

Jefferson County  
Board of Commissioners  
Agenda Request

**To:** Board of Commissioners  
Philip Morley, County Administrator

**From:** Frank Gifford, Central Services Director *FJ*

**Agenda Date:** March 17, 2014

**Subject:** Agreement for Reimbursable Supply of Motor Fuel - Quilcene School District

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**Statement of Issue:**

The County wishes to supply from its fuel sites and the Quilcene School District respectively, wishes to purchase for vehicles or equipment gasoline and/or diesel fuel.

**Analysis/Strategic Goals/Pros & Cons:**

The supply of fuel from the County's fuel sites will be of moderate volume and will not degrade the service provided to County-owned vehicles and equipment. Sales of fuel to other agencies help to increase turnover of County fuel supplies, provide other agencies generally lower prices for fuel and avoid expensive proliferation of fueling infrastructure by other agencies with smaller fleets.

**Fiscal Impact/Cost Benefit Analysis:**

Outside agencies are charged the County's existing mark-up rate, which is periodically recalculated and covers all costs associated with the operation of fuel infrastructure and supply of fuel.

**Recommendation:**

Execute the attached agreements.

**Department Contact:**

Matt Stewart, Manager of Fleet Services, ext. 713

**Reviewed By:**

 *3/17/14*  
Philip Morley, County Administrator

\_\_\_\_\_  
Date

STATE OF WASHINGTON  
COUNTY OF JEFFERSON

In the matter of: x  
An Agreement for Reimbursable x Agreement No. \_\_\_\_\_  
Supply of Motor Fuel x

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_,  
by and between Jefferson County, Washington, a political subdivision of the State of Washington, hereinafter  
referred to as the "County"; and Quilcene School District, hereinafter referred to as the "Agency".  
The duration of this Agreement shall commence on the date first written above and terminate on the 17<sup>th</sup> day  
of March, 2017.

WITNESSETH: It Is Hereby Covenanted and Agreed to as Follows:

1. The County shall supply motor fuel to the Agency. The location of the supply shall be one or both of the County-owned fuel sites.
2. It is understood that the Agency makes no commitment to purchase any quantity of fuel and will avail itself of the County's supply of fuel only according to its need, which may change from time to time.
3. The Agency estimates its demand for fuel per month will be 700 gallons of diesel fuel and 400 gallons of unleaded gasoline, but stating that estimate in this Agreement does not bind the Agency to purchase that quantity of fuel. Whenever practical, the Agency agrees to inform the County of any planned changes to the quantity of fuel it will require from the County's supply if the newly planned quantity of fuel to be purchased from the County varies (either positively or negatively) from the estimated amount stated here by more than fifteen percent (15%).
4. Nothing in this Agreement shall be construed to require the County to purchase, lease, install or construct new or additional fuel handling infrastructure or to undertake any capital project or installation that would increase the County's total fuel capacity. Despite the above, the County remains authorized to update, modernize, rehabilitate, renovate or repair the infrastructure it has in place at the time of the execution of this Agreement for fuel storage and dispensing
5. The County shall invoice the Agency for each month in which fuel is supplied to the Agency. The invoice shall detail usage of the County's fuel by the Agency. The invoiced price per gallon of fuel supplied to the Agency shall be determined by the County on the basis of the price-calculation method that is determined by the County and that may change from time to time. In general, the price calculation shall include the actual cost of fuel to the County at its most recent delivery, taxes paid by the County and an overhead rate

set by the County. The price per gallon of fuel supplied to the Agency will vary between fuel sites and from time to time and will equal the price per gallon of fuel billed internally to the County.

