

**NORTHWEST EDUCATIONAL SERVICE DISTRICT
CONTRACT FOR BUSINESS MANAGEMENT SERVICES**

BETWEEN

Concrete School District
(Hereinafter referred to as District)
45389 Airport Way, Concrete, WA 98237

AND

Northwest Educational Service District 189
(Hereinafter referred to as NWESD)
1601 R Ave, Anacortes WA 98221
Phone: (360) 299-4000

Phone: (360) 853-4000

In consideration of the promises and conditions contained herein, NWESD and the District do mutually agree as follows:

1. **Purpose and Formation.** This Contract stipulates the promises and conditions by which the Northwest Educational Service District No. 189 (the "NWESD") provides business manager services to the District. Both the NWESD and the District recognize this is a mutual arrangement for the benefit of both parties.

The purpose of this Contract is for the NWESD to provide assistance to the District so that the District may meet its obligations for the efficient and effective financial management of the District according to provisions delineated in Title 28A Revised Code of Washington (RCW); resultant regulations delineated in the Washington Administrative Code (WAC); regulations delineated by the Office of the Superintendent of Public Instruction (OSPI); and the written policies and procedures of the District. If District is a Charter School, see additional regulations under Section **6.2. Responsibilities of the District.**

2. **Term.**

2.1 **Initial Term.** The initial term of the Contract shall be three years from September 1, 2025, to August 31, 2028.

2.2 **Regular Review.** This Contract may be reviewed at annually, and services may be subject to change pursuant to written addendum to this Contract between NWESD and the District. During the first year of this contract the services will be reviewed by both parties to this agreement April 1, 2026, to determine any changes to contract services necessary throughout the remaining term of the contract.

2.2 **Renewal.** This Contract shall automatically renew for additional September 1 through August 31 terms, thereafter unless the District gives written notice of its election to terminate the Contract by April 15 the preceding contract year.

The base cost of services after the first year of this contract (September 1, 2025 – August 31, 2026) will be adjusted in accordance with section **4. Cost.**

3. **Organization and Governance.** The parties agree the NWESD is authorized as the legal and administrative entity to govern and direct the operation of this Contract and the parties' obligations hereunder in accordance with the terms of this Contract and the NWESD's adopted policies and procedures.

The District shall identify for the NWESD a liaison for contact regarding services provided under terms of this Contract. The liaison shall be the sole District authority for authorizing services provided pursuant to this Contract.

4. **Cost.** The District shall pay to the NWESD the amount described in Appendix A to this Contract. Should any services beyond the scope of this Contract be requested by the District or required of the NWESD, the NWESD will determine whether it has the expertise or capability to provide the

services. Should the NWESD decide to provide the additional services, the NWESD and the District will negotiate an amount to be included in a contract addendum.

- 4.1 **Invoicing.** Invoicing will be done monthly, and payment is expected within 30 days of receipt of invoice.
- 4.2 **Contract Review.** The base contract price will be reviewed prior to April 15 of each annual renewal and adjusted, as necessary. The initial Contract is based on a cost estimate of the time and expertise required by the NWESD to deliver the services, including the oversight of sufficient qualified personnel provided by the District, necessary to accomplish the business management tasks identified in Appendix A.

Each year of this Contract will require both parties to evaluate the time and cost of the Contract based on: (1) the services desired and/or needed in the future period; (2) the capability of assigned District personnel to independently perform functions related to those services, and (3) a base contract price increase based upon the most current CPI Index (the Seattle-Tacoma-Bremerton CPI-U bi-monthly and annual percent changes table for December of the previous year).

5. Responsibilities of the NWESD. The responsibilities of the NWESD under this Contract are as follows:

- 5.1 Provide advice, consultation, coordination, analysis, and review of the contracted business management functions with the intent of insuring participating District compliance with statutory and regulatory requirements for the services listed in Appendix A.
 - 5.1.1 Employ professional, technical, and clerical staff with appropriate training, experience, and/or certificates(s) to provide listed and/or requested business management services.
 - 5.1.2 Assign staff to specific tasks and supervise the performance of staff in responding to the listed and/or requested services.
 - 5.1.3. Provide services listed and/or requested services in conformance with the adopted operational and personnel policies of the District.
 - 5.1.4. Schedule appropriate days of service, including travel time to District's site, to accomplish contracted services, and determine the appropriate alternate site location for the performance of listed and/or requested services.
- 5.2 In the event that the District requires on-site support, it will reimburse the NWESD for all travel costs. Hotel and transportation will be reimbursed based on the actual costs incurred. Per Diem and mileage will be reimbursed based on the appropriate current State of Washington Office of Financial Management's published rates.

