

# Request For Proposals

## for the

# Long Term Transportation Financing Study

STATE OF WASHINGTON  
JOINT TRANSPORTATION  
COMMITTEE

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REQUEST FOR PROPOSALS

**MARCH 24, 2006**



#### SENATORS

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## I. BACKGROUND

The Transportation Budget enacted during the 2005 Legislative Session, provided funding for the Joint Transportation Committee to conduct an analysis of the long-term viability of Washington State's transportation financing methods and sources, with particular emphasis on the future of the motor vehicle fuel tax.

Washington State currently levies a 31 cents per-gallon tax on motor vehicle fuel, including gasoline and diesel. The fuel tax and related bonding provides approximately 57% of the revenues available for the 2005-07 State Transportation Budget and varying percentages of local government transportation budgets.

The state motor fuel tax is not indexed to inflation, thus requiring periodic increases in the tax rate by the Legislature to maintain real revenues. Resistance to increasing the tax rate resulted in the tax rate staying the same for 13 years, from 1990 to 2003, thus causing revenues in real dollars to decline significantly. Further, technological advances in vehicles are increasing fuel mileage and new vehicles are being developed to operate on alternative energy sources that do not require motor fuel. Additionally, future supplies of oil are uncertain, both from a supply and cost standpoint. All of these factors bring into question the viability of the fuel tax to provide sufficient revenues needed to improve, maintain and operate the transportation system in the future.

Roughly one-third of the State motor vehicle fuel tax is distributed to cities and counties, either through project grants or by population for cities and by formula for counties. These state distributions represent varying proportions of local road budgets. Historically, local governments have tended to receive a portion of an

additional fuel tax rate. In recent years questions have been raised regarding direct distribution of funds or grant programs and which is the most effective way to distribute funds to local governments. This discussion is caused by smaller jurisdictions only receiving small amounts of funding through their share of direct distribution, measured in hundreds of dollars annually, when additional new state fuel tax revenues are provided for local distribution.

## **II. SCOPE OF WORK**

This study will address the future of transportation funding for Washington. It will use recently developed assessments of the future of motor fuel as a transportation tax base to project the near, intermediate and long-term viability of that financing option, together with alternative steps to mitigate its future diminished role. It will summarize useful recent international, national and state studies, surveys, and developments in transportation finance including travel user fees, other tolling methods, public-private agreement and concessions, and other innovations, and assess the application of those approaches in Washington. The study findings and recommendations will be used to inform decision makers of the viability of the motor fuel tax and alternatives to that approach for financing and operating transportation systems in the future, and the manner of transition to those alternatives.

The principle objective of this study is to set forth steps that Washington should take in the short and intermediate term to maintain a stable finance system and to develop and utilize alternative transportation finance tools for the long term. This should include steps to position itself to take best advantage of federal transportation financing opportunities and private initiatives. The goal is to have tangible, specific options and recommendations for the Legislature to consider and implement for future transportation funding.

### **Study components:**

A brief description of the tasks to be completed is provided below. These descriptions are not meant to fully encompass the study tasks but rather are minimum requirements to provide the consultant with a framework for the study's goals. Additions and innovation to accomplishing these study tasks, or other tasks as recommended, are encouraged. In accomplishing the study's tasks, the consultant must contact Transportation Committee members of the Legislature (at a minimum the Chairs and Ranking Minorities but including other members as appropriate), and staff for the Transportation Committees, the Governor's Office, the Departments of Licensing, Revenue, and Transportation, and other persons as appropriate.

This work should utilize and build upon existing studies including, but not limited to:

- "Future Highway and Public Transportation Financing" for the National Chamber Foundation (by Cambridge Systematics);  
<http://www.uschamber.com/NR/rdonlyres/ehzkyo2b7sm5xv33grprwecaid44h3xuwzliwbddy64725l5q3qfmdc7ycypwsvbbhxdagf5swmoj7gz3b4r3xkqsb/ExecSummary.pdf>

- “The Fuel Tax and Alternatives for Transportation Funding” (Special Report No. 285) by the Transportation Research Board, <http://trb.org/publications/sr/sr285.pdf>
- “Surface Transportation Funding Options” by the National Conference of State Legislatures (scheduled to be released by June 1, 2006);
- “Transportation Infrastructure Financing Alternatives Study “ (January 2004, WSDOT); <http://www.wsdot.wa.gov/partners/tifa/>
- “Study of Alternative Project Funding Options” (April 2005, Legislative Transportation Committee); <http://www1.leg.wa.gov/documents/ltc/ltc/AltFinFinalRpt.pdf>
- “Washington State Comprehensive Tolling Study”, currently underway by the Washington State Transportation Commission. <http://www.wstc.wa.gov/Tolling/default.htm>
- Work by the Regional Transportation Commission, created in Section 2, and duties identified in Section 3 of Engrossed Substitute House Bill 2871, (Washington State Legislature, 2006 Session) related to comprehensive financing strategy and revenue options for improving transportation system performance; <http://wsldocs/2005-06/Pdf/Bills/House%20Passed%20Legislature/2871-S.PL.pdf> ; and
- Evaluations done by/for other states and in other countries, and other appropriate research work.