6. The Agency hereby agrees to reimburse the County for the costs of each gallon of fuel supplied to the Agency by the County. Amounts invoiced by the County to the Agency shall be reimbursed by the Agency within sixty days.
7. The Agency agrees to pay all fuel taxes for which it is liable and to obtain refund of all fuel taxes for which its use is exempt. The Agency agrees to obtain and maintain a fuel tax license from the fuel tax section of the Washington Department of Revenue and to supply a copy of each such valid license to the County annually. The County will pay only the taxes for which it is liable and will furnish at the Agency's request a sample of its fuel-delivery invoice detailing these taxes.
8. The County shall issue and the Agency shall utilize access cards, gate keys, personal identification numbers and other such access-control supplies and methods as may be required by the County to protect its fuel sites and its supply of fuel. Agency agrees to perform background checks on its employees, to permit access to County fuel sites only to employees with satisfactory records and to inform the County immediately upon discovering any safety-related concerns or other inappropriate information in the background of any employee with access to County fuel sites. Agency agrees to protect and to require its employees to protect access cards, keys and related access information as well as protecting access to the fuel sites by securing gates. Agency will immediately report any damage, loss or misuse of access cards, keys or related access information.
9. The Agency agrees to require its employees diligently manage the fueling process and not leave an active fuel pump unattended except to flee a fire or other emergency. In the case of a spill or other emergency while fueling, the attending Agency employee shall attempt to shut off the fuel pump at the handle or on the dispenser; if it is not possible or safe to do so, the Agency employee shall attempt to disconnect electrical power from the fuel depot by pressing the remote fuel-site shutoff switch. Fuel spills, other emergencies and any safety or environmental concern must be reported to the County (following notification to 911 if applicable) by the attending employee.
10. The Agency further agrees to reimburse the County for the costs of any repair or replacement of County property damaged by any Agency vehicle, piece of equipment, employee or other driver or operator in the course of the Agency's purchase of fuel under this agreement. The County shall invoice the Agency and the Agency shall reimburse the County's actual costs of labor, benefits, supplies, materials, contracts, permits and overhead required by the repair.
11. It is understood that the County makes no commitment to supply fuel to the Agency if failure of one or more fuel stations or failure of the County's fuel supply chain occurs as a result of Acts of God (including fire, flood, earthquake, tsunami, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labor dispute, strike, lockout, interruption or failure of transportation network or interruption or failure of electricity or telephone service. While the County recognizes the importance of Agency obtaining fuel under such circumstances and will attempt to maintain and continue to perform under this agreement, such circumstances may require the prioritization of the supply of fuel for vehicles and equipment under the control of the Jefferson County Commission, the Administrator of Jefferson

County, the Sheriff of Jefferson County or an incident-command structure. Agency agrees to subject its use of the County's supply of fuel to decisions of prioritization and access made by the Administrator of Jefferson County, the Sheriff of Jefferson County or other Incident Commander, whichever is controlling access to the County's supply of fuel, under any such circumstances.

12. The Agency agrees to avoid the waste of fuel and to require that each Agency driver/operator avoid unnecessary engine idling, endeavor to operate each asset efficiently and conserve fuel whenever possible and practical.
13. It is understood and agreed between the parties hereto that the Agency will hold the County harmless from all claims, losses, demands, actions, or cause of action of any nature whatsoever by reason of the performance of this agreement by the Agency. The Agency further agrees to defend, at its own expense, the County in the event that any action is brought against the County as a result of any act or activity of the County or its agents or employees because of or in any way arising out of the performance of this agreement by the County. County for purposes of Sections 13 and 14 of this Agreement is deemed to include officials, officers and employees of the County.
14. It is understood and agreed between the parties hereto that the County will hold the Agency harmless from all claims, losses, demands suits or actions arising from or on account of any act, omission, neglect or misconduct of any employee or representative of the County during the employee's or representative's discharge of his or her official duties.
15. It is understood and agreed between the parties that this contract cannot be assigned, transferred or any portion subcontracted hereunder without the prior written consent of both parties.
16. The County, in the performance this contract, shall abide by the provisions of all applicable law in its procurement of its fuel supply and management of its fuel sites.
17. Either party may terminate this agreement with or without cause after providing sixty days notice in writing to the other party. Either party may provide written notice of an intended termination of the Agreement to the other party based upon an alleged material breach or default of the contract terms. Such notice shall provide not less than seven (7) days notice of the proposed termination date. The party allegedly in breach or default of a material term of this Agreement shall have until the proposed termination date to cure the breach or default to the satisfaction of the party alleging the breach or default has occurred.
18. The person signing this Agreement on behalf of the Agency represents he is authorized to sign on behalf of the Agency and by signing the Agreement for their Agency binds the Agency to all terms and conditions of this Agreement.
19. If any section of this Agreement is deemed unlawful or invalid by a court of competent jurisdiction, then all other sections of this Agreement shall remain in full force and effect.
20. That a party to this Agreement has previously permitted or authorized the other party to not comply or undertake an obligation imposed on the other party by this Agreement does not prevent that same party (the party which previously waived) from subsequently requiring compliance with that same provision or using any legal or equitable remedy to enforce that same provision.

21. This Agreement shall be interpreted in a manner consistent with the laws and precedents of the State of Washington and venue for any lawsuit arising from this lawsuit shall be in a court of competent jurisdiction in and for Jefferson County, Washington.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

JEFFERSON COUNTY  
BOARD OF COMMISSIONERS

Quillice School District  
Name of Agency

John Austin, Chair

Wally F. Lewis  
Agency Representative (Please print)

Phil Johnson, Member

Wally F. Lewis  
(Signature)

David W. Sullivan, Member

Superintendent  
Title

2-11-14  
Date

Approved as to form only:

David Alvarez 3-11-2014  
Date  
David Alvarez  
Deputy Prosecuting Attorney

Cindy Pollard  
Agency contact for invoices and administration

Business Manager  
Title

360 765-3363 x 201  
Phone number

cindy@q1sd.wednet.edu  
Email