

Shoreline

AMENDED ARTICLES OF AGREEMENT

OF

KING COUNTY DIRECTORS' ASSOCIATION
PURCHASING DEPARTMENT

WHEREAS, the undersigned desire to form an organization and entity to purchase supplies, equipment, service, food, and other sundries for schools and school districts throughout the State at the lowest possible price pursuant to the Intergovernmental Cooperation Act as now or hereafter amended in ch. 39.34 RCW; and

WHEREAS, it is believed by the undersigned that formation of the entity hereinafter established will be in the best interests of all schools and school districts providing primary and secondary education in the State of Washington;

NOW, THEREFORE, it is hereby agreed as follows:

1. The