**The study must include the following components:**

**Task 1. *Examine the short and long-term viability of the motor fuel tax (both state and federal) as a major source of funding for transportation projects and programs.***

- Validate and summarize current forecasts of the motor fuel taxes’ viability for future transportation funding, in the mid- and long-term. This analysis will include information on fuel price and availability and forecasts for the impact that hybrids and alternative fuel vehicles will have on fuel tax revenues.
- Examine price effects on future fuel use, including examples of fuel price fluctuations and fuel tax and fuel costs in other countries.
- Summarize other states dependence on fuel tax revenue and development of alternative transportation financing strategies that are currently in place or are being developed.

**Task 2. *Examine the potential for alternative and/or emerging sources of transportation revenues with emphasis on user-based fees and charges.***

- Identify and briefly evaluate transportation funding efforts throughout the country and internationally including: 1) vehicle travel pricing and tolling innovation; 2) concession and/or private development of transportation facility improvements;

and 3) other innovations in providing and financing transportation facilities which may include non vehicle fees and non use–tax alternatives such as the sales tax or property tax. It is also envisioned that the consultant will report on efforts of other states to fund their transportation activities with new and innovative approaches, presently, and in the future.

- b. After identifying financing alternatives, select alternatives, with input from a Finance Study Advisory Panel, for further evaluation. The detailed evaluation of those alternatives should address, at minimum: 1) the pros and cons of each approach; 2) revenue estimates; 3) costs of implementation and administration; 4) legal constraints; 5) timing and viability; 6) technology; and 7) other criteria as warranted. The alternatives shall also be evaluated with regard to taxpayer and user equity, for suitability for various transportation purposes including highways, ferries, freight and passenger rail, and public transportation systems, and appropriateness for state, regional, and local financing.

***Task 3. Examine the trends and implications of debt financing for transportation projects.***

- a. Evaluate the long-term implications of the strategy of fully leveraging recent fuel tax increases to provide maximum revenues for projects in the short- to mid-term. Evaluate the ratio of debt service payments to available transportation revenue in Washington. Identify other states' ratios of revenue to debt service and to what extent debt limits or other policies or practices in those states affect transportation financing, investment decisions, and leveraging transportation revenues.
- b. Evaluate the use of debt financing for transportation projects and alternatives to that approach, including analysis of trends, implications, and techniques for all types of financing on transportation projects, including concession agreements.

***Task 4. Evaluate the desirability and effectiveness of state-distributed transportation funds, both federal and state generated, for the benefit of local units of government.***

- a. Identify whether other states distribute money to local governments for transportation purposes, and if so, how. Compare among selected states, the relative contribution of state and local contributions to local transportation programs, and identify state and local revenue sources employed to fund those programs.
- b. Evaluate other states' approach to local funding and identify whether there are preferred methods of distribution of state and federal funds to local governments that might be more effective than Washington State's system. This evaluation shall at least address direct distribution of funds versus project grants, taking into account efficiency and equity.

**Special Requirement for Task 4**

The Technical Approach and Cost Approach for Task 4 must be submitted separately from the rest of the study proposal. The JTC may or may not include Task 4 as part of

this study, or may choose to contract it separately. Consultant costs for **all** study tasks must not exceed **\$350,000**; of this amount not more than **\$300,000** may be applied to Tasks 1, 2, 3 and 5 and not more than **\$50,000** may be applied to Task 4. Technical and Cost Approaches for Task 4 are a required part of this RFP.

***Task 5. Identify options that the State of Washington could employ for future transportation system funding, as well as steps and time frames for transition from a primarily motor fuel tax funded system (and the current vehicle charges).***

- a. Set forth recommendations for maintaining or improving the viability of the motor fuel tax for financing both state and local transportation programs, including vehicle charges.
- b. Evaluate and recommend alternative financing mechanisms with regard to revenue, user and tax payer equity, administrative efficiency, political acceptance, system management and system efficiency and other recommended criteria.
- c. Identify specific actions, including a time frame for implementing goals, policy steps, and technology applications to: implement financing options to broaden the transportation financing base; take advantage of federal financing innovation and financing from the private sector; and transition, when appropriate, to a more effective transportation financing structure.

