

AGREEMENT FOR LODGING TAX FUNDS

THIS AGREEMENT FOR LODGING TAX FUNDS (“Agreement”) is entered into on the date written below between the City of Bainbridge Island, a Washington State municipal corporation (“City”), and Bainbridge Island Chamber of Commerce, a Washington State nonprofit corporation] (“Recipient”).

WHEREAS, the Recipient submitted a proposal for Lodging Tax funds for tourism marketing, special events, and operations as described in **Attachment A**; and

WHEREAS, upon recommendation of the Lodging Tax Advisory Committee and approval by the City Council at their December 11, 2018 meeting, the City has awarded this Agreement to effectuate the scope of work, as described in **Attachment A**; and

WHEREAS, the Recipient has the expertise and experience to arrange for said services and work and is willing to do so in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, promises, and agreements set forth herein, it is agreed by and between the City and the Recipient as follows:

1. SERVICES AND WORK BY RECIPIENT

The Recipient shall arrange for the services and work as specified in this Agreement and as necessary to accomplish the scope of work attached hereto as **Attachment A** and incorporated herein by this reference as if set forth in full. The Recipient shall arrange for all services, labor, and related equipment to conduct and complete the work, except as specifically noted otherwise in this Agreement. The scope of work set forth in **Attachment A** shall also include a project budget for the services and work to be performed for the City under this Agreement.

The Recipient, in its activities and promotional materials, shall acknowledge financial support from the City related to the work and services funded by this Agreement.

2. TERM AND TERMINATION OF AGREEMENT

A. This Agreement shall become effective upon execution by both parties and shall continue in full force until December 31, 2019, unless sooner terminated by either party as provided below. The terms of this agreement shall cover activities performed by the Recipient between January 1, 2019 through December 31, 2019.

B. This Agreement may be terminated by either party without cause upon thirty (30) days’ written notice to the other party. In the event of termination, all finished or unfinished documents, reports, or other material or work of the Recipient pursuant to this Agreement shall be submitted to the City, and the Recipient shall be entitled to just and equitable compensation at the rate set forth in Section 3 for any satisfactory work completed prior to the date of termination.

3. PAYMENT

A. The City shall pay the Recipient Sixty-Three Thousand Dollars (\$63,000.00) for all services and work performed and all approved expenses incurred for the sole and specific purpose of accomplishing the scope of work, according to the budget provided within **Attachment A**, in amounts to be billed quarterly. The Recipient shall execute this Agreement by March 31, 2019, in order to receive funding, and all goods and services specified in this Agreement shall be provided during calendar year 2019.

B. The Recipient shall submit, in a format acceptable to the City, quarterly invoices for services performed in a previous quarter. Each project shall be the subject of a separate invoice. The Recipient shall maintain time and expense records and provide them to the City upon request.

C. The City shall pay all invoices by mailing a City check within sixty (60) days of receipt of a proper invoice from the Recipient.

D. If the services rendered do not meet the requirements of this Agreement, the Recipient shall correct or modify the work to comply with this Agreement. The City may withhold payment for such work until it meets the requirements of this Agreement.

4. REPORT ON EXECUTION OF SERVICES

The Recipient shall submit a report on services and work prior to or accompanying its final quarterly invoice, but not later than January 17, 2020. This report should be no longer than five pages, excluding budget detail, and should follow the outline below:

- Summarize the activities undertaken in providing the scope of work described in **Attachment A**.
- Reference the project objectives specified in **Attachment A**. Were those objectives achieved? Why or why not? Were there any unexpected positive outcomes or challenges?
- Reference the specific measurable results specified in **Attachment A**. Were they achieved? If not, what challenges prevented the achievement of the anticipated results?
- Describe involvement of any partners specified in **Attachment A**, as well as any unexpected cooperative relationships that developed through implementation of the project.
- Reference the project budget specified in the **Attachment A**. Provide an analysis of actual expenses and income in relation to the projected budget.
- Provide a good faith best-estimate of actual attendance generated by the scope of work in the three categories below:
 - a. Travelers staying overnight in paid accommodations away from their place of residence or business;
 - b. Travelers staying overnight in unpaid accommodations (e.g., with friends and family) and traveling more than 50 miles;

- c. Travelers for the day only and traveling more than 50 miles.
- Describe the methodologies used to arrive at the good faith estimate of actual attendance numbers described above.

