King County
Finance and Business Operations Division
Procurement and Contract Services Section
Department of Executive Services
CNK-ES-0340
3rd Floor
401 5th Avenue
Seattle, WA 98104
206-263-9400
206-296-7676 Fax
TTY Relay: 771
www.kingcounty.gov

VENDOR:
COVESTIC INC
5555 LAKEVIEW DR SUITE 100
KIRKLAND,WA 98033-7444

SHIP TO
KING COUNTY OIRM
OIRM
401 5TH AVE, CNK-EX0600
SEATTLE,WA 98104
United States

BILL TO
KC DEPT OF EXECUTIVE SERVICES
ACCOUNTS PAYABLE, 3RD FLOOR
401 5TH AVE, CNK-ES0320
SEATTLE,WA 98104
United States

Purchase Order

PURCHASE ORDER NO.	REVISION	PAGE
398396	0	1

THIS PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES, OR TRANSMITTAL CORRESPONDENCE RELATED TO THIS ORDER

CREATION DATE	BUYER
01-APR-08	C Betts
DATE OF REVISION	BUYER

CUSTOMER ACCT #	VENDOR NO.	PAYMENT TERMS	FREIGHT TERMS	F.O.B	SHIP VIA
	21938	Net30days	N/A	Destination	N/A

CONFIRM TO / TELEPHONE: JOHN SCHAFFER (425) 455-3030

REQUESTOR / DELIVER TO:

LINE	PART NUMBER / DESCRIPTION	DELIVERY DATE	QUANTITY	UNIT	UNIT PRICE	EXTENSION	T
	CONTRACT PURCHASE AGREEMENT T02850T PROVIDE IT CONSULTING SERVICES IN THE FOLLOWING CATEGORIES: A-IT PROJECT MANAGEMENT C-TECHNOLOGY PLANNING & CONSULTING D-SECURITY & PRIVACY TO KING COUNTY AGENCIES ON A WORK ORDER BASIS. IF YOU HAVE ANY QUESTIONS IN REGARDS TO THIS CPA, PLEASE CONTACT BRYAN JOHNSON AT 206-263-7889. THIS CONSULTING PURCHASE AGREEMENT ESTABLISHES THE THE TERMS AND CONDITIONS BETWEEN KING COUNTY AND COVESTIC, INC, IN ACCORDANCE WITH RFQ 1079-07RLD AND CONTRACT T02850T AND RESPONSE TO THE RFQ WHICH IS INCORPORATED BY REFERENCE AS IS FULLY SET FORTH HEREIN. THIS IS A MASTER CONTRACT AND SEPARATE WORK ORDERS WILL BE GENERATED BY EACH KING COUNTY AGENCY THAT USES IT. PERIOD OF TIME: 2/1/08 TO 1/31/10.						

PROCESSED
APR 02 2008
Log ___ /DB ___

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS. THIS ORDER IS SUBJECT TO ALL THE TERMS AND CONDITIONS ON THE FRONT AND BACK HEREOF.

Required Invoice Information: Ship to Address, Mailstop, Requestor's Name, Purchase Order Number, Contract Number (If applicable), Line Item Number, description, and Unit Price as stated on the purchase order, may result in payment delays.

ACCEPTANCE:
This purchase order expressly limits acceptance to the terms and conditions stated herein.

TOTAL

Authorized signature

King County

Finance and Business Operations Division
Procurement and Contract Services Section
Department of Executive Services

CNK-ES-0340
3rd Floor
401 5th Avenue
Seattle, WA 98104

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SEATTLE,WA 98104
United States

Purchase Order

PURCHASE ORDER NO.	REVISION	PAGE
398396	0	2

THIS PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, PACKING LISTS, CARTONS AND COMMUNICATIONS RELATED TO THIS ORDER

CREATION DATE	BUYER
01-APR-08	C Betts
DATE OF REVISION	BUYER

CUSTOMER ACCT #	VENDOR NO.	PAYMENT TERMS	FREIGHT TERMS	F.O.B	SHIP VIA
	21938	Net30days	N/A	Destination	N/A

CONFIRM TO / TELEPHONE
JOHN SCHAFFER (425) 455-3030

REQUESTOR / DELIVER TO

LINE	PART NUMBER / DESCRIPTION	DELIVERY DATE	QUANTITY	UNIT	UNIT PRICE	EXTENSION	T
	CONTRACT HAS NO OPTIONS TO RENEW. CONTRACT VALUE NTE: $1,500,000. THIS CPA IS A MASTER CONTRACT AND SEPARATE WORK ORDER CONTRACT "H" NUMBERS WILL BE ASSIGNED. STANDARD PURCHASE ORDERS REFERENCING THE WORK ORDER CONTRACT "H" WILL BE ISSUED BY KING COUNTY PROCUREMENT TO AUTHORIZE PAYMENT OF SERVICES. ALL INVOICES MUST.....REFERENCE THE ASSIGNED WORK ORDER CONTRACT NUMBER TO AVOID DELAY IN PAYMENT. Purchase Agreement Effective From: 01-FEB-08 To: 31-JAN-10	Amount Agreed:					

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS. THIS ORDER IS SUBJECT TO ALL THE TERMS AND CONDITIONS ON THE FRONT AND BACK HEREOF.

Required Invoice Information: Ship to Address, Mailstop, Requestor's Name, Purchase Order Number, Contract Number (if applicable), Line Item Number, description, and Unit Price as stated on the purchase order, may result in payment delays.

ACCEPTANCE:
This purchase order expressly limits acceptance to the terms and conditions stated herein.