**A draft final report is due by November 27, 2006 and the final report is due by January 1, 2007.**

### **III. DELIVERABLES**

The successful consultant will provide the following services and deliverables:

1. Within five (5) calendar days after the award date of the contract, the consultant shall submit a work plan to meet the work requirements in Section II, of this RFP, and any changes necessary based on additional information. The work plan shall include:
  - a. Specific steps detailing how this study will be carried out;
  - b. The specific tasks to be performed and by whom;
  - c. The expected duration and level of effort in hours by person;
  - d. The specific data that will be needed, along with data sources; and
  - e. A schedule for performing the tasks.

The JTC will review, comment on, and approve the final work plan. Any subsequent changes to the work plan shall also require approval by the JTC.

2. In conducting the study effort, the consultant shall:
  - a. Assemble and review legislation and reports that are relevant to carry out the purpose of the study.

- b. Coordinate efforts with the Finance Study Advisory Panel as noted in the Scope of Work, Task 2.
3. Prepare and present to the JTC, monthly interim progress briefings and written progress reports that address and summarize the issues in the Scope of Work.
4. The consultant will prepare a draft report due by **November 27, 2006**, and a final report due by **January 1, 2007**. The report should describe the analysis, findings, conclusions, and recommendations for Tasks 1-5 above, unless Task 4 is removed from this study. The JTC will provide comments. After reviewing and incorporating the JTC's comments, the consultant will finalize the report and submit 100 paper copies and an electronic PDF copy on CD to the JTC Contract Manager.

#### **IV. OVERSIGHT AND ADMINISTRATIVE RESPONSIBILITY**

The JTC will establish a Finance Study Advisory Panel to assist with finance option identification as identified in Task 2, as well as other review and comment activities as needed. It may also establish additional technical review groups to evaluate or comment on particular elements of this study.

JTC staff will be responsible for the following activities:

- Prepare, publish and administer the RFP process.
- Coordinate the selection process and negotiate the contract.
- Administer the contract (review and approve invoices, ensure milestones are being met, etc.)
- Attend monthly meetings with consultant.
- Evaluate, edit, and receive consultant products.
- Coordinate communications and meetings between JTC, the consultant, and the staff group.
- JTC will have prime oversight for this study.

#### **V. QUALIFICATIONS**

1. Bidder must be licensed to do business in the state of Washington.
- 2 JTC shall also examine Bidder for responsibility. Responsibility shall include such measures as insurance coverage that meets state requirements, references, prior experience and satisfaction of existing clients, and other information related to responsibility.

#### **VI. DEFINITIONS**

- **Apparently Successful Bidder or Apparently Successful Consultant** - the Bidder or Consultant selected as the most qualified entity to perform the stated services.
- **Bidder or Consultant** - an entity intending to submit or submitting a proposal for the project.

- **JTC** - Joint Transportation Committee, a Washington State legislative agency.
- **JTC Coordinator** - the Chief Executive Officer of the Joint Transportation Committee.
- **RFP** - this Request for Proposal, any addendum or erratum thereto, Bidder's written questions and the respective answers, and any related correspondence that is addressed to all Bidders.
- **WSDOT** - the Washington State Department of Transportation.
- **OFM** – Office of Financial Management

Contract definitions are provided in the state of Washington General Terms and Conditions for personal services contracts in Exhibit A.

## VII. RESOURCES

- Office of Financial Management web site at <http://www.ofm.wa.gov>
- WSDOT “Gray Notebook” - WSDOT’s performance measures are published quarterly in WSDOT’s “Gray Notebook” (current and previous editions are available on the WSDOT web site at <http://www.wsdot.wa.gov/accountability/archives/default.htm>).
- Transportation Resource Manual – This manual was published biennially by the Legislative Transportation Committee at <http://www1.leg.wa.gov/jtc/trm>
- Study authorizing language – Joint Transportation Committee, Engrossed Substitute Senate Bill 6091, Section 205(4), 2005 Legislative Session <http://wsldocs/2005-06/Pdf/Bills/Session%20Law%202005/6091-S.SL.pdf>
- Washington State Transportation Budget: An Overview Briefing for the House of Representatives, Transportation Committee OPR January 2005 at <http://www1.leg.wa.gov/jtc/rfps>

## VIII. PROJECT BUDGET

The budget for this study shall not exceed **\$350,000**; of this amount not more than **\$300,000** may be allocated to Tasks 1, 2, 3 and 5 and not more than **\$50,000** may be allocated to Task 4. Any resulting contract for this project will be subject to the standard state of Washington General Terms and Conditions for personal services contracts. A copy is attached to this RFP as Exhibit A.