6. Responsibilities of the District. The responsibilities of the District under this Contract are as follows:

- 6.1 Recognize and accept full responsibility and accountability for the financial solvency of the District; compliance with District policies and procedures; compliance with applicable federal, state, and local government statutes and regulations; and use of this Contract as a tool for the provision of professional and technical assistance by the NWESD.
- 6.2 If the District is a Charter School, comply with the School Finance provisions set forth in the Charter School Contract between the Washington State Charter School Commission and the District, including but not limited to; undergo independent financial audits conducted in accordance with governmental accounting standards and performed by a

certified public accountant, maintain financial records in accordance with the governmental accounting method required by the Washington State Charter School Commission including the preparation of the Comprehensive Annual Financial Report (if applicable).

- 6.3 Provide a workstation, computer equipment, calculator, supplies and materials necessary for the assigned NWESD personnel to function and provide the assistance stipulated in this Contract while on-site at the District.
 - 6.4 Assign sufficient personnel to accomplish the technical aspects of the District responsibilities outlined in Appendix A.
 - 6.5 Contract with the Northwest Regional Data Center cooperative for Fiscal/Human Resource information system services and support.
 - 6.6 Pay to the NWESD contracts amounts owed per the timeline and fees as outlined in Appendix A.
7. **Assignment.** Neither this Contract nor any interest therein may be assigned by either party without the prior written consent of the other party.
8. **Mutual Termination.** This Contract may be terminated by mutual agreement by the parties.
9. **Unilateral Termination by District.**
- 9.1 **Definition.** A "unilateral termination by the District" is a withdrawal from or termination of the Contract prior to the expiration of the initial or any renewal term.
 - 9.2 **Damages.** By entering into this Contract, the District acknowledges that it is or may be participating in a fee for services program with the NWESD and that its withdrawal from or termination of this Contract prior to the expiration of the then ongoing term is likely to result in material adverse financial consequences for the NWESD. As a result, in the event of the unilateral termination by the District, the District shall pay all fees for the remainder of the then ongoing initial term or renewal term in full; fees shall not be prorated for any partial term. The District agrees such amount constitutes liquidated damages and not a penalty and further agrees that those amounts are a reasonable reflection and estimate of damages, which will be incurred by the NWESD as a result of the District's unilateral termination.
 - 9.3 **Termination After Renewal.** If this Contract is renewed and thereafter the District unilaterally terminates this Contract within the last one hundred twenty (120) days of the ongoing initial term or any renewal term, then in addition to the damages called for above, the District shall also be responsible for all costs related to personnel whose services would have been needed to serve the District had it not unilaterally terminated and who cannot lawfully be terminated (or non-renewed) in a timely manner.
10. **Termination by NWESD.**
- 10.1 **Breach by District.** In the event the District fails or neglects to pay or perform according to the terms of this Contract, the NWESD may terminate this Contract upon thirty (30) days written notice to the District and the District shall be responsible for payment of all damages as described in Section 9 above.
 - 10.2 **Upon Dissolution of Fee for Services Program.** The NWESD reserves the right to dissolve this fee for services program and terminate this Contract when in the NWESD's

judgment its participation in this fee for services program does not afford an educational or financial advantage in quality or quantity of services called for in this Contract. The NWESD will give the District notice in writing clearly outlining the termination date, which will be no sooner than ninety (90) days after the date the notice was delivered to the District. In the event of dissolution of this fee for services program, all assets acquired by the NWESD from any monetary source or assets donated and placed in service for this fee for services program during the life of this Contract shall be and remains the property of the NWESD.

11. **Termination for Breach.** If either party fails to comply with the terms and conditions of this Contract, the other party, upon thirty (30) days prior written notice to the breaching party, may terminate this Contract with no continuing financial liability to the non-breaching party.
12. **Breach/ Default Waiver.** No delay or failure on the part of the NWESD to exercise any rights under the Contract shall operate as a waiver of the NWESD's contractual rights. Also, the NWESD's waiver or acceptance of a partial, single or delayed performance of any term or condition of the Contract shall not operate as a continuing waiver or a waiver of any other breach of a Contract term or condition. No waiver shall be binding unless it is in writing and signed by the party waiving the breach.
13. **Indemnification/Hold Harmless.** The District indemnifies and shall defend and hold the NWESD, its employees, agents and representatives, harmless from and against all third-party claims, actions, liens, suits or proceedings asserted against the NWESD that are related to the District's obligations or performance under this Contract. The District shall timely reimburse the NWESD for all costs, expenses, damages, losses, liabilities or obligations, including reasonable attorney's fees, incurred by the NWESD as a result of such third-party claims, actions, liens, suits or proceedings.
14. **Severability.** If any provision of this Contract is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted and the balance of the Contract shall remain enforceable.
15. **Governing Law/Venue.** The terms of this Contract shall be construed and interpreted in accordance with the laws of the state of Washington, without regard to conflicts of laws principles. In the event that legal action or arbitration is commenced to resolve a dispute related to this Contract, the venue of such action or arbitration shall be in Skagit County, Washington.
16. **Dispute Resolution.** If a dispute regarding this Contract arises between the District and the NWESD, then the District will appoint someone to represent it, the NWESD will appoint someone to represent it, and those two parties will appoint someone as a third representative. Decisions will be made by a vote of the majority of the representatives. The dispute committee shall be limited to resolving issues pursuant to the terms of this Contract, and its decision(s) shall be final.
17. **Integration/Modification.** This Contract constitutes fully integrated document containing the full, final and binding agreement of all parties signatory and all persons claiming by or through a signator, and supersedes all other negotiations, offers or counteroffers relating to the subjects treated in this Contract. The parties may amend this Contract only upon a writing bearing the actual signatures of the names of all the parties or their respective, authorized representatives.
18. **Attorney Fees and Costs.** In the event litigation arises out of this Contract, the losing party agrees to pay the prevailing party's attorney fees incident to said litigation, together with all costs and expenses incurred in connection with such action, whether incurred in trial court or on appeal.
19. **Headings.** The headings of each section of this Contract are provided only to aid the reader. If there is any inconsistency between the heading and the content of the paragraph or the context of the contract, the content or context will prevail.