TOTAL

Authorized signature

King County Contract for Technology Consulting Services

King County

Department of Executive Services
Finance and Business Operations Division
Procurement and Contract Services Section
206-263-9400 TTY Relay: 711

Contract Title: **IT CONSULTING SERVICES – MASTER CONTRACT**

RFQ Number: **1079-07RLD**

Buyer: Roy Dodman, roy.dodman@kingcounty.gov, 206-263-9293

Contract Number:	**T02850T**	**Contractor:**	**Covestic, Inc.**
Federal Tax ID:	912141220	**Requesting Dept.:**	**King County OIRM**
Amount:	**NTE $500,000 per annum, per Category**	**Fund Source:**	**Various**
Duration:	**February 1, 2008**	**To:**	**January 31, 2010**

Work Provided: **As-needed IT Consulting Services -**
Category A - IT Project Management
Category C - Technology Planning and Consulting
Category D - Security and Privacy

CONTRACT

THIS CONTRACT, made this 1st Day of February, 2008, by and between **King County**, Washington, a home rule charter county and a political subdivision of the State of Washington (hereinafter "County") and **Covestic, Inc.** with its principal place of business at 5555 Lakeview Drive, Suite 100, Kirkland, Washington, 98033 (hereinafter "Contractor").

WITNESSETH:

WHEREAS, the County has caused Contract documents for IT Consulting Work on an as-needed based, as secured via King County RFQ 1079-07RLD, to be prepared for certain Work as described therein; and

WHEREAS, the Contractor has assured the County that it has the specialized expertise and experience necessary to properly Provide the goods and Services in a timely manner and that its proposal includes all of the functions and features required for the goods and Services; and

WHEREAS, the County has accepted the Contractor's offer to provide the goods and Services in accordance with the Contract's terms, Scope of Work and proposal documents; and

WHEREAS, by executing this Contract, the Contractor represents that the waiver of the Contractor's immunity under industrial insurance, Title 51 RCW, as set forth in the Contract documents was mutually negotiated by the parties; and

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained and to be performed, the Contractor hereby agrees to supply the goods and Services at the price and on the terms and conditions herein contained, and to assume and perform all of the covenants and conditions herein required of the Contractor, and the County agrees to pay the Contractor the Contract price provided herein for the supply of the goods and Services and the performance of the covenants set forth herein.

THE FURTHER TERMS, CONDITIONS AND COVENANTS of the Contract are set forth in the following exhibit parts each of which is attached hereto and by this reference made a part hereof in the following order of precedence:

[1] Contract Amendment;

[2] This Contract Document which includes: Definition of Words and Terms, Standard Contractual Terms and Conditions, Specific Contractual Terms and Conditions, Insurance Requirements, and Attachments A) Equal Benefits Declaration, B) Personnel Inventory Report, C) Affidavit and Certificate of Compliance, D) Contractor's Statement of Union or Employee Referral Agency (if applicable), E) 504/ADA Assurance of Compliance, F) Contractor's Insurance Certificate and Endorsement;

[3] RFQ Addenda (incorporated by reference as if fully set forth herein);

[4] King County Request for Qualifications 1079-07RLD (incorporated by reference as if fully set forth herein);

[5] Contractor's submittal (incorporated by reference as if fully set forth herein).

Covestic Inc.:	KING COUNTY:
Authorized Signature:	Authorized Signature: James R Kelly
John Schaffer, President, CEO	Name and Title (Print or Type): SERVICE DEVELOPMENT MGR
Date Accepted: 2/4/08	Date Accepted: 3/28/08
	Approved as to form only:

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DEFINITION OF WORDS AND TERMS

Words and terms shall be given their ordinary and usual meanings. Where used in the Contract documents, the following words and terms shall have the meanings indicated. The meanings shall be applicable to the singular, plural, masculine, feminine and neuter of the words and terms.

Acceptance or Accepted: Written Documentation of the County's determination that the Contractor's Work has been completed in accordance with the Contract.

Buyer: Individual designated by the County to conduct the Contract solicitation process, draft and negotiate Contracts, resolves contractual issues and supports the Project Manager during Contract performance.

Contract Amendment: A written change to the Contract modifying, deleting or adding to the terms or Scope of Work, signed by both parties, with or without notice to the sureties.

Contract or Contract Documents: The writings and drawings embodying the legally binding obligations between the County and the Contractor for completion of the Work under the Contract as set forth on Page 2 of this document.

Contractor: The individual, association, partnership, firm, company, corporation, or combination thereof, including joint ventures, contracting with the County for the performance of Services or Work under the Contract.

Cost Analysis: The review, evaluation and verification of cost data and the evaluation of the specific elements of costs and profit. Cost Analysis is the application of judgment utilizing criteria to project from the data to the estimated costs in order to form an opinion on the degree to which proposed costs represent what the Contract should cost, assuming reasonable economy and efficiency.

Day: Calendar Day.

Documentation: Technical publications relating to the Services to be Provided by Contractor under this Contract.

Final Acceptance: The point when King County acknowledges that the Contractor has performed the entire Work in accordance with the Contract.

Person: Includes individuals, associations, firms, companies, corporations, partnerships, and joint ventures.

Price Analysis: The process of examining and evaluating a price without evaluating its separate cost elements and proposed profit.

Project Manager: The individual designated by the County to manage the project on a daily basis and who may represent the County for Contract administration. This Contract may be part of a larger County project.

Provide: Furnish without additional charge.

RCW: The Revised Code of Washington.

Scope of Work (SOW): A section of the Contract consisting of written descriptions of Services to be performed, or the goods to be provided or the technical requirements to be fulfilled under this Contract contained within Scope of Work Section.

Services: The furnishing of labor, time or effort by a Contractor, including training, or consulting but not involving the delivery of any specific manufactured goods.

Subcontractor: The individual, association, partnership, firm, company, corporation, or joint venture entering into an agreement with the Contractor to perform any portion of the Work covered by this Contract.

Work: Everything to be Provided and done for the fulfillment of the Contract and shall include all Services specified under this Contract, including Contract Amendments and settlements.

Work Order: Everything to be Provided and done for the fulfillment of specific work assignments as solicited and awarded by the County, in accordance with the procedures outlined in the Request for Qualification document, including work order amendments and settlements.

SECTION 1 STANDARD CONTRACTUAL TERMS AND CONDITIONS

1.1 Administration

This Contract is between the County and the Contractor who shall be responsible for providing the Work described herein. The County is not party to defining the division of Work between the Contractor and its Subcontractors, if any, and the Scope of Work has not been written with this intent.