## IX. INSTRUCTIONS TO BIDDERS

### A. SUBMISSION OF PROPOSAL

**NOTE:** All times listed below refer to local time in Olympia, Washington.

1. Letter of Intent to Bid must be submitted either electronically or by hard copy by **April 5, 2006** and must include company name, address and email address.
2. Bidders must submit six copies of the proposal and one electronic PDF copy on CD.
3. Bidders must include one paper copy of two samples of previous work similar to this type of project and the internet link to these samples.
4. Proposals are due no later than **5:00 p.m. on April 17, 2006**, whether mailed or hand delivered. Late proposals will not be accepted and will be automatically disqualified. Proposals should be submitted to:

Joint Transportation Committee  
Diane Schwickerath, RFP Coordinator  
P.O. Box 40937  
531 15<sup>th</sup> Avenue SE  
Olympia, WA 98504-0937

5. Selected bidders will be required to attend oral interviews and provide presentations at their expense. Selected bidders will be notified of the date, time and location of their scheduled interview and presentation.
6. All proposals and accompanying documentation become the property of the JTC and will not be returned.
6. JTC will not be liable for any costs associated with preparation and presentation of a proposal submitted in response to this RFP. The Bidder assumes responsibility for its personnel's travel and associated costs as they relate to bidding on this project.
7. In the event it becomes necessary to revise any part of this RFP, an *addendum* or *erratum* will be provided to all Bidders who submitted a Letter of Intent to bid.
8. After submission, Bidders will not be allowed to amend the proposal. Responses consisting solely of marketing material are not acceptable and will be rejected.
9. Questions regarding this RFP should be directed to Diane Schwickerath, RFP Coordinator, as the single point of contact for this solicitation, by email only to **schwicke\_di@leg.wa.gov**. Inquiries concerning clarification of some aspect of the RFP will be accepted beginning March **27, 2006**. No inquiries concerning the RFP will be accepted after **5:00 p.m. on April 7, 2006**. By April 10, 2006, responses to inquiries will be transmitted to all Bidders who have submitted a Letter of Intent to Bid.

## **B. LETTER OF SUBMITTAL**

The Letter of Submittal and the attached Certification and Assurances form (Exhibit B) must each be signed and dated by a person authorized to legally bind the Bidder to a contractual relationship, e.g., the President or Executive Director if a corporation, the managing partner if a partnership, or the proprietor if a sole

proprietorship. Along with introductory remarks, the Letter of Submittal is to include by attachment the following information about the Bidder and any proposed subcontractors:

1. Name, address, principal place of business, telephone number, and fax number/email address of legal entity or individual with whom contract would be written.
2. Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.)
3. Legal status of the Bidder (sole proprietorship, partnership, corporation, etc.) and the year the entity was organized to do business as the entity now substantially exists.
4. Federal Employer Tax Identification number and the Washington Uniform Business Identification (UBI) number issued by the state of Washington Department of Revenue.
5. Location of the facility from which the Bidder would operate.
6. Identify any Washington State employees or former Washington State employees employed or on the firm's governing board as of the date of the proposal. Include their position and responsibilities within the Consultant's organization. If following a review of this information, it is determined by the JTC that a conflict of interest exists, the Bidder may be disqualified from further consideration for the award of a contract.

### **C. PROPOSAL FORMAT**

Six copies of the proposal must be submitted on eight and one-half by eleven (8 1/2x11) inch paper with tabs separating the major sections of the proposal and one electronic PDF copy on CD. The six major sections of the proposal are to be submitted in the order noted below:

#### **1. Letter of Submittal, including signed Certifications and Assurances (Exhibit B).**

#### **2. Technical Approach - Tasks 1, 2, 3 and 5**

- a. A description of proposed approaches to these tasks, not to exceed five pages. This page limitation does not include resumes, qualifications, work sample, or Letter of Submittal and signed Certifications and Assurances form.

#### **3. Management Approach**

- b. A statement of qualifications to conduct this work.
- c. Identification of the individual(s) who will do the actual work being proposed, with attached professional resumes.
- d. Two samples of previous work similar to this type of project.

#### **4. Cost Approach – Tasks 1, 2, 3, and 5**

- a. The total cost of this work in a detailed budget, including direct and indirect labor, travel, and any other expenses (itemized), not to exceed \$300,000. The cost description should identify projected work hours and hourly rate(s) for each employee by name and task who will be assigned to this project.

#### **5. Technical and Cost Approaches – Task 4**

- a. Technical Approach - A description of proposed approach to Task 4, not to exceed two pages. This page limitation does not include Technical Approach in #2 above, resumes, qualifications, work sample, or Letter of Submittal and signed Certifications and Assurances form.
  
