

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 Historical Museum, a Washington State nonprofit corporation] (“Recipient”).

WHEREAS, the Recipient submitted a proposal for Lodging Tax funds for “Free the Museum” 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 Twelve Thousand Dollars (\$12,000.00) 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.

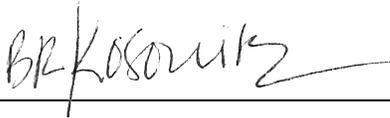
IN WITNESS WHEREOF, the parties have executed this Agreement as of the later of the signature dates included below.

BAINBRIDGE ISLAND HISTORICAL
MUSEUM

CITY OF BAINBRIDGE ISLAND

Date: 2/20/2019

Date: February 15, 2019

By: 

By: 

Name: Brianna Kosowitz

Morgan Smith, City Manager

Title: Executive Director

Tax I.D. #: 91-1037866

ATTACHMENT A
SCOPE OF WORK

**CITY OF BAINBRIDGE ISLAND
2019 LODGING/TOURISM FUND PROPOSAL
COVER SHEET**

Project Name:

BIHM "Free the Museum"

Name of Applicant Organization:

Bainbridge Island Historical Museum

Applicant Organization IRS Chapter 501(c)(3) or 501(c)(6) Status and Tax ID Number:

501 (c)(3) Tax ID 91-1037866

Date of Incorporation as a Washington State Corporation and UBI Number:

1978 UBI Number: 601 086880

Primary Contact:

Tim Bird, Volunteer & Support Coordinator

Mailing Address:

215 Ericksen Ave. NE, Bainbridge Island, WA 98110

Email(s): **volcoord@bainbridgehistory.org**

Day phone: **(206) 842-2773** Cell phone: **(206) 403-8929**

Please indicate the type of project described in your proposal:

√	Project Type
	Tourism marketing
	Marketing and operations of special events and festivals designed to attract tourists
X	Supporting the operations of a tourism-related facility owned or operated by a nonprofit organization*
	Supporting the operations and/or capital expenditures of a tourism-related facility owned or operated by a municipality or a public facilities district*

*If the proposal requests funds for a tourism-related facility, please indicate the legal owner of that facility:

Bainbridge Island Historical Society and Museum

LODGING/TOURISM FUND APPLICATION

Applicant Information

Please respond to each of these questions in the order listed. If the proposal includes multiple partners, please include the requested information for each organization.

1. Describe the applicant organization's mission, history, and areas of expertise. Describe the applicant's experience in tourism promotion on Bainbridge Island and its demonstrated ability to complete the proposed project.

The mission of the Bainbridge Island Historical Museum (BIHM) is to collect, preserve, and foster knowledge of Bainbridge Island history. The Historical Society began informally in the 1930's and established itself in 1948 as a unit of the Kitsap County Historical Society. In 1971, the Society acquired a historic one-room schoolhouse, which was relocated and refitted to house the Society's collections. In 1978, ties with the larger Kitsap Historical Society were severed and the reformed Bainbridge Island Historical Museum (BIHM) became a distinct entity, gaining non-profit 501(c)(3) status in 1988. In 2000, the Bainbridge Island City Council gave BIHM an option to move to Ericksen Avenue. A long-term lease was signed, and the move was completed in 2004.

BIHM is open every day of the week, year-round, thanks to a cadre of around 90 volunteers. Volunteer 'ambassadors' present a variety of exhibits to local, national and international visitors. Last year we received 13,466 visitors, who came from every state and 52 countries. Teacher docents (many of whom are trained educators) participate in outreach programs both in the museum and at schools throughout the region. Our 5 staff members help educators, writers and researchers locate and interpret historical source material using our collection of more than 18,000 artifacts, digital images, books and maps. We provide a representative to attend the Island's Historic Preservation Commission, we act as a repository for preservation records, and we maintain a set of US Department of the Interior Guidelines for Historic Structures.