The Contractor represents that it has or shall obtain all personnel, materials and equipment required to perform Work hereunder. Such personnel shall not be current or former employees of the County without the written approval of the County. Any current or former County employee who is involved, or becomes involved, in the performance of the Contract shall be disclosed; and the County shall determine whether conflicts of interest or ethical violations exist under the circumstances.

The Contractor's performance under this Contract and subsequent issued Work Orders may be monitored and reviewed by a Project Manager appointed by the County. Reports and data required to be Provided by the Contractor shall be delivered to the Project Manager. Questions by the Contractor regarding interpretation of the terms, provisions and requirements of this Contract shall be addressed to the Buyer or Project Manager for a response.

1.2 Contract Amendment

All changes to the Contract shall be through a contract amendment. All changes to a Work Order shall be through a work order amendment. No oral order or conduct by the County shall constitute a change to the Contract. If any Contract Amendment causes an increase or decrease in the cost of, or the time required for performance of any part of the Work under this Contract, an equitable adjustment in the Contract price, the project schedule, or both shall be made and the Contract and all related Work Orders and purchase orders(s) modified and agreed to in writing by both parties. Every Contract Amendment, including termination, may require a Cost/Price Analysis to determine the reasonableness of the proposed adjustments to Contract or Work Order price or schedule. Contract Amendments and Work Order amendments do not require notice to sureties by County.

Ref: KC CON 7-8-1 (AEP).

1.3 Termination for Convenience/Default/Non-Appropriation

A. Termination for Convenience

The County for its convenience may terminate this Contract, in whole or in part, at any time by written notice sent certified mail, return receipt requested, to the Contractor. After receipt of a Notice of Termination ("Notice"), and except as directed by the County, the Contractor shall immediately stop Work as directed in the Notice, and comply with all other requirements in the Notice. The Contractor shall be paid its costs, including necessary and reasonable Contract closeout costs and profit on that portion of the Work satisfactorily performed up to the date of termination as specified in the notice. The Contractor shall promptly submit its request for the termination payment, together with detailed supporting documentation. If the Contractor has any property in its possession belonging to the County, the Contractor shall account for the same and dispose of it in the manner the County directs. All termination payment requests may be subject to Cost or Price Analysis to determine reasonableness and compliance with the Contract, applicable laws and regulations.

B. Termination for Default

If the Contractor does not deliver Work in accordance with the Contract, or the Contractor fails to perform in the manner called for in the Contract, or if the Contractor fails to comply with any

material provisions of the Contract, the County may terminate this Contract, in whole or in part, for default as follows:

1. A "Notice to Cure" shall be served on the Contractor by certified mail (return receipt requested) or delivery service capable of providing a receipt. The Contractor shall have ten (10) Days to cure the default or Provide the County with a detailed written plan, which indicates the time and methods needed to bring the Work into compliance and cure the default.

2. If the Contractor has not cured the default or the plan to cure the default is not acceptable to the County, the County may terminate the Contract. Termination shall occur by serving a Notice of Termination by certified mail (return receipt requested) or delivery service capable of providing a receipt on the Contractor setting forth the manner in which the Contractor is in default and the effective date of termination.

3. The Contractor shall only be paid for Work delivered and Accepted, or Work performed in accordance with the manner of performance set forth in the Contract less any damages to the County caused by or arising from such default. All termination payment requests are subject to Cost or Price Analysis to verify compliance with the Contract, applicable laws and regulations.

4. The termination of this Contract shall in no way relieve the Contractor from any of its obligations under this Contract nor limit the rights and remedies of the County hereunder in any manner.

C. Termination for Non-Appropriation

If expected or actual funding is withdrawn, reduced or limited in any way prior to the termination date set forth in this Contract or in any Contract Amendment hereto, the County may, upon written notice to the Contractor, terminate this Contract in whole or in part.

In accordance with King County Code 4.04.040B.6, payment shall not exceed the appropriation for the year in which termination is effected. If the Contract is terminated for non-appropriation:

1. The County shall be liable only for payment in accordance with the terms of this Contract for Services rendered prior to the effective date of termination; and,

2. The Contractor shall be released from any obligation under this Contract or a related purchase order to Provide further Work pursuant to the Contract as are affected by the termination.

Funding under this Contract beyond the current appropriation year is conditional upon the appropriation by the County Council of sufficient funds to support the activities described in this Contract. Should such an appropriation not be approved, the Contract shall terminate at the close of the current appropriation year. The appropriation year ends on December 31 of each year.

1.4 Force Majeure

The term "force majeure" shall include, without limitation by the following enumeration: acts of nature, acts of civil or military authorities, terrorism, fire, accidents, shutdowns for purpose of emergency repairs, industrial, civil or public disturbances, causing the inability to perform the requirements of this Contract. If any party is rendered unable, wholly or in part, by a force majeure event or any other cause not within such party's control, to perform or comply with any obligation or condition of this Contract, upon giving notice and reasonably full particulars to the other party, such obligation or condition shall be suspended only for the time and to the extent commercially practicable to restore normal operations. In the event the Contractor ceases to be excused pursuant to this provision, then the County shall be

entitled to exercise any remedies otherwise provided for in this Contract, including Termination for Default. Whenever a force majeure event causes the Contractor to allocate limited resources between or among the Contractor's customers, the County shall receive no less priority in respect to such allocation than any of the Contractor's other customers.

1.5 Washington State Sales Tax

The County shall make payment directly to the State for all applicable State sales taxes in case the Contractor is not registered for payment of sales taxes in the State of Washington. If the Contractor is so registered, it shall add the sales tax to each invoice and upon receipt of payment from the County, promptly remit appropriate amounts to the State of Washington.

1.6 Taxes, Licenses, and Certificate Requirements

This Contract and any of the Work Provided hereunder is contingent and expressly conditioned upon the ability of the Contractor to Provide the specified goods or Services consistent with applicable federal, state or local laws and regulations. If, for any reason, the Contractor's required licenses or certificates are terminated, suspended, revoked or in any manner modified from their status at the time this Contract becomes effective, the Contractor shall notify the County immediately of such condition in writing.