- a. Cost Approach - The total cost of Task 4 in a detailed budget, including direct and indirect labor, travel, and any other expenses (itemized), not to exceed \$50,000. The cost description should identify projected work hours and hourly rate(s) for each employee by name and task who will be assigned to this project.

#### **6. References**

- a. Include three references with whom your firm has done similar work. For each reference, include name, title, organization, address, phone number and email address.

### **X. EVALUATION CRITERIA**

Proposals will be reviewed and evaluated by a panel selected by the JTC. After the initial evaluations, the JTC will select a small group of Bidders as finalists for oral interviews and presentations to the evaluation panel. Commitments made by the Bidder at the oral interview, if any, will be considered binding. The score from the oral presentation will be considered independently and will determine the apparently successful bidder.

Written proposals submitted in response to this request will be evaluated and weighted on the following three categories. This evaluation will be used solely for selecting Bidders to be invited to make an oral presentation.

1. Technical Approach (40%)
  - a. Proposed project approach and methodology
  - b. Quality of work plan
  - c. Feasibility of proposed schedule
  - d. Description of proposed deliverables
  
2. Management Approach (40%)
  - a. Project Team Structure/Internal Controls
  - b. Staff Qualifications & resumes
  - c. Relevant experience with projects of similar complexity & type
  - d. Other applicable experience
  
3. Cost Approach (20%)
  - a. Quality of detailed budget

- b. Reasonableness of cost approach
- c. Total project cost

**XI. ESTIMATED SCHEDULE OF ACTIVITIES**

Letters of Intent to Bid Due	April 5, 2006
Due Date for Proposals	April 17, 2006
Evaluate Proposals	April 18 – 25, 2006
Oral Interviews	May 1– 5, 2006
Announce Apparent Successful Consultant	May 10, 2006
Notify Unsuccessful Bidders	May 10, 2006
Estimated Contract Start Date	May 17, 2006
Preliminary Report Due	November 27, 2006.
Final Report Due	January 1, 2007

**XII. PROPRIETARY INFORMATION**

All proposals received shall become public record, but shall remain confidential until the successful bidder resulting from this RFP, if any, is announced. Thereafter, proposals shall be available for public inspection and copying as required by Chapter 42.17 RCW (the principal Washington State statute pertaining to accessibility to public records) except as exempted in that chapter or by other. Bidders are advised that the permissible exemptions from public disclosure pursuant to Chapter 42.17 RCW are very narrow in scope and will be strictly construed. In the event that a bidder desires to claim portions of its proposal as exempt from disclosure under the provisions of the aforementioned RCW, it is incumbent upon that bidder to clearly identify those portions in a proposal transmittal letter. The transmittal letter must identify the page and particular exemption(s) from disclosure upon which it is making its claim. Further, each page claimed to be exempt must be clearly identified by the word "CONFIDENTIAL" printed on the lower right-hand corner of the page. ***Designating the entire proposal as confidential is not acceptable and will not be honored.***

**NOTE:** The proposal of the successful bidder will be attached to the resulting contract and incorporated therein by that attachment. Therefore, as part of a public state agency contract, the *entirety* of the successful bidder's proposal will be subject to public disclosure regardless of any claim of confidentiality or previously applicable statutory exemption. Nevertheless, should a successful bidder obtain a court order from a Washington State court of competent jurisdiction prohibiting disclosure of parts of its proposal prior to the execution of the contract incorporating the same, the JTC shall comply with the court order. The burden is upon the successful bidder to evaluate and anticipate its need to maintain confidentiality and to proceed accordingly. Timeliness will be of the essence; a delay in execution of the contract to accommodate a petition to the courts will not be allowed.

**XIII. JTC RIGHTS**

1. Determination of clarity and completeness in the responses to any of the provisions in this RFP will be made solely by the JTC. The JTC reserves the right to require

clarification, additional information, and materials in any form relative to any or all of the provisions or conditions of this RFP.

2. The JTC reserves the right to reject any or all proposals at any time prior to the execution of a contract acceptable to the JTC, without any penalty to the JTC.
3. The JTC intends to award the contract to the Bidder with the best combination of attributes based on the evaluation criteria listed in Section X of this RFP. This RFP does not, however, obligate the JTC to contract for services herein.
4. Should the JTC fail to negotiate a contract with the Apparently Successful Bidder, the JTC reserves the right to negotiate and contract with the next most qualified Bidder.
5. The JTC reserves the right to waive specific terms and conditions contained in this RFP.
6. It shall be understood by Bidders that the proposal is predicated upon acceptance of all terms and conditions contained in this RFP unless the Bidder has obtained such a waiver, in writing, from the JTC prior to submission of the proposal. Any such waiver will be granted to all Bidders.
7. The JTC reserves the right, at its sole discretion, to waive minor administrative irregularities contained in any Bidder's proposal.