5. INSPECTION AND AUDIT

The Recipient shall maintain all books, records, documents, and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Recipient shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts, and records if necessary to conduct or document an audit. The Recipient shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Recipient shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

6. INDEPENDENT CONTRACTOR

A. The Recipient and the City understand and expressly agree that the Recipient is an independent contractor in the performance of each and every part of this Agreement. The Recipient expressly represents, warrants, and agrees that its status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195. The Recipient, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the services and work required under this Agreement. The Recipient shall make no claim of City employment nor shall the Recipient claim any related employment benefits, social security, and/or retirement benefits.

B. The Recipient shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Recipient shall pay the same before it becomes due.

C. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Recipient performs hereunder.

D. The Recipient and any subcontractors shall obtain a business license and, if applicable, pay business and occupation taxes pursuant to Title 5 of the Bainbridge Island Municipal Code.

7. NONDISCRIMINATION AND COMPLIANCE WITH LAWS

A. The Recipient agrees not to discriminate against any employee or applicant for employment or any other person in the performance of this Agreement because of race, creed, color, national origin, marital status, sex, sexual orientation, age, disability, or other circumstance prohibited by federal, state, or local law or ordinance, except for a bona fide occupational qualification.

B. The Recipient shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this Agreement.

C. Violation of this Section 7 shall be a material breach of this Agreement and grounds for cancellation, termination, or suspension by the City, in whole or in part, and may result in ineligibility for further work for the City.

8. OWNERSHIP OF WORK PRODUCT

All data, materials, reports, memoranda, and other documents developed under this Agreement, whether finished or not, shall become the property of the City and shall be forwarded to the City in hard copy and in digital format that is compatible with the City's computer software programs.

9. GENERAL ADMINISTRATION AND MANAGEMENT

The City Manager of the City, or their designee, shall be the City's representative, and shall oversee and approve all services to be performed, coordinate all communications, and review and approve all invoices, under this Agreement.

10. HOLD HARMLESS AND INDEMNIFICATION

A. The Recipient shall defend, indemnify, and hold the City, its officers, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits, including attorneys' fees, arising out of or resulting from the acts, errors, or omissions of the Recipient in the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

B. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Recipient and the City, its officers, officials, employees, and volunteers, the Recipient's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Recipient's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Recipient's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

C. The City's inspection or acceptance of any of the Recipient's work when completed shall not be grounds to void, nullify, and/or invalidate any of these covenants of indemnification.

D. Nothing contained in this Agreement shall be construed to create a liability or a right of indemnification in any third party.

11. INSURANCE

The Recipient shall maintain insurance as follows and as further described in **Attachment B**:

- Commercial General Liability as described in **Attachment B**.
- Directors and Officers Liability as described in **Attachment B**.
- Automobile Liability as described in **Attachment B**.
- Workers' Compensation as described in **Attachment B**.
- None.

12. SUBLETTING OR ASSIGNING CONTRACT

This Agreement, or any interest herein or claim hereunder, shall not be assigned or transferred in whole or in part by the Recipient to any other person or entity without the prior written consent of the City. In the event that such prior written consent to an assignment is granted, then the assignee shall assume all duties, obligations, and liabilities of the Recipient as stated herein.

13. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with **Attachments A and B**, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified, or added to only by written instrument properly signed by both parties.

14. SEVERABILITY

A. If a court of competent jurisdiction holds any part, term, or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

15. FAIR MEANING

The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

21. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the later of the signature dates included below.

BAINBRIDGE ISLAND CHAMBER
OF COMMERCE

CITY OF BAINBRIDGE ISLAND

Date: 2/15/19

Date: February 15, 2019

By: 

By: 

Name: LEX OLIVER

Morgan Smith, City Manager

Title: Pres/CEO

Tax I.D. #: 91-0653393

ATTACHMENT A
SCOPE OF WORK

	Budget for 2019 LTAC Proposal	Budget	Budget		
	Item	Amount	Revised		
1	Bainbridge Island Visitors Bureau				
	Staffing	\$9,000.00			
	Marketing, mailing, office supplies, event registrations, meetings	\$1,000.00			
	Total		\$10,000.00		
2	Tourism marketing and promotion				
	Printing, paper costs, machine lease, staff time	\$5,000.00	\$5,000.00		
3	Celebrate Bainbridge				
	Marketing, advertising, posters, staff time	\$2,000.00	\$2,000.00		
4	Visit Seattle				
	Membership	\$500.00	\$500.00		
5	Washington Tourism Alliance				
	Membership, Webinars, tours, visits	\$500.00	\$500.00		
6	Website Development and Maintenance				
	Web site maintenance, registration, hosting, upkeep.	\$1,000.00			
	Staff time to maintain information	\$2,000.00			
	Total		\$3,000.00		
7	Grand Old Fourth of July (53th Anniversary)				
	Marketing, event planning, operations, staff costs, materials	\$13,500.00			
	Website maintenance,	\$1,000.00			
	Proposed auxilliary staffing	\$500.00			
	Total		\$15,000.00		
8	Operating a tourism related facility-staffing				
	Supervisory hours	\$3,000.00			
	Staffing Hours	\$18,026.99			
	Total		\$21,026.99		
9	Operation costs of a tourism related facility				
	Total operations costs \$49,775.10 @ 12%		\$5,973.01		
	Total LTAC Request		\$63,000.00		