The Contractor and Subcontractor(s) shall maintain and be liable for all taxes (except sales/use taxes), fees, licenses permits and costs as may be required by applicable federal, state or local laws and regulations as may be required to Provide the Work under this Contract.

1.7 Assignment

Neither party shall assign any interest, obligation or benefit under or in this Contract or transfer any interest in the same, whether by assignment or novation, without prior written consent of the other party. If assignment is approved, this Contract shall be binding upon and inure to the benefit of the successors of the assigning party. This provision shall not prevent Contractor from pledging any proceeds from this Contract as security to a lender so long as King County Policy Fin10-1 (AP), paragraph 6.1.3 is followed. An assignment shall be accepted by either party upon the posting of all required bonds, securities and the like by the assignee and the written agreement by assignee to assume and be responsible for the obligations and liabilities of the Contract, known and unknown, and applicable law.

1.8 Indemnification and Hold Harmless

To the maximum extent permitted by law and except to the extent caused by the sole negligence of the County, the Contractor shall indemnify and hold harmless the County, its officers, officials, agents and employees, from and against any and all suits, claims, actions, losses, costs, penalties and damages of whatsoever kind or nature arising out of, in connection with, or incident to the goods and/or Services Provided by or on behalf of the Contractor. In addition, the Contractor shall assume the defense of the County and its officers and employees in all legal or claim proceedings arising out of, in connection with, or incidental to such goods and/or Services: shall pay all defense expenses, including reasonable attorney's fees, expert fees and costs incurred by the County on account of such litigation or claims. This indemnification obligation shall include, but is not limited to, all claims against the County by an employee or former employee of the Contractor or its Subcontractors, and the Contractor, by mutual negotiation, expressly waives all immunity and limitation on liability, as respects the County only, under any industrial insurance act, including Title 51 RCW, other Worker's Compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim. In the event that the County incurs any judgment, award and/or cost including attorney's fees arising from the provisions of this subsection, or to enforce the provisions of this

subsection, any such judgment, award, fees, expenses and costs shall be recoverable from the Contractor. In the event of litigation between the parties to enforce the rights under this subsection, reasonable attorney fees shall be allowed to the substantially prevailing party.

1.9 Applicable Law and Forum

This contract shall be governed by and construed according to the laws of the State of Washington, including but not limited to, the Uniform Commercial Code, Title 62A RCW. Any claim or suit concerning this Contract may only be filed and prosecuted in either the King County Superior Court or U.S. District for the Western District of Washington, in Seattle.

1.10 Conflicts of Interest and Non-Competitive Practices

A. Conflict of Interest

By entering into this Contract to perform Work, the Contractor represents that it has no direct or indirect pecuniary or proprietary interest, and that it shall not acquire any interest that conflicts in any manner or degree with the Work required to be performed under this Contract. The Contractor shall not employ any Person or agent having any conflict of interest. In the event that the Contractor or its agents, employees or representatives hereafter acquires such a conflict of interest, it shall immediately disclose such conflict to the County. The County shall require that the Contractor take immediate action to eliminate the conflict up to and including termination for default.

B. Contingent Fees and Gratuities

By entering into this Contract to perform Work, the Contractor represents that:

1. No Persons except as designated by Contractor shall be employed or retained to solicit or secure this Contract with an agreement or understanding that a commission, percentage, brokerage, or contingent fee would be paid.
2. No gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any of its agents, employees or representatives, to any official, member or employee of the County or other governmental agency with a view toward securing this Contract or securing favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the performance of this Contract.
3. Any Person having an existing Contract with the County or seeking to obtain a Contract who willfully attempts to secure preferential treatment in his or her dealings with the County by offering any valuable consideration, thing or promise, in any form to any County official or employee shall have his or her current Contracts with the County canceled and shall not be able to bid on any other County Contracts for a period of two (2) years.

C. Disclosure of Current and Former County Employees

To avoid any actual or potential conflict of interest or unethical conduct:

1. County employees or former County employees are prohibited from assisting with the preparation of proposals or contracting with, influencing, advocating, advising or consulting with a third party, including Contractor, while employed by the County or within one (1) year after leaving County employment if he/she participated in determining the Work to be done or processes to be followed while a County employee.
2. Contractor shall identify at the time of offer current or former County employees involved in the preparation of proposals or the anticipated performance of Work if awarded the

Contract. Failure to identify current or former County employees involved in this transaction may result in the County's denying or terminating this Contract.

3. After Contract award, the Contractor is responsible for notifying the County's Project Manager of current or former County employees who may become involved in the Contract any time during the term of the Contract.

Ref: K.C.C. 3.04.015, 3.04.20, 3.04.30, 3.04.035, 3.04.060.

1.11 Claims and Appeals

The Contractor shall address claims for additional time or compensation under the Contract in writing to the Buyer and Project Manager within ten (10) Days of the date in which the Contractor knows or should know of the basis for the claim. Claims shall be accompanied by supporting documentation and citation to applicable provisions in the Contract Documents establishing entitlement. The Buyer and Project Manager reserve the right to request additional documentation necessary to adequately review the claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. The Buyer and Project Manager shall ordinarily respond to the Contractor in writing with a decision issued jointly, but absent such written response, the claim shall be deemed denied upon the tenth (10th) Day following receipt by the Buyer and Project Manager of the claim, or requested additional documentation, whichever is later.

In the event the Contractor disagrees with the determination of the Buyer and Project Manager, the Contractor shall, within five (5) Days of the date of such determination, appeal the determination in writing to the Procurement and Contract Services Section Manager. Such written notice of appeal shall include all information necessary to substantiate the appeal. The Procurement and Contract Services Section Manager shall review the appeal and make a determination in writing, which shall be final. Appeal to the Procurement and Contract Services Section Manager shall be a condition precedent to litigation.

Pending final decision of a claim and appeal hereunder, the Contractor shall proceed diligently with the performance of the Contract and in accordance with the direction of the Buyer or Project Manager. Failure to comply precisely with the time deadlines under this subsection as to any claim shall operate as a waiver and release of that claim and an acknowledgment of prejudice to the County.

1.12 Mediation

If a dispute arises out of or relates to this Contract, or the breach thereof, and if said dispute cannot be resolved through the claims and appeal process set forth in the Claims and Appeals Section above, the parties may, upon mutual agreement, endeavor to settle the dispute in an amicable manner by mediation, or other agreed form of ADR process, prior to commencing litigation.

1.13 Maintenance Of Records

The Contractor shall maintain, and shall require any sub-contractor to maintain, accounts and records, including personnel, property, financial, and programmatic records and such other records as may be deemed necessary by the County to ensure proper accounting for all contract funds and compliance with this Contract. All such records shall sufficiently and properly reflect all direct and indirect costs of any nature expended and services provided in the performance of this Contract. The Contractor shall make such documents available to the County for inspection, copying, and auditing upon request.

All records referenced in subsection (A) shall be maintained for a period of six (6) years after completion of work or termination hereof unless permission to destroy them is granted by the Office of the Archivist in accordance with RCW Chapter 40.14, or unless a longer retention period is required by law.

The Contractor shall provide access to its facilities, including those of any sub-contractor, to the County, the State and/or federal agencies or officials at all reasonable times in order to monitor and evaluate the services provided under this Contract.

The Contractor agrees to cooperate with County or its designee in the evaluation of the services provided under this Contract and to make available all information reasonably required by any such evaluation process. The results and records of said evaluation shall be maintained and disclosed in accordance with RCW Chapter 42.56.

If the Contractor expended a total of $500,000.00 or more in federal awards during its fiscal year, and is a non-profit organization, and is, under this Contract, carrying out or administering a program or portion of a program, it shall have an independent audit conducted in accordance with OMB Circular A-133, which shall comply with the requirements of GAAS (generally accepted auditing standards), GAO's Government Audit Standards and OMB Circular A-133, as amended and as applicable. Contractors expending federal awards from more than one source shall be responsible for determining if the combined financial awards are equal to or greater than $500,000.00. The Contractor shall provide one copy of the audit report to each County division providing federal awards to the Contractor no later than nine (9) months subsequent to the end of the Contractor's fiscal year.Other Public Agency Orders

Other federal, state, county and local entities may utilize the terms and conditions established by this Contract if agreeable to all parties. The County does not accept any responsibility or involvement in the purchase orders or Contracts issued by other public agencies.

1.14 Recycled Products Policy

The Contractor shall use recycled paper for all printed and photocopied documents related to the submission of this solicitation and fulfillment of the contract and shall, whenever practicable, use both sides of the paper. (Reference: KCC 10.16 & King County Executive Policy CON 7-1-2).

1.15 Nondiscrimination and Equal Employment Opportunity

A. Nondiscrimination in Employment and Provision of Services

During the performance of this Contract, neither the Contractor nor any party subcontracting under the authority of this Contract shall discriminate nor tolerate harassment on the basis of race, color, sex, religion, nationality, creed, marital status, sexual orientation, age, or the presence of any sensory, mental, or physical disability in the employment or application for employment or in the administration or delivery of Services or any other benefits under this Contract. King County Code Chapter 12.16 is incorporated herein by reference, and such requirements shall apply to this Contract.

B. Nondiscrimination in Subcontracting Practices

During the solicitation, award and term of this Contract, the Contractor shall not create barriers to open and fair opportunities to participate in County Contracts or to obtain or compete for Contracts and subcontracts as sources of supplies, equipment, construction and Services. In considering offers from and doing business with Subcontractors and suppliers, the Contractor shall not discriminate against any Person on the basis of race, color, creed, religion, sex, age, nationality, marital status, sexual orientation or the presence of any mental or physical disability in an otherwise qualified disabled person.

Ref: KCC 12.16.020.

C. Compliance with Laws and Regulations

The Contractor shall comply fully with all applicable federal, state, and local laws, ordinances, executive orders, and regulations that prohibit discrimination.

Unfair Employment Practices. King County Code Chapter 12.18 is incorporated by reference as if fully set forth herein and such requirements apply to this Contract.

D. Record-keeping Requirements and Site Visits

The County may, at any time, visit the project site, Contractor's and Subcontractors' offices to review records related to the solicitation, utilization, and payment to Subcontractors and suppliers in compliance with Executive Order 11246 as amended by Executive Order 11375. This provision includes compliance with any other requirements of this section. The Contractor shall Provide all reasonable assistance requested by King County during such visits. The Contractor shall maintain, for six (6) years after completion of all Work under this Contract, the following:

1. Records, including written quotes, bids, estimates or proposals submitted to the Contractor by all businesses seeking to participate on this Contract, and any other information necessary to document the actual use of and payment to Subcontractors and suppliers in this Contract.

2. The Contractor shall make the foregoing records available to the County for inspection and copying upon request. Any violation of the mandatory requirements of the provisions of this subsection shall be a material breach of Contract, which may result in termination of this Contract or such other remedy as the County deems appropriate, including but not limited to damages or withholding payment.

E. Discrimination In Contracting

King County Code Chapter 12.17 is incorporated by reference as if fully set forth herein and such requirements apply to this Contract. During the performance of this Contract, neither Contractor nor any party subcontracting under the authority of this Contract shall discriminate or engage in unfair contracting practices prohibited by KCC 12.17.

F. Small Contractors and Suppliers and Minority and Women Business Enterprises Opportunities - King County encourages the Consultant to utilize small businesses, including Small Contractors and Suppliers (SCSs) and Minority-owned and Women-owned Businesses Enterprises (M/WBEs) in County contracts. The County encourages the Consultant to use the following voluntary practices to promote open competitive opportunities for small businesses, including SCSs and M/WBEs:

1. Inquire about King County's Contracting Opportunities Program. Application materials are available at the following Web-site address: http://bdcc.metrokc.gov/bred/Lists/SCS%20Certified%20Contractors/Public%20View1.htm . Telephone 206-205-3443, TTY: Relay 711, for more information

   The purpose of the King County Contracting Opportunities Program is to maximize the participation of Small Contractors and Suppliers (SCS) using rating points in the award of King County competitively bid contracts for the acquisition of technical services. The program is open to all firms SCS certified by King County's Business Development and Contract Compliance Office.

   A "Small Contractors and Suppliers" (SCS) means that a business and the person or persons who own and control it are in a financial condition which puts the business at a substantial disadvantage in attempting to compete for public contracts. The relevant financial condition for eligibility under the Program is set at fifty percent (50%) of the Federal Small Business Administration (SBA) small business size standards using the North American Industry Classification System and Owners' Personal Net Worth less than $750K dollars.

A "Certified Firm" means a business that has applied for participation in King County's Contracting Opportunities Program, and has been certified as an SCS by the King County Business Development and Contract Compliance (BDCC) office. Information about becoming a Certified Firm, as well as the Directory of Certified Firms, may be obtained by visiting the King County's Contracting Opportunities Program Web-site address: http://bdcc.metrokc.gov/bred/Lists/SCS%20Certified%20Contractors/Public%20View1.htm or contacting the BDCC office at 206-205-3443.

2. King County's Directory of Certified Small Contractors and Suppliers (SCSs) as an available resource to identify small businesses. The directory is available on the King County Contracting Opportunities Program Web site at the following address: http://bdcc.metrokc.gov/bred/Lists/SCS%20Certified%20Contractors/Public%20View1.htm or contacting the BDCC office at 206-205-3443, TTY: Relay 711.

3. Contact the Washington State Office of Minority and Women's Business Enterprises (OMWBE) to obtain a list of certified M/WBEs by visiting their Web-site at http://www.omwbe.wa.gov or by telephone 360-704-1181

4. Use the services of available community organizations, Consultant groups, local assistance offices, the County, and other organizations that provide assistance in the recruitment and placement of small businesses, including SCSs and M/WBEs.

G. Compliance with Section 504 of the Rehabilitation Act of 1973

For all Contracts providing consulting, maintenance, training or other services, the Contractor shall complete a Disability Self-Evaluation Questionnaire, Attachment N. The 504/ADA Disability Assurance of Compliance will cover all programs and services offered (including any services not subject to this Contract) for compliance with Section 504 of the Rehabilitation Act of 1973, as amended ("504"), and the Americans with Disabilities Act of 1990 ("ADA"). The Contractor shall complete a 504/ADA Disability Assurance of Compliance within ten (10) Days after receiving written notice of selection. The Contractor shall retain a copy of the completed 504/ADA and submit to the Buyer the original final two (2) signed pages titled "504/ADA Disability Assurance of Compliance", which will be attached to the Contract.

Ref: KCC 12.16.060 D.

1.16 Severability

Whenever possible, each provision of this Contract shall be interpreted to be effective and valid under applicable law. If any provision is found to be invalid, illegal or unenforceable, then such provision or portion thereof shall be modified to the extent necessary to render it legal, valid and enforceable and have the intent and economic effect as close as possible to the invalid, illegal and unenforceable provision. If it is not possible to modify the provision to render it legal, valid and enforceable, then the provision shall be severed from the rest of this Contract. The invalidity, illegality or unenforceability of any provision shall not affect the validity, legality or enforceability of any other provision of this Contract, which shall remain valid and binding.

1.17 Nonwaiver of Breach

No action or failure to act by the County shall constitute a waiver of any right or duty afforded to the County under the Contract; nor shall any such action or failure to act by the County constitute an approval of, or acquiescence in, any breach hereunder, except as may be specifically stated by the County in writing.

1.18 Equal Benefits to Employees with Domestic Partners

Pursuant to Ordinance 14823, King County's "Equal Benefits" (EB) ordinance, and related administrative rules adopted by the County Executive, as a condition of award of a contract is valued at $25,000 or more, the Contractor agrees that it shall not discriminate in the provision of employee benefits between employees with spouses, and employees with domestic partners during the performance of this Contract. Failure to comply with this provision shall be considered a material breach of this Contract, and may subject the Contractor to administrative sanctions and remedies for breach.

When the contract is valued at $25,000 or more, the Contractor shall complete a Worksheet and Declaration form for County review and acceptance prior to Contract execution. The EB Compliance forms, Ordinance 14823 (which is codified at KCC Chapter 12.19) and related administrative rules are incorporated herein by reference. They are also available online at: http://www.metrokc.gov/procurement/forms/default.aspx.

SECTION 2 SPECIFIC CONTRACTUAL TERMS AND CONDITIONS

2.1 Execution of the Contract

The documents constituting the Contract between the County and the Contractor are intended to be complementary so that what is required by any one of them shall be as binding as if called for by all of them. In the event of any conflicting provisions or requirements within the several parts of the Contract documents, they shall take precedence as listed on the Contract, page 2. The date the Contract is countersigned by the County is the Contract effective date. No other act of the County shall constitute Contract award. After Contract award, the County shall issue Purchase Orders detailing the Work to be performed.

The Contract may be executed in counterparts, any of which shall be deemed an original and which shall together constitute one Contract.

2.2 Contract Term

The initial term of this Contract shall be one (1) year, and may be extended for an additional term of one (1) year. Unless notified by the County, this contract shall automatically be extended for the additional year term effective February 1, 2009, subject to the termination provisions in subsection 1-3, Termination for Convenience/Default/Non-Appropriation. The maximum term for this Contract, consisting of the base period plus extensions, is 2 years unless extended by written agreement signed by all parties.

2.3 Notices

All notices or Documentation required or provided pursuant to this Contract shall be in writing and shall be deemed duly given when delivered to the addresses first set forth below.

For Project Management related notices or Documentation:

KING COUNTY	CONTRACTOR
Project Manager – John Klein	Nancy Manula
King County Office of Information and Resource Management	Covestic, Inc.
401 5th Avenue, 6th Floor	5555 Lakeview Drive, Suite 100
Seattle, WA 98104	Kirkland, WA 98033
206-263-7903	425-803-9889
john.klein@kingcounty.gov	accounting@covestic.com

For Contract related notices or Documentation contact:

King County Procurement and Contract Services Section	
M.S. CNK-ES-0340	
Chinook Building	
401 Fifth Avenue, 3rd Floor	
Seattle, WA 98104	
Buyer – Roy L. Dodman	
(206) 263-9293	
roy.dodman@kingcounty.gov	

2.4 Payment Procedures

A. Invoices

The Contractor for Work Accepted by the County shall furnish invoices to:

King County Accounts Payable
M/S CNK-ES-0320
Chinook Building, 3rd Floor
401 – Fifth Avenue
Seattle, WA 98104

Important – When a purchase order is issued against this Contract that has the potential for multiple or partial deliveries, a separate invoice shall be generated for each completed delivery Accepted by the County. All invoices shall include the following information: purchase order number, requester's name and phone number, date of invoice, invoice number and invoice total. For each item in the Contract, provide: item number, quantity, description, Contract price and when applicable provide the manufacture, list price and discounts. For Services, invoices shall identify either milestones Accepted, hours worked and Contract hourly rates, or authorized fees.

The County will not be bound by prices contained in an invoice that are higher than those in the currently approved price list or this Contract. If prior acceptance of the higher price has not been done by the County, the invoice may be rejected and returned to the Contractor for a correct invoice.

FAILURE TO COMPLY WITH THESE REQUIREMENTS OR TO PROVIDE AN INVOICE IN CONFORMANCE WITH THE CONTRACT MAY DELAY PAYMENT.

B. Payments

Within thirty (30) Days after receipt of an invoice, the County shall pay the Contractor for Accepted Work, upon acceptance of payment Contractor waives any claims for the Work covered by the Invoice.

If the Contractor is registered with the State of Washington it shall add all applicable State sales or use taxes to each invoice and upon receipt of the payment promptly remit appropriate amounts to the State of Washington, or the County will make payment directly to the State.

C. Subcontractor Prompt Payment

The Contractor agrees to pay each Subcontractor under this Contract for satisfactory performance of its Subcontract within thirty (30) Days from the receipt of each payment the Contractor receives from the County.

2.5 Advance Payment Prohibited

No advance payment shall be made for the Work furnished by Contractor pursuant to this Contract.

Ref: Article VIII, § 7 of the Washington State Constitution.

2.6 Purchase Orders

Purchase orders shall be issued referencing this Contract number. Purchase order(s) shall define and authorize the Work by the Contractor based on the prices contained in Attachment B. The purchase orders issued by the County may reflect agreed to modification(s) of Contract terms, funding or other matters subject to subsection 1-2, Contract Amendments.

2.7 Pricing

The County shall reimburse the Contractor for satisfactory completion of the services and requirements specified in this Contract in an amount not to exceed the amounts established in each executed work order, payable in the following manner

The Contractor shall submit its final invoice and such other documents as are required pursuant to this Contract within ten (10) calendar days of completion of the Scope of Services. Unless waived by the County in writing failure by the Contractor to submit the final invoice and required documents will relieve the County from any and all liability for payment to the Contractor for the amount set forth in such invoice or any subsequent invoice.

If the Contractor fails to comply with any terms or conditions of this Contract or to provide in any manner the work or services agreed to herein, the County may withhold any payment due the Contractor until the County is satisfied that corrective action, as specified by the County, has been completed. This right is in addition to and not in lieu of the County's right to terminate this Contract as provided in 1-3.

2.8 Acceptance Process

A. The County may accept Work as described in the work order.

B. Correction of Deficiencies Process. If a deliverable is rejected, Contractor will have a commercially practicable time to correct items documented in the County's notification of rejection. Following the delivery of Contractors' notice that the Work has been corrected, the County will issue a written notice of Acceptance or provide Contractor with a notification of rejection, which will include documentation of the specific grounds for the rejection, outlining Work not in compliance with the milestone. The project schedule will be adjusted accordingly in the event that a dispute regarding the method or accuracy of the correction causes a delay. If the deliverable(s) fails to comply with the milestone after Contractor's second attempt to correct the Work and no clear plan can be agreed upon between the County Project Manager and the Contractor's Project Manager, the County will determine the appropriate corrective actions.

2.9 Express Warranties for Services

A. Contractor warrants that the Services shall in all material respects conform to the requirements of this Contract.

B. Contractor warrants that qualified professional personnel with in-depth knowledge shall perform the Services in a timely and professional manner; and that the Services shall conform to the standards generally observed in the industry for similar Services.

C. Contractor warrants that the Services shall be in compliance with all applicable laws, rules and regulations.

THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.10 Warranty Remedies

During the sixty (60) Day media warranty period, the County may return defective media to Contractor and it shall be replaced without charge to the County.

2.11 Independent Status of Contractor

In the performance of this Contract, the parties shall be acting in their individual, corporate or governmental capacities and not as agents, employees, partners, joint ventures, or associates of one another. The parties intend that an independent Contractor relationship shall be created by this Contract. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever. Contractor shall not make any claim of right, privilege or benefit, which would accrue, to an employee under chapter 41.06 RCW or Title 51 RCW.

2.12 Nondisclosure of Data

Data provided by the County either before or after Contract award shall only be used for its intended purpose. Contractors and Subcontractors shall not utilize nor distribute the County data in any form without the express written approval of the County.

2.13 Non-Disclosure Obligation

While performing the Work under this Contract, the Contractor may encounter personal information, licensed technology, Software, Documentation, drawings, schematics, manuals, data and other materials described as "Confidential", "Proprietary" or "Business Secret". The Contractor shall not disclose or publish the information and material received or used in performance of this Contract. This obligation is perpetual. The Contract imposes no obligation upon the Contractor with respect to confidential information which the Contractor can establish that: a) was in the possession of, or was rightfully known by the Contractor without an obligation to maintain its confidentiality prior to receipt from the County or a third party; b) is or becomes generally known to the public without violation of this Contract; c) is obtained by the Contractor in good faith from a third party having the right to disclose it without an obligation of confidentiality; or, d) is independently developed by the Contractor without the participation of individuals who have had access to the County's or the third party's confidential information. If the Contractor is required by law to disclose confidential information the Contractor shall notify the County of such requirement prior to disclosure.