Thank you for your interest.

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## GENERAL TERMS AND CONDITIONS

DEFINITIONS -- As used throughout this contract, the following terms shall have the meaning set forth below:

- A. The "Joint Transportation Committee," or "JTC," shall mean the Washington State Joint Transportation Committee, any division, section, office, unit, or other entity of JTC or any of the officers or other officials lawfully representing the JTC.
- B. "Contractor" shall mean that firm, provider, organization, individual, or other entity performing services under this contract, and shall include all employees of the Contractor.
- D. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this contract under a separate contract with the Contractor. The terms "Subcontractor" and "Subcontractors" means Subcontractor(s) in any tier.

CONTRACTOR NOT EMPLOYEE OF THE AGENCY -- The Contractor and his or her employees or agents performing under this contract are not employees or agents of JTC. The Contractor will not hold himself/herself out as or claim to be an officer or employee of JTC or of the state of Washington by reason hereof, nor will the Contractor make any claim or right, privilege or benefit which would accrue to an employee under Chapter 41.06. RCW or Chapter 28B.16 RCW.

NONDISCRIMINATION -- During the performance of this contract, the Contractor shall comply with all federal and state nondiscrimination laws, regulations, and policies.

NONCOMPLIANCE WITH NONDISCRIMINATION LAWS -- In the event of the Contractor's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled, or terminated in whole or in part, and the Contractor may be declared ineligible for further contracts with JTC. The Contractor shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

SUBCONTRACTING -- Neither the Contractor nor any Subcontractor shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the JTC.

INDEMNIFICATION -- The contractor shall defend, protect, and hold harmless the state of Washington, JTC, or any employees thereof, from and against all claims, suits or actions arising from the Contractor's acts which are libelous or slanderous, which result in injury to persons or property, which violate a right of confidentiality, or which constitute an infringement of any copyright, patent, trademark, or trade name through use of reproduction of material of any kind.

COVENANT AGAINST CONTINGENT FEES -- The Contractor warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established agent maintained by the Contractor for the purpose of securing business. JTC shall have the right, in the event of breach of this clause by the Contractor, to annul this contract without liability or, at its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission,

percentage, brokerage or contingent fee.

CONFLICT OF INTEREST -- JTC may, by written notice to the Contractor, terminate this contract if it is found after due notice and examination by the JTC that there is a violation of the *State Ethics Law Chapter 42.52 RCW*; or any similar statute involving the Contractor in the procurement of, or performance under, this contract.

In the event this contract is terminated as provided above, JTC shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of JTC provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the JTC makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

TREATMENT OF ASSETS --

- A. Title to all property furnished by JTC shall remain in JTC's office. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in JTC upon delivery of such property by the vendor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in JTC upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by JTC in whole or in part, whichever first occurs.
- B. Any property of JTC furnished to the Contractor shall, unless otherwise provided herein or approved by the JTC, be used only for the performance of this contract.
- C. The Contractor shall be responsible for any loss or damage to property of JTC which results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- D. Upon loss or destruction of, or damage to, any auditees' or JTC's property, the Contractor shall notify JTC thereof and shall take all reasonable steps to protect that property from further damage.
- E. The Contractor shall surrender to JTC all property of JTC prior to settlement upon completion, termination, or cancellation of this contract.
- F. All reference to the Contractor under this clause shall also include Contractor's employees, agents, or Subcontractors.

NONASSIGNABILITY -- Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the Contractor.

RECORDS, DOCUMENTS AND REPORTS -- The Contractor shall maintain books, records, documents, and other evidence of accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract. These records shall be subject at all reasonable times to inspection, review, or audit by personnel duly authorized by the JTC, State Auditor or federal officials so authorized by law, rule, regulation, or contract. The Contractor will retain all books, records, documents, and other materials relevant to this contract for six (6) years after settlement, and make them available for inspection by persons authorized under this provision.

RIGHT OF INSPECTION -- The Contractor shall provide right of access to its facilities to the JTC, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract.

SAFEGUARDING OF INFORMATION -- The use or disclosure by any party of any information concerning JTC for any purpose not directly connected with the administration of JTC or the Contractor's responsibilities with respect to services provided under this contract is prohibited except by written consent of the JTC.

RIGHTS IN DATA -- Unless otherwise provided, data which originates from this contract shall be "works for hire" as defined by the U.S. Copyright Act of 1976 and shall be owned by JTC. Data shall include, but not be limited to: working papers, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights.