Each year we present a series of guided, interpretive walks to places of outstanding local historic significance, and we design our fundraising events to contain a significant cultural component. Over the last 10 years, we have received 15 local, statewide, or national awards for our publications, exhibits and events. The Washington State Museums Association has recognized BIHM with more awards than any other museum in Washington.

This year the Museum completed a major renovation of the School House and exterior spaces in order to enhance our visitor experience. A new Executive Director, Brianna Kosowitz, came on board in April 2018; Kosowitz was most recently the Visitor Experience Manager at the Smithsonian Museum of American History, managing the overall museum experience for nearly four million visitors annually, and she will bring this experience to bear as we look forward to carrying out our mission and attracting a wider audience to the Museum.

2. If appropriate, please identify any project partners and briefly describe the involvement of each. Please note that the maximum award of \$130,000 will apply to any single project, even if proposed by a team of partners. **N/A**
3. If appropriate, please list each project and amount of funding awarded and utilized from the Lodging Tax (Civic Improvement) Fund within the last five years (2014-2018).
 - **2014: BI Historical Museum Added Hours \$12,000**
 - **2015: BI Historical Museum Added Hours \$12,000**
 - **2016: BI Historical Museum Added Hours \$12,000**

- **2017: BI Historical Museum Added Hours \$8,000**
- **2018 BIHM Support for daily operation \$15,000**

4. If any previous projects by the applicant were funded through the Lodging Tax (Civic Improvement) Fund and were not completed and/or if reports were not submitted to the City as requested, please explain:**N/A**

LODGING/TOURISM FUND APPLICATION

Project Information

1. Describe the proposed project.

- a. **Scope:** Identify the Project's main objectives and how each will be achieved. Be as specific as possible about the proposed services, measurable impacts, distribution method, and costs.

We are grateful to the Committee for their support over the last several years. As our budget has steadily grown, LTAC funding has enabled us to expand our hours of operation, maintain the expansion, and thereby grow our audience. In this application we are seeking a new way to attract a larger number of visitors. Our overarching goal is to eliminate general admission fees for the Museum. The reasons we have are threefold: firstly, our mission requires us to foster knowledge of Bainbridge Island history, and we want to remove all barriers, including financial ones, which impede access to the Museum. Secondly, we believe that an admission charge is one factor which may influence a visitor's decision to visit the Museum when faced with a variety of other options, particularly since one of the two other downtown Museums (BIMA) does not charge admission. Thirdly, it is our belief that many of our visitors so value the experience they have at BIHM that they will willingly make a donation in excess of the \$3.00 - \$4.00 we currently charge for admission.

The objective of this Project is to test a model in which museum visitors are not charged an admission fee, but are encouraged to make a donation instead. We are requesting from the Lodging Tax Fund the equivalent of 7 months revenue from admission fees. This will mitigate any budgetary shortfall we might encounter as we implement and refine the new model. Throughout The test period we will monitor the following:

- Total daily attendance
- Number of visitors from
 - Bainbridge Island;
 - Washington State outside of Bainbridge Island
 - Other states
 - Other countries
 - Number of visitors making overnight stays on Bainbridge Island
- We will record, on a weekly basis, the amount of revenues specifically collected as direct donations by visitors.
- To facilitate the collection of donations we are proposing the installation of three 'DipJars' in the Museum Lobby. (DipJars are automated donation-accepting devices that record and transmit transaction information through an integrated telephone; the technology is being widely adopted by nonprofit organizations: see <https://www.dipjar.com/>). DipJars will be initially configured to accept donations at different levels (e.g. \$5; \$10; \$20) and transactions will be closely monitored with the aim of making adjustments to maximize the overall level of donation.
- All visitor and donation data will be compared to our historical dataset to assess the impact of 'freeing the Museum' on attendance and revenues
- We will continue to charge pre-arranged tour groups and educational visits according to our

current fee schedule.