- 20. **Nondiscrimination/Anti-Harassment.** The NWESD and the District agree to comply with state and federal guidelines and regulations regarding nondiscrimination and harassment involving any employee/student on the basis of race, color, sex, religion, ancestry, national origin, creed, marital status, age, sexual orientation, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or use of a trained dog or service animal by a person with a disability in employment, services, or any other regards.
- 21. **Crimes Against Children.** In accordance with RCW 28A.400.330, employees, agents, and contractors of the NWESD and District are prohibited from working at a public school if they have or may have contact with children at a public school during the course of their employment and have pleaded guilty to or been convicted of crimes identified in RCW 28A.400.322. Any failure to comply with this section shall be grounds for the District immediately terminating this Contract.
- 22. **Suspension and Debarment Assurances.** The NWESD certifies, and the District relies thereon in execution of this Contract, that neither it nor its Principals are presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded for the award of contracts by any Federal governmental agency or department. "Principals", for the purposes of this certification, mean officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity. Further, the NWESD agrees to provide the District immediate written notice if, at any time during the term of this Contract, including any renewals hereof, it learns that its certification was erroneous when made or has become erroneous by reason of changed circumstances. The NWESD's certification via the execution of this Contract is a material representation of fact upon which the District has relied in entering into this Contract. Should the NWESD determine, at any time during this Contract, including any renewals hereof, that this certification is false, or should it become false due to changed circumstances, the District may terminate this Contract in accordance with the terms and conditions therein.
- 23. **Other Assurances.** In performing its obligations under this Contract, each party shall promptly comply with all laws, ordinances, orders, rules, regulations and requirements of the federal, state, county or municipal governments or any of their departments, bureaus, boards, commissions or officials concerning the subject matter of this Contract (the "Laws"). This provision applies to Laws currently existing or applicable to a party's duties under this Contract during the term of this Contract.
- 24. **Authority.** The terms and conditions of this Contract to which the parties agree are being entered into by appropriate resolutions of the respective boards of directors of the NWESD and the District.

IN WITNESS WHEREOF, the District and the NWESD have executed this Contract on the date and year indicated below.

NORTHWEST EDUCATIONAL SERVICE DISTRICT NO.189

DocuSigned by:
 By: Dr. Ismael Vivanco Date: 2/14/2025
UEF5F61D5CAE402
 Dr. Ismael Vivanco, Superintendent
 Northwest Educational Service District 189

Signed by:
 By: Carrie Crickmore Date: 2/14/2025
72E795702AFC42A
 Carrie Crickmore, Superintendent
 Concrete School District