Data which is delivered under the contract, but which does not originate there from shall be transferred to JTC with a nonexclusive, royalty-free, irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so; *provided*, that such license shall be limited to the extent which the Contractor has a right to grant such a license. The Contractor shall exert all reasonable effort to advise JTC, at the time of delivery of data furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this contract. JTC shall receive prompt written notice of each notice of claim of copyright infringement received by the Contractor with respect to any data delivered under this contract. JTC shall have the right to modify or remove any restrictive markings placed upon the data by the Contractor.

REGISTRATION WITH DEPARTMENT OF REVENUE -- The Contractor shall complete registration with the Department of Revenue, General Administration Building, Olympia, WA 98504, and be responsible for payment of all taxes due on payments made under this contract.

LICENSING, ACCREDITATION AND REGISTRATION -- The Contractor shall comply with all applicable local, state and federal licensing, accreditation, and registration requirements/standards, necessary for the performance of this contract.

INDUSTRIAL INSURANCE COVERAGE -- The Contractor shall provide or purchase industrial insurance coverage prior to performing work under this contract. JTC will not be responsible for payment of industrial insurance premiums or for any other claim or benefit for this Contractor, or any Subcontractor or employee of the Contractor, which might arise under the industrial insurance laws during performance of duties and services under this contract.

ADVANCE PAYMENTS PROHIBITED -- No payment in advance or in anticipation of services or supplies to be provided under this contract shall be made by JTC.

SAVINGS -- In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, JTC may terminate the contract under the "Termination for Convenience" clause, without the five-day notice requirement, subject to renegotiation under those new funding limitations and conditions.

LIMITATION OF AUTHORITY -- Only the JTC shall have the express, implied, or apparent authority to alter, amend, modify or waive any clause or condition of this contract. Furthermore,

any alteration, amendment, modification, or waiver of any clause or condition of this contract is not effective or binding unless made in writing and signed by the JTC.

WAIVER OF DEFAULT -- Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of the contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the contract unless stated to be such in writing, signed by the JTC and attached to the original contract.

CHANGES AND MODIFICATIONS -- The JTC may, at any time, by written notification to the Contractor and without notice to any known guarantor or surety, make changes in the general scope of the services to be performed under the contract. If any such changes cause an increase or decrease in the cost of, or the time required for the performance of this contract, an equitable adjustment may be made in the contract price or period of performance, or both, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within thirty (30) days from the date of Contractor's receipt of the notice of such change; *provided*, however, that the JTC may, upon determining that the facts justify such action, receive and act upon such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

DISPUTES – If a dispute should arise between the Contractor and JTC regarding the performance or expected outcomes of the contract, such dispute shall be referred to the JTC Coordinator for review and decision. If the decision by the JTC Coordinator is not satisfactory to the Contractor, the Contractor may request in writing that the dispute be reviewed by the executive committee of JTC. Such written request shall be provided to the JTC Coordinator within five (5) days following the Coordinator's decision. The Coordinator shall present the written request to the executive committee at its earliest convenience for review and decision. The decision of the executive committee shall become final and binding.

Unless mutually agreed to by the JTC and the Contractor, the work to be performed under this agreement shall not be delayed or stopped during the review of a dispute either by the JTC Staff Coordinator or the JTC Executive Committee.

TERMINATION FOR DEFAULT -- By written notice, JTC may terminate the contract, in whole or in part, for failure of the Contractor to perform any of the provisions hereof. In such event the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the mailing, advertising, and staff time; *provided*, that if (i) it is determined for any reason the Contractor was not in default, or (ii) the Contractor's failure to perform is without Contractor's and/or Subcontractor's control, fault or negligence, the termination shall be deemed to be a Termination for Convenience.

TERMINATION FOR CONVENIENCE -- Except as otherwise provided in this contract, the JTC may, by five (5) days written notice, beginning on the second day after the mailing, terminate this contract in whole or in part when it is in the best interests of JTC. If this contract is so terminated, JTC shall be liable only for payment in accordance with the terms of this contract for services rendered prior to the effective date of termination.

TERMINATION PROCEDURE -- Upon termination of this contract, JTC, in addition to any other rights provided in this contract, may require the Contractor to deliver to JTC any property specifically produced or acquired for the performance of such part of this contract as has been

terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

JTC shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by JTC, and the amount agreed upon by the Contractor and JTC for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services which are accepted by JTC, and (iv) the protection and preservation of property, unless the termination is for default, in which case the JTC shall determine the extent of the liability of JTC. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. JTC may withhold from any amounts due the Contractor such sum as the JTC determines to be necessary to protect JTC against potential loss or liability.