Project Information

A. Describe the proposed project.

The proposed program/project is the Bainbridge Island Chamber of Commerce Visitor Information Center and the Bainbridge Island Visitors Bureau. This incorporates all aspects of advertising, marketing, website management, social media, event promotion, community promotion, and operation of tourism facilities.

As part of our mission the Visitor Information Center's first objective is to greet and inform visitors/tourists of the current events and attractions they will find on the island to enhance their visit and make their stay on the island a memorable experience.

The initial task of greeting is done at the kiosk located at the ferry terminal and in the main office of the Chamber on Winslow Way. Well-trained, knowledgeable staff and volunteers are critical to the delivery of consistent and reliable visitor information and customer service. The Chamber is committed to staffing the ferry kiosk with a core of paid staff supported by volunteers. Under the supervision of experienced chamber personnel, the main chamber offices on Winslow Way are staffed with enthusiastic and knowledgeable volunteers dedicated to providing visitors with the same reliable visitor information and quality customer service as is found at the kiosk.

Another key component of the mission is to "Promote the Community" using advertising, marketing and communication to both visitors and agencies that promote tourism on the Seattle side of the water as well as those who come to visit us from around the world.

To this end it is necessary to maintain:

- Membership in Visit Seattle (SCVB)
- Membership in the Washington State Tourism Alliance
- Membership in the North Kitsap Tourism Coalition
- Maintaining contact with the Cruise Ship Information Staff
- Maintaining contact with the Concierges of the hotels in Seattle
- Maintaining contact with Convention and Meeting planners in Seattle

A significant part of the mission to "Promote the Community" is to continue to provide an exceptional web presence. The majority of our visitors/tourists find us on Google, Yahoo, Bing, Opera and others. Both Visit Bainbridge and Bainbridge Chamber appear on the first page of Google for the term "Bainbridge Island". The Chamber has determined through Google Analytics that this past year, 2017, our web information is as follows for Visit Bainbridge.com and Grand Old 4th.com:

Users	147,143 up 23% over 2016
Sessions	181,513 up 24% over 2016
Pageviews	489,263 up 22% over 2016

This points to the fact that most of our visitors are accessing information through digital media. Keeping our website information current and relevant is of utmost importance. These sites provide information for our visitors/guests on topics such as lodging, dining, shopping, recreational activities, culture, history, relocation information and much more. Therefore, several of our projects and social media marketing programs contain an element of extensive staff time, website maintenance and information updating.

B. Proposed Service(s)

1. The Bainbridge Island Visitors Bureau.

The Bainbridge Island Chamber of Commerce and the Bainbridge Island Downtown Association have hired a part time representative to bring visitors to the island during the off-peak months – November through April. Chris Mueller, a seasoned Hospitality and Destination Marketing professional, was hired in June of 2017, and is currently presenting Bainbridge Island to various visitor segments, including individual travelers, conventions, Seattle/King County

Concierges, conferences, sports, LGBT and social, military, educational, religious and fraternal groups. Through her efforts, many contacts have been made and an initial familiarization tour with the Visit Seattle team was held in August. Another familiarization tour with Seattle/King County hotel and condominium Concierges is scheduled for October 26. The economic impact of Chris's work takes time to come to fruition. We have seen some immediate results and the future looks bright for more direct and indirect economic impact on BI. Ongoing discussions with Visit Seattle, SH Worldwide, Taste of WA, Port of Seattle, Main Street and many more organizations will lead to more people seeking out Bainbridge Island.

The efforts of Chris Mueller over the past year have created some great results, including:

- Economic impact (dollars created) in excess of \$50,000
- Chris has worked with more than 40 groups and organizations on the island.
- Meetings with major providers including S&H Worldwide, one of the largest convention conveners.
- Helped create customized itineraries for many groups on the island
- Hosted several familiarization tours including the staff of Visit Seattle.
- Participated in Taste of Washington, Mainstreet Conference, Seattle Concierge Convention

For the first seven months of 2019, there are 90 conventions planned with an attendee count of 214,203 plus spouses or guests. In 2018 there are 219 cruise ship sailings out of Seattle with a passenger count of over 500,000. We anticipate 2019 will be at least the same.

Cost of Operation	Including: staffing, marketing materials and mailing Chamber share of the expenses	\$10,000.00
--------------------------	---	--------------------

2. Tourism Marketing and Promotion

An important part of the marketing of Bainbridge Island are the brochures we prepare in house to provide tourists/visitors with information as to the current places to stay, dine, shop, taste wine, recreate and most importantly where the bathrooms are located. A new brochure listing shops and services in "Lynwood Center" is now available. The brochures we produce are done on an as needed basis and contain the latest information with regards to each of the previously listed categories. The printing as we have said is in house, less expensive than using a printing company and the information is current. The costs for this segment of the program are:

Printing, paper cost, copy machine lease, staff time8,000 copies	\$5,000.00
--	------------

3. Celebrate Bainbridge

In 2016, a partnership was created consisting of the Bainbridge Island Chamber of Commerce, Bainbridge Island Downtown Association, Rotary Club of Bainbridge Island, Bainbridge Island Youth Services and the City of Bainbridge Island. Celebrate Bainbridge is designed to highlight the activities of the Rotary Auction, the Downtown Street Dance, the BYS Fun Run Race and the Bainbridge Island Chamber of Commerce Grand Old 4th in one advertising campaign. This will be the fourth year and the plan to highlight the period from the 1st to the 4th will again be packaged in the "Celebrate Bainbridge" campaign. The website is used as well as print material, street signs, posters and an advertising blitz through social media. The post cards sent out over the past two years have been the most effective means of letting everyone know where and when events are happening.

Marketing material, advertising, posters, staff time	\$2,000.00
--	------------

4. Visit Seattle

Visit Seattle (formerly the Seattle Convention and Visitors Bureau) membership in which we receive invaluable information regarding tourism in the region. We also receive referrals from their offices and work with their staff to

promote the island. We receive the lists of conventions coming to the region and this allows us to contact the convention conveners. Statistical information as to the impact of tourism in the region gives us insight into which direction our marketing efforts would best be suited.

Membership in Visit Seattle **\$500.00**

5. Washington Tourism Alliance

Several years ago, the State of Washington eliminated its State Department of Tourism. The industry took it upon itself to look for private funding sources and encourage membership among businesses, chambers and CVB's. This self-supported organization is the Washington Tourism Alliance.

Membership in WTA, Webinars. Tours Visits, etc. **\$500.00**

6. Website Development and Maintenance

Over the last couple of years, the Chamber's websites have become the most dominant and dynamic tool used to market the island. Visitors/tourists have moved with the technology and we now find that a majority of our website page views are from mobile devices. Three years ago, the Chamber created a stand-alone site for the Grand Old Fourth of July. This shows us the power of our website and prompted the Chamber to create a stand-alone site for "Visitor Information". This site "visitbainbridge.com" contains all the pertinent information for visitors/tourists. Where to stay, shop, dine etc. The traffic levels also become a base line for reporting of visitor inquiries as required by the State. The following are the costs involved in the URL/Server registration, maintenance and monthly upkeep of the Visitor Information site:

Maintenance of web sites

Registration, updating of URL/server, information, (visitbainbridge.com)

Registration, updating of URL/server, information, (Grandold4th.com)

Staff time to maintain information 4 hours per week for 50 weeks \$20.00/ hr. **\$3,000.00**

7. The Grand Old Fourth of July

The Grand Old Fourth of July is the largest community event on Bainbridge Island. In 2019 the Chamber will celebrate 52 years of hosting this event. Estimates put attendance at between 25,000 and 35,000 people depending on the weather. Islanders consistently voted the Grand Old Fourth the Best Event in the Review's annual poll.

Featuring a Street Fair, a mile-long Parade, Classic Car Show, Beer and Wine Garden, food, children's activities and entertainment the Grand Old Fourth is a day-long adventure. Over the years this event has become a homecoming for many of our former residents, and a welcoming for those who have chosen to make this their new home. The draw for this event is from people from all over Washington State, the United States and into Canada. The Grand Old Fourth has been featured in a British travel magazine as one of the top five best places to experience the Fourth of July in the United States. The Website designed for this event, grandold4th.com, is extremely well visited each year. The majority of visitors/tourists and local residents used this to find the information they need. Schedule of events, locations of activities, parking, to the extent that our volunteers at the chamber office have noted fewer numbers of phone calls in comparison to previous years. We continue to use this website to provide all the needed information for this event. Planning, coordinating, marketing, staffing and volunteers all contribute to the success of this event. As was pointed out earlier, website visitations are up 22% over 2016 showing how much more people rely on digital media to find the information they need.

Marketing materials, event planning, administration/ supervision, operations, hourly staffing costs, maintenance, meetings, **\$13,500.00**
Website upkeep, maintenance and ongoing management **\$1,000.00**

Proposed auxiliary staffing \$500.00

(Volunteer hours during this event 1,000 hours @ \$9.47/hr. - valued at \$9,470.00) Total \$15,000.00

8. Operating/Staffing tourism promotion facilities.

The Chamber operates two facilities to meet and greet our visitors/tourists. The main Chamber office on Winslow way is open six days a week, fifty weeks a year. The Chamber also operates the Kiosk at the ferry terminal. The Kiosk is open seven days a week during the main tourist season from May 1 to September 30. It is open on weekends during the latter part of the spring shoulder season and the beginning part of the shoulder season in the fall. Under the supervision of experienced chamber personnel, the chamber visitor centers are manned by enthusiastic and knowledgeable staff and volunteers dedicated to providing visitors/tourists with reliable information that is current, relevant and informative. Costs to maintain supervision and staffing are as follows:

Supervision hours:	\$3,000.00	
Staffing hours:	\$18,026.99	
		Total \$21,026.99

In-kind Volunteer hours: Chamber office/kiosk: 2,500 hours @ \$9.47/hr. = \$23,675.00

9. Operation of a tourism related facility.

The Chamber operates two facilities for the welcoming of visitors and the distribution of related materials from both the Chamber and all of our partners. The Kiosk at the ferry terminal is leased from Kitsap Transit and has no operations costs. The Kiosk was renovated several years ago and given a fresh coat of paint.

The Main Chamber visitor information area at 395 Winslow Way uses 250 square feet of space out of a total of 2900 square feet. Proportionate costs for the facility would be 12% of total operating costs as outlined below:

Rent:	\$37,387.60	12%	\$4,486.51
Electrical:	\$3,175.00	12%	\$381.00
Phone/Int./Email:	\$4,785.00	12%	\$574.20
Garbage:	\$177.00	12%	\$21.24
<u>Insurance:</u>	<u>\$4,250.50</u>	12%	<u>\$510.06</u>
Totals	\$49,775.10	12%	\$5,973.01

ATTACHMENT B
INSURANCE REQUIREMENTS

A. Insurance Term

The Recipient shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Recipient, its agents, representatives, or employees.

B. No Limitation

The Recipient's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the Recipient to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

C. Minimum Scope of Insurance

The Recipient shall obtain insurance of the types and coverage described below:

1. Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage.
2. Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap liability, independent contractors, and personal injury and advertising injury. The City shall be named as an additional insured under the Recipient's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Directors and Officers Liability insurance coverage.

D. Minimum Amounts of Insurance

The Recipient shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.

3. Directors and Officers Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

E. Other Insurance Provision

The Recipient's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain, that they shall be primary insurance as respect to the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Recipient's insurance and shall not contribute with it.

F. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

G. Verification of Coverage

Before commencing work and services, the Recipient shall provide to the person identified in Section 9 of the Agreement a Certificate of Insurance evidencing the required insurance. The Recipient shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Recipient before commencement of the work. The City reserves the right to request and receive a certified copy of all required insurance policies.

H. Notice of Cancellation

The Recipient shall provide the City with written notice of any policy cancellation within two (2) business days of their receipt of such notice.

I. Failure to Maintain Insurance

Failure on the part of the Recipient to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five (5) business days' notice to the Recipient to correct the breach, immediately terminate this Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Recipient from the City.

J. City Full Availability of Recipient Limits

If the Recipient maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Recipient, irrespective of whether such limits maintained by the Recipient are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Recipient.

POLICY NUMBER: I-660-592X6160-TIL-19

COMMERCIAL GENERAL LIABILITY
ISSUE DATE: 01-21-19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Additional Insured Person(s) or Organization(s):

City of Bainbridge Island

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. In the performance of your ongoing operations; or
- B. In connection with your premises owned by or rented to you.