	7
LIBERALIZATION CLAUSE	7
BODILY INJURY REDEFINED	7
EXTENDED PROPERTY DAMAGE	8
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - WHEN REQUIRED IN A CONTRACT OR AGREEMENT WITH YOU	8

With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

A. NON-OWNED AIRCRAFT

Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, exclusion g. Aircraft, Auto Or Watercraft does not apply to an aircraft provided:

1. It is not owned by any insured;
2. It is hired, chartered or loaned with a trained paid crew;
3. The pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating her or him a commercial or airline pilot; and
4. It is not being used to carry persons or property for a charge.

However, the insurance afforded by this provision does not apply if there is available to the insured other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this policy), contingent or on any other basis, that would also apply to the loss covered under this provision.

B. NON-OWNED WATERCRAFT

Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Subparagraph (2) of exclusion g. Aircraft, Auto Or Watercraft is replaced by the following:

This exclusion does not apply to:

- (2) A watercraft you do not own that is:
 - (a) Less than 52 feet long; and
 - (b) Not being used to carry persons or property for a charge.

C. PROPERTY DAMAGE LIABILITY - ELEVATORS

1. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Subparagraphs (3), (4) and (6) of exclusion j. Damage To Property do not apply if such "property damage" results from the use of elevators. For the purpose of this provision, elevators do not include vehicle lifts. Vehicle lifts are lifts or hoists used in automobile service or repair operations.
2. The following is added to Section IV - Commercial General Liability Conditions, Condition 4. Other Insurance, Paragraph b. Excess Insurance:

The insurance afforded by this provision of this endorsement is excess over any property insurance, whether primary, excess, contingent or on any other basis.

D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)

If Damage To Premises Rented To You is not otherwise excluded from this Coverage Part:

1. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability:
 - a. The fourth from the last paragraph of exclusion j. Damage To Property is replaced by the following:

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire, lightning, explosion, smoke, or leakage from an automatic fire protection system) to:

- (i) Premises rented to you for a period of 7 or fewer consecutive days; or
- (ii) Contents that you rent or lease as part of a premises rental or lease agreement for a period of more than 7 days.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" to contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to this coverage as described in Section III - Limits of Insurance.

- b. The last paragraph of subsection 2. Exclusions is replaced by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

2. Paragraph 6. under Section III - Limits Of Insurance is replaced by the following:

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to:

- a. Any one premise:

- (1) While rented to you; or
- (2) While rented to you or temporarily occupied by you with permission of the owner for damage by fire, lightning, explosion, smoke or leakage from automatic protection systems; or

- b. Contents that you rent or lease as part of a premises rental or lease agreement.

3. As regards coverage provided by this provision D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage) - Paragraph 9.a. of Definitions is replaced with the following:

9.a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke, or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with the permission of the owner, or for damage to contents of such premises that are included in your premises rental or lease agreement, is not an "insured contract".

E. MEDICAL PAYMENTS EXTENSION

If Coverage C Medical Payments is not otherwise excluded, the Medical Payments provided by this policy are amended as follows:

Under Paragraph 1. Insuring Agreement of Section I - Coverage C - Medical Payments, Subparagraph (b) of Paragraph a. is replaced by the following:

- (b) The expenses are incurred and reported within three years of the date of the accident; and

F. EXTENSION OF SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

1. Under Supplementary Payments - Coverages A and B, Paragraph 1.b. is replaced by the following:

- b. Up to \$3,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

2. Paragraph 1.d. is replaced by the following:

- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

G. ADDITIONAL INSURED - BY CONTRACT, AGREEMENT OR PERMIT

1. Paragraph 2. under Section II - Who Is An Insured is amended to include as an insured any person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. Such person or organization is an additional insured but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by:

- a. Your acts or omissions, or the acts or omissions of those acting on your behalf, in the performance of your on going operations for the additional insured that are the subject of the written contract or written agreement provided that the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" is committed, subsequent to the signing of such written contract or written agreement; or

- b. Premises or facilities rented by you or used by you; or
- c. The maintenance, operation or use by you of equipment rented or leased to you by such person or organization; or
- d. Operations performed by you or on your behalf for which the state or political subdivision has issued a permit subject to the following additional provisions:
 - (1) This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the operations performed for the state or political subdivision;
 - (2) This insurance does not apply to "bodily injury" or "property damage" included within the "completed operations hazard".
 - (3) Insurance applies to premises you own, rent, or control but only with respect to the following hazards:
 - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - (b) The construction, erection, or removal of elevators; or
 - (c) The ownership, maintenance, or use of any elevators covered by this insurance.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to Paragraph 1.a. above, a person's or organization's status as an additional insured under this endorsement ends when:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

With respect to Paragraph 1.b. above, a person's or organization's status as an additional insured under this endorsement ends when their written contract or written agreement with you for such premises or facilities ends.

With respects to Paragraph 1.c. above, this insurance does not apply to any "occurrence" which takes place after the equipment rental or lease agreement has expired or you have returned such equipment to the lessor.

The insurance provided by this endorsement applies only if the written contract or written agreement is signed prior to the "bodily injury" or "property damage".

We have no duty to defend an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured as required in Paragraph b. of Condition 2. Duties In the Event Of Occurrence, Offense, Claim Or Suit under Section IV - Commercial General Liability Conditions.