The rights and remedies of JTC provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the JTC, the Contractor shall:

1. Stop work under the contract on the date, and to the extent specified, in the notice;
2. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract as is not terminated;
3. Assign to JTC, in the manner, at the times, and to the extent directed by the JTC, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case JTC has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the JTC to the extent the JTC may require, which approval or ratification shall be final for all the purposes of this clause;
5. Transfer title to JTC and deliver in the manner, at the times, and to the extent directed by the JTC any property which, if the contract has been completed, would have been required to be furnished to JTC;
6. Complete performance of such part of the work as shall not have been terminated by the JTC; and
7. Take such action as may be necessary, or as the JTC may direct, for the protection and preservation of the property related to this contract which is in the possession of the Contractor and in which JTC has or may acquire an interest.

GOVERNING LAW -- This contract shall be governed by the laws of the state of Washington. In the event of a lawsuit involving this contract, venue shall be proper only in Thurston County. The Contractor, by execution of this contract, acknowledges the jurisdiction of the courts of the state of Washington in this matter.

SEVERABILITY -- If any provision of this contract or any provision of any document

incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this contract which can be given effect without the invalid provision, and to this end the provisions of this contract are declared to be severable.

FORCE MAJEURE -- Neither party shall be liable to the other or deemed in default under this contract for any delay or failure to perform its obligations under this contract if such delay or failure arises from any cause or causes beyond the reasonable control of the parties and without fault or negligence of the parties, including and not limited to acts of God, war, riots, strikes, fire, floods, earthquakes, epidemics, or other similar circumstances.

SCOPE OF CONTRACT -- This contract and the attachments incorporate all the contracts, covenants, and understandings between the parties concerning the subject matter, and all such covenants, agreements, and understandings have been merged into this contract. No prior contract or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this contract.

CHANGE OF CONTROL OR PERSONNEL -- Contractor shall promptly and in any case within twenty-four (24) hours notify the JTC Contract Coordinator in writing:

1. If any of the representations and warranties of the Contractor set forth in this contract shall cease to be true at any time during the term of this contract;
2. Of any material change in the Contractor's management staff;
3. Of any change in control of the Contractor or in the business structure of the Contractor; or
4. Of any other material change in the Contractor's business, partnership, or corporate organization relating to this engagement. All written notices regarding changes in management staff shall contain the same information about newly assigned management staff as was requested by JTC in the RFP and such additional information as may be requested by the JTC. For purposes hereof, the term "management staff" shall mean those persons identified as senior management in any response to a RFP or who otherwise will exercise a major administrative role or major policy or consultant role to the provision of the Contractor's services hereunder. All written notices regarding changes in control of the Contractor shall contain the same information about any new controlling entity as was requested by JTC in the RFP regarding the Contractor and such additional information as may be requested by JTC.

Approval of these changes rests solely with JTC and will not be unreasonably withheld.

PAYMENT OF TAXES -- Contractor shall pay all applicable taxes assessed on the compensation received under this contract and shall identify and pay those taxes under Contractor's federal and state identification number(s).

**CERTIFICATIONS AND ASSURANCES**

I/we make the following certifications and assurances as a required element of the proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related contract(s):

1. I/we declare that all answers and statements made in the proposal are true and correct.
2. The prices and/or cost data have been determined independently, without consultation, communication, or agreement with others for the purpose of restricting competition. However, I/we may freely join with other persons or organizations for the purpose of presenting a single proposal.
3. The attached proposal is a firm offer for a period of 60 days following receipt, and it may be accepted by the JTC without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 60-day period.
4. In preparing this proposal, I/we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this proposal or prospective contract, and who was assisting in other than his or her official, public capacity. (Any exceptions to these assurances are described in full detail on a separate page and attached to this document.)
5. I/we understand that the JTC will not reimburse me/us for any costs incurred in the preparation of this proposal. All proposals become the property of the JTC, and I/we claim no proprietary right to the ideas, writings, items, or samples, unless so stated in this proposal.
6. Unless otherwise required by law, the prices and/or cost data which have been submitted have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by him/her prior to opening, directly or indirectly to any other Bidder or to any competitor.
7. I/we agree that submission of the attached proposal constitutes acceptance of the solicitation contents and the attached sample contract and general terms and conditions. If there are any exceptions to these terms, I/we have described those exceptions in detail on a page attached to this document.
8. No attempt has been made or will be made by the Bidder to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.
9. The bidder certifies that no condition exists with respect to the bidder, or any of its employees, regarding any current or past relationship with the JTC, WSDOT, or agencies that violate Chapter 42.52 RCW, the "Ethics in Public Service" Law.

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Signature of Bidder

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Title Date