- b. **Budget:** Include a detailed budget for the proposed project with itemized expenses and income. Include the amount requested from the Lodging Tax Fund and identify other sources of funding anticipated or obtained, including matching funds, as well as any in-kind contributions necessary to complete the project.

BIHM – ‘Free the Museum’ project budget

Expenses:

Replacement of general admission fees for 28 weeks \$12,000*

Total Request: \$12,000

Income:

Target income
(From Dip Jar donations, targeted fundraising, business sponsorships) \$12,000

*Based upon actual revenues from admissions (see attachment):

In 2017, we accrued \$12,000 in admission fees on July 26

In 2018, we accrued \$12,000 in admission fees on August 3.

- c. **Schedule:** Provide a project timeline that identifies major milestones.

Upon Project approval:

1. **Announce the new free admission policy on our Website, social media, in our newsletter, and on printed marketing materials.**
2. **Create specific signage for the ferry terminal and downtown sandwich boards.**

As soon as possible after 1/2/2019:

1. **Install Dip Jars in the visitor lobby**
2. **Create appropriate interior signage to encourage donations**

Daily between 1/2/2019 – 7/31/2019

Collect detailed visitor data

Monthly, Jan – July 2019

Analyze and review donation data, comparing it to historical revenues from admission fees.

Adjust suggested donation amounts as necessary to achieve a goal of duplicating or exceeding revenue.

August 2019

We will conduct an executive review of the project data. If donation revenue equals or exceeds 2018 admission fee revenue during the 7 month test period, the Museum will continue to run on a free-admission basis. If donation revenue falls short of this target, we will return to charging an admission fee.

If applicable, please describe the project’s scalability. How would the project scope and budget be adjusted should the full amount of the LTAC funding request not be awarded? Please provide specifics.

N/A

2. Provide a brief narrative statement to address each of the selection criteria:

- a. Expected impact on increased tourism in 2019. Please provide specific estimates of how the project will impact the number of people traveling fifty miles or more to Bainbridge Island for the activity, or who will travel from another country or state outside of Washington State to attend the activity. If appropriate, compare/contrast this impact to the actual or estimated number of tourists at your event/facility in 2017 and estimates for 2018.

Our confidence that elimination of general admission fees will have a positive impact on the number of tourists who visit BIHM during 2019 is supported by examination of visitation patterns during our “First Thursdays”. For many years, the first Thursday of every month is free, a fact we advertise widely on all our marketing materials. Looking at the past 5 years, mean attendance has been 38% higher on the first Thursday than the average of the other Thursdays in each month. In 72% of all the months in the same period, more visitors came on the first Thursday compared with the average of the other Thursdays, and in 52% of all months, the first Thursday had the highest attendance of all the Thursdays.

We recently asked our volunteer docents if they recalled greeting visitors who, upon learning of our admission charges, decided not to take a tour. Although anecdotal, this is a universal experience.

In January 2018, the Kitsap County History Museum (KCHM) dropped admission fees in favor of a donation-based admission, and have installed DipJars. KCHM Executive Director Amber Buell has kindly shared admission statistics for Jan-Apr 2018. Thus far, they report a 38% increase in visitor numbers and a 24% increase in lobby revenue compared to the same period for 2017.

We require all visitors to fill out a logbook, stating where they have traveled from. The number of tourist visitors in 2017 (defined as those coming from other states or countries) is shown in *Figure 1* (attached). Also shown is the number of tourists who visited between January and July 2018. Based upon these visitation patterns we can make an estimate of the total number of tourists we expect for 2018; we predict a 13% increase in this category of visitor. We cannot predict with any certainty how many additional tourists we will attract by eliminating admission fees, but all of the above data lead us to expect a significant positive impact.

- b. Expected impact on, or increase in, overnight stays on the island. Please include actual or estimated numbers of tourists who will stay overnight in paid accommodations in Bainbridge Island lodging establishments in 2019 as a result of the proposed activities. Please include the basis for any estimates.