2. With respect to the insurance provided by this endorsement, the following are added to Paragraph 2. Exclusions under Section I - Coverage A - Bodily Injury And Property Damage Liability:

This insurance does not apply to:

- a. "Bodily injury" or "property damage" arising from the sole negligence of the additional insured.
- b. "Bodily injury" or "property damage" that occurs prior to you commencing operations at the location where such "bodily injury" or "property damage" occurs.
- c. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

- d. "Bodily injury" or "property damage" occurring after:

(1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

(2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

- e. Any person or organization specifically designated as an additional insured for ongoing operations by a separate **ADDITIONAL INSURED -OWNERS, LESSEES OR CONTRACTORS** endorsement issued by us and made a part of this policy.

3. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
- b. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

H. PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED EXTENSION

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

Condition 4. Other Insurance of SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS is amended as follows:

- a. The following is added to Paragraph a. Primary Insurance:

If an additional insured's policy has an Other Insurance provision making its policy excess, and you have agreed in a written contract or written agreement to provide the additional insured coverage on a primary and noncontributory basis, this policy shall be primary and we will not seek contribution from the additional insured's policy for damages we cover.

b. The following is added to Paragraph b. Excess Insurance:

When a written contract or written agreement, other than a premises lease, facilities rental contract or agreement, an equipment rental or lease contract or agreement, or permit issued by a state or political subdivision between you and an additional insured does not require this insurance to be primary or primary and non-contributory, this insurance is excess over any other insurance for which the additional insured is designated as a Named Insured.

Regardless of the written agreement between you and an additional insured, this insurance is excess over any other insurance whether primary, excess, contingent or on any other basis for which the additional insured has been added as an additional insured on other policies.

I. ADDITIONAL INSURED - EXTENDED PROTECTION OF YOUR "LIMITS OF INSURANCE"

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

1. The following is added to Condition 2. Duties In The Event Of Occurrence, Offense, Claim or Suit:

An additional insured under this endorsement will as soon as practicable:

- a. Give written notice of an "occurrence" or an offense that may result in a claim or "suit" under this insurance to us;
- b. Tender the defense and indemnity of any claim or "suit" to all insurers whom also have insurance available to the additional insured; and
- c. Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.
- d. We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured.

2. The limits of insurance applicable to the additional insured are those specified in a written contract or written agreement or the limits of insurance as stated in the Declarations of this policy and defined in Section III - Limits of Insurance of this policy, whichever are less. These limits are inclusive of and not in addition to the limits of insurance available under this policy.

**J. WHO IS AN INSURED - INCIDENTAL MEDICAL ERRORS / MALPRACTICE
WHO IS AN INSURED - FELLOW EMPLOYEE EXTENSION - MANAGEMENT EMPLOYEES**

Paragraph 2.a.(1) of Section II - Who Is An Insured is replaced with the following:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1) (a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services. However, if you are not in the business of providing professional health care services or providing professional health care personnel to others, or if coverage for providing professional health care services is not otherwise excluded by separate endorsement, this provision (Paragraph (d)) does not apply.

Paragraphs (a) and (b) above do not apply to "bodily injury" or "personal and advertising injury" caused by an "employee" who is acting in a supervisory capacity for you. Supervisory capacity as used herein means the "employee's" job responsibilities assigned by you, includes the direct supervision of other "employees" of yours. However, none of these "employees" are insureds for "bodily injury" or "personal and

advertising injury" arising out of their willful conduct, which is defined as the purposeful or willful intent to cause "bodily injury" or "personal and advertising injury", or caused in whole or in part by their intoxication by liquor or controlled substances.

The coverage provided by provision J. is excess over any other valid and collectable insurance available to your "employee".

K. NEWLY FORMED OR ADDITIONALLY ACQUIRED ENTITIES

Paragraph 3. of Section II - Who Is An Insured is replaced by the following:

3. Any organization you newly acquire or form and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
 - d. Records and descriptions of operations must be maintained by the first Named Insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations or qualifies as an insured under this provision.

L. FAILURE TO DISCLOSE HAZARDS AND PRIOR OCCURRENCES

Under Section IV - Commercial General Liability Conditions, the following is added to Condition 6. Representations:

Your failure to disclose all hazards or prior "occurrences" existing as of the inception date of the policy shall not prejudice the coverage afforded by this policy provided such failure to disclose all hazards or prior "occurrences" is not intentional.

M. KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

Under Section IV - Commercial General Liability Conditions, the following is added to Condition 2. Duties In The Event of Occurrence, Offense, Claim Or Suit:

Knowledge of an "occurrence", offense, claim or "suit" by an agent, servant or "employee" of any insured shall not in itself constitute knowledge of the insured unless an insured listed under Paragraph 1. of Section II - Who Is An Insured or a person who has been designated by them to receive reports of "occurrences", offenses, claims or "suits" shall have received such notice from the agent, servant or "employee".

N. LIBERALIZATION CLAUSE

If we revise this Commercial General Liability Extension Endorsement to provide more coverage without additional premium charge, your policy will automatically provide the coverage as of the day the revision is effective in your state.

O. BODILY INJURY REDEFINED

Under Section V - Definitions, Definition 3. is replaced by the following:

3. "Bodily Injury" means physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease.

P. EXTENDED PROPERTY DAMAGE

Exclusion a. of **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is replaced by the following:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

Q. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - WHEN REQUIRED IN A CONTRACT OR AGREEMENT WITH YOU

Under **Section IV - Commercial General Liability Conditions**, the following is added to **Condition 8. Transfer Of Rights Of Recovery Against Others To Us**:

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard" provided:

1. You and that person or organization have agreed in writing in a contract or agreement that you waive such rights against that person or organization; and
2. The injury or damage occurs subsequent to the execution of the written contract or written agreement.

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70