2.14 Public Disclosure Requests

This Contract shall be considered a public document and will be available for inspection and copying by the public in accordance with the Public Records Act, Chapter 42.56 RCW (the "Act").

If the Contractor considers any portion of any record provided to King County under this Contract, whether in electronic or hard copy form, to be protected under law, the Contractor shall clearly identify each such portion with words such as "CONFIDENTIAL," "PROPRIETARY" or "BUSINESS SECRET." If a request is made for disclosure of such portion, the County will determine whether the material should be made available under the Act. If the County determines that the material is subject to disclosure, the County will notify the Contractor of the request and allow the Contractor ten (10) business days to take whatever action it deems necessary to protect its interests. If the Contractor fails or neglects to take such action within said period, the County will release the portions of record(s) deemed by the County to be subject to disclosure. King County shall not be liable to the Contractor for

inadvertently releasing records pursuant to a disclosure request not clearly identified by the Contractor as "CONFIDENTIAL," "PROPRIETARY" or "BUSINESS SECRET."

2.15 Patents, Copyrights and Rights in Data

Any patentable result or materials suitable for copyright arising out of this Contract shall be owned and retained by the County. The County in its sole discretion shall determine whether it is in the public's interest to release or make available any patent or copyright.

The Contractor agrees that the ownership of any plans, drawing, designs, Scope of Work, computer programs, technical reports, operating manuals, calculations, notes and other Work submitted or which is specified to be delivered under this Contract, whether or not complete (referred to in this subsection as "Subject Data") shall be vested in the County. The foregoing shall not apply to existing training materials, consulting aids, check lists and other materials and documents of the Contractor, which are modified for use in the performance of this Contract

All such Subject Data furnished by the Contractor pursuant to this Contract, other than documents exclusively for internal use by the County, shall carry such notations on the front cover or a title page, (or in such case of maps, in the name block), as may be requested by the County. The Contractor shall also place its endorsement on all Contractor-furnished Subject Data. All such identification details shall be subject to approval by the County prior to printing.

The Contractor shall ensure that the substance of foregoing subsections is included in each subcontract for the Work under this Contract.

2.16 HIPAA – Protecting Patient Privacy

The Work under this Contract may require compliance with "The Health Insurance Portability and Accountability Act of 1996" (HIPAA). Information on this Act can be found at the U.S. Office of Civil Rights website: http://www.hhs.gov/ocr/hipaa/.

SECTION 3 INSURANCE REQUIREMENTS

3.1 Evidence and Cancellation of Insurance

A. Prior to execution of the Contract, the Contractor shall file with the County evidence of insurance and endorsements from the insurer(s) certifying to the coverage of all insurance required herein. All evidence of insurance shall be certified by a properly authorized officer, agent, general agent or qualified representative of the insurer(s) and shall certify the name of the insured, the type and amount of insurance, the location and operations to which the insurance applies, the expiration date, and that the County shall receive notice at least forty-five (45) Days prior to the effective date of any cancellation, lapse or material change in the policy.

B. The Contractor shall, upon demand of the County, deliver to the County all such policies of insurance, and all endorsements and riders, and the receipts for payment of premiums thereon.

C. Failure to Provide such insurance in a timeframe acceptable to the County shall enable the County to suspend or terminate the Contractor's Work hereunder in accordance with Contract provisions regarding "Termination for Convenience/Default/Non-appropriation." Suspension or termination of this Contract shall not relieve the Contractor from its insurance obligations hereunder.

3.2 Insurance Requirements

A. The Contractor shall obtain and maintain the minimum insurance set forth below.

By requiring such minimum insurance, the County shall not be deemed or construed to have assessed the risks that may be applicable to the Contractor under this Contract. The Contractor shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded, which coverage shall apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained with this provision shall affect and/or alter the application of any other provision contained with this Contract.

For all coverages:

Each insurance policy shall be written on an "occurrence" form; excepting insurance for professional liability/errors and omissions. Professional liability/errors and omissions when required, may be acceptable on a "claims made" form.

If coverage is approved and purchased on a "Claims Made" basis, the Contractor warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three (3) years from the date of completion of the Work which is the subject of this Contract.

B. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. General Liability

   Insurance Services Office form number (CG 00 01 Ed. 11-88) covering <u>COMMERCIAL GENERAL LIABILITY.</u>

2. Automobile Liability

Insurance Service form number (CA 00 01 Ed. 12-90) covering BUSINESS AUTO COVERAGE, symbol 1 "any auto"; or the combination of symbols 2, 8 and 9.

3. Professional Liability

Professional Liability, Errors and Omissions coverage.

In the event that services pursuant to this Contract either directly or indirectly involve or require professional Services, Professional Liability, Errors and Omissions coverage shall be provided.

4. Workers' Compensation

Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, as well as any similar coverage required for this Work by applicable federal or "Other States" State Law.

5. Employers Liability or "Stop Gap":

The protection provided by the Workers Compensation Policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the "Stop Gap" endorsement to the General Liability policy.

C. Minimum Limits of Insurance

3.3 The Contractor shall maintain limits no less than, for:

General Liability: **$1,000,000** combined single limit per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a **$2,000,000** aggregate limit.

Automobile Liability: **$1,000,000** combined single limit per accident for bodily injury and property damage.

Professional Liability, Errors and Omissions: **$N/A** per Claim and in the Aggregate.

Workers' Compensation: Statutory requirements of the state of residency.

Employers Liability Stop Gap: **$1,000,000.**

A. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions shall be declared to, and approved by, the County. The deductible and/or self-insured retention of the policies shall not limit or apply to the Contractor's liability to the County and shall be the sole responsibility of the Contractor.

B. Other Insurance Provisions

The insurance policies required in this Contract are to contain, or be endorsed to contain the following provisions:

1. Liability Policies:

The County, its officers, officials, employees and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Contractor in connection with this Contract. Use the above exact language on the Endorsement Form. (CG 20 10 11/85 or its equivalent)

To the extent of the Contractor's negligence, the Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by the County, its officers, officials, employees or agents shall not contribute with the insurance or benefit the Contractor in any way.