The actual number of BIHM visitors making overnight stays on the island between 2014 and

2017 and our projected estimate for 2018 are shown graphically in *Figure 2* (attached). The trend suggests that, with our present admission fees, we can expect about 1,300 visitors to stay overnight in 2019. As argued above, this number would likely increase if admission were free.

- c. Projected economic impact on Bainbridge Island businesses, facilities, events, and amenities, including sales of overnight lodging, meals, tours, gifts, and souvenirs (helpful data may be found on the Washington State Department of Commerce website).

We have no direct of predicting economic impact. Given our downtown location near to the Ferry terminal, we are usually one of the first places that visiting tourists encounter as they explore the City and Island. As such, the Museum serves as a *de facto* visitor center. Our docents are asked to provide recommendations for dining and shopping, and direct visitors to the Art Museum, Kids Discovery Museum, waterfront trail, local parks, and so on. We hand out island maps, ferry schedules, and flyers for local businesses, as well as the Driving Tour and Walking Tour brochures we produce in house. We keep large maps of the Island and its immediate surroundings on our lobby walls to help orient visitors and suggest locations of interest that they might visit. We call BI ride and taxis for visitors who need to venture beyond Winslow. On behalf of the Bainbridge Island Japanese American Community, we act as the coordinator for tours and visits to the Japanese American Exclusion Memorial. We are currently rated by TripAdvisor as #5 of 46 things to do on Bainbridge Island, which is a testament to our popularity. The many thousands of tourist visitors we receive each year spend money on nearby Island businesses.

- d. The project's potential to draw visitors to the Island and increase overnight stays during the off-season, i.e., October 1 until Memorial Day.

Being immune to the vagaries of the Northwest climate, the Museum is a popular tourist destination in the off-season. Just over half of our annual visitors from other states and over 70% from other countries come to the Museum between October 1 and Memorial Day. In *Figure 3*, off-season visitor numbers are compared for the previous two seasons, as well as overnight stays during the same period. We can show an upward trend in all of these parameters.

- e. The applicant's demonstrated history of organizational and project success.

The Museum has been in existence since 1948, and has operated continually in its present form since incorporation in 1980. We are recognized as the most highly-awarded small museum in the State. The steady growth in tourist visitors and overnight stays demonstrates our successful utilization of previous LTAC grants which supported additional hours of operation.

- f. Describe any partnerships with other organizations and businesses in the proposed project – including efforts to minimize duplication of services where appropriate and encourage cooperative marketing.

Though there are no specific partnerships proposed for the present project, we enjoy

operational partnerships with many island and local organizations, to our mutual benefit. We are members of the Chamber of Commerce and of the Downtown Association. We act as the tour coordinator for the Bainbridge Island Japanese American Exclusion Memorial. The National Park Service passport stamp for visitors to the Memorial is kept at the Museum, and the Memorial's NPS Ranger uses the museum as his off-site office location. The Executive Director of the Museum is a member of the Historic Preservation commission. We work closely with the Bainbridge Island School District, local private schools, IslandWood, the Senior Center, Tour Bainbridge, Educulture, Friends of the Farms, Friends of Fort Ward, Bainbridge Community Broadcasting, the Rotary Club, and the Moving Image Preservation Society of Puget Sound. We work with the Bainbridge Island Public Library to present a monthly series of talks on historical subjects, open and free to the general public. We contribute historically-themed signage to the Ferry terminal walkway and several downtown locations and we curate exhibits at the Library, City Hall and the Ferry Terminal.

- g. Describe the degree to which the project goals and/or results can be objectively assessed.

It will be extremely easy to objectively assess the impact of the 'Free the Museum' project on visitor numbers, visitor demographics and earned income as we have a wealth of historic data for comparison.

- h. Describe the degree to which the project will leverage award funds with additional matching funds or donated in-kind goods or services.

N/A

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.



COMMERCIAL GENERAL LIABILITY
CG 20 26 07 04

POLICY NUMBER: 01-CI-275829-0

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 BAINBRIGE ISLAND
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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" or "personal and 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.