NORTHWEST EDUCATIONAL SERVICE DISTRICT APPENDIX A – Service Matrix

Accounts Payable and Business Manager Responsibilities	NWESD	District
Student Activities		
Maintain integrity of the CEDARS data base		X
Monthly enrollment reporting to OSPI (P223, P223H, P223S)	X	X
Business and Operations Activities		
Financial Management:		
Finance representative to Board	X	
Finance support to the Superintendent	X	
Prepare iGrant applications to OSPI	X	X
Review iGrant applications for submission to OSPI	X	
Technical assistance on correspondence to OSPI and funding organizations as needed	X	
Technical assistance for WINS(nutrition) and STARS (transportation) reporting	X	
Establish and monitor a system of internal controls and efficient processes and procedures	X	
Communication with district staff on state/federal compliance or grant requirements	X	
Audit liaison for annual audit by State Auditor's office	X	
Annual budget development - Transactional	X	
Annual budget development - Stakeholder Process	X	
General financial analysis and cash flow monitoring	X	
External Reporting:		
Annual budget reporting to OSPI (F203, F195, F195F)	X	
Budget extensions, as needed (F200)	X	
Annual year end report to OSPI (F196), notes to financial statements	X	
Annual Schedule of Expenditure of Federal Awards (SEFA) to SAO	X	
Annual 1099 reporting to IRS	X	
Quarterly use tax reporting to DOR	X	
Annual/Monthly Activities:		
Annual budget expenditure and revenue estimates and modifications	X	
Monthly financial reports to governing Board	X	
Monthly reconciliations to county treasurer reports	X	
Monthly grant claims to OSPI	X	
Monthly food service claims to OSPI	X	
Monthly (specific months) STARS reporting to RTC and OSPI	X	X
Monthly non-to/from billings for transportation	X	X
Monthly comp tax reporting and payments	X	
General ledger account reconciliations, balance imprest/petty cash	X	
Daily/Weekly Activities:		
Maintenance of general ledger and chart of accounts	X	
Process journal vouchers	X	
W-9 solicitations , input new vendors into system	X	
Input purchase requisitions		X
Approve purchase orders	X	X
Send approved purchase orders to vendors	X	X
Verification of merchandise receipt, retain receipts		X
Code and approve invoices for payment	X	
Process A/P vouchers for approved invoices	X	
Input new A/R customers into system	X	
Process A/R invoices	X	
Transportation billings/accounting	X	
Deposit cash receipts daily		X
Review daily cash receipts deposited by district	X	
Input/process cash receipts	X	
Weekly cash transfers to county	X	
Process free/reduced meal applications		X

**NORTHWEST EDUCATIONAL SERVICE DISTRICT
APPENDIX A – Service Matrix (continued)**

Payroll Responsibilities		NWESD	District
Employee Compensation and Staff Related Activities - Monthly Contract			

External Reporting:

Annual personnel reporting to OSPI (S-275)	X	
Annual W-2 reporting IRS	X	
Annual Affordable Care Act reports (1094 and 1095)	X	
Quarterly F941 reporting to IRS	X	
Quarterly unemployment reporting to State Agency	X	
Quarterly family leave reporting to State Agency	X	
Quarterly workers compensation reporting to State Agency	X	
Annual civil rights reporting - payroll related	X	

Monthly/Weekly/Daily Activities:

Annual budget support for staff planning costs	X	
Onboarding with new staff (in person activities)		X
Complete personnel action forms for employee changes		X
Enter employee onboarding information into the Finance/HR System	X	
Enter employee contracts into Finance/HR System	X	
Create contracts for employees on district template, as applicable	X	
Time off/leave setup and maintenance	X	
Time and Effort reporting	X	
Enter employee record changes into system (specifics tbd)	X	
Letters of eligibility of benefits to new employees	X	
Enroll newly eligible employees into SEBB	X	
Calculation of leave cash outs/termination pay	X	
Process monthly payroll	X	
Enter timesheet and other pay into Finance/HR System	X	
Uploading of payroll information from 3rd party software	X	
Process/review employee time off/leave transactions	X	
Complete employee verification forms	X	
Processing of EFTPS, retirement deposit, and other county payments	X	
Retirement transmittal	X	
Insurance processing and vendor portal updates	X	
Payroll encumbrance setup and processing	X	
Payroll vendor invoices, payments, and reports	X	
Reconcile retirement and benefits to agency records/payments	X	
Generation of monthly reports for review	X	
Prepare sick leave buy-back notices, process payments	X	
COBRA program management		X
Questions from Auditors/Census/Unions/Employees (flow through district first)	X	

**NORTHWEST EDUCATIONAL SERVICE DISTRICT
APPENDIX A – Contacts & Fees**

CONTRACT MANAGERS:

<u>NWESD Contract Manager</u>	<u>Client Contract Manager</u>
Name: Kara Moore	Name: Lisa Fenley
Address: 1601 R Ave Anacortes, WA 98221	Address: 45389 Airport Way Concrete, WA 98237
Phone: (360) 299-4720	Phone: (360) 853-4000
Email Address: kmoore@nwesd.org	Email Address: lfenley@concrete.k12.wa.us

CONTRACT COST:

Name of Service	Contract Cost	Payment Schedule
Business Manager Services—per Service Matrix **	\$10,500 per month	Monthly
Purchasing/Accounts Payable Services—per Service Matrix	\$7,250 per month	Monthly
Human Resource/Payroll Services – per Service Matrix	\$5,833 per month	Monthly
Additional Business Services, as requested by district	\$80-\$160 per hour	Monthly, based upon deliverables completed

**** Note:** the district is receiving a significant discount in services due to contracting for 3 services (AP, Payroll, Business). The cost of the Business Services will change if the district decides to process AP or Payroll services in house during the renewal periods of the contract.

NWESD Internal Approvals

Fiscal:



Program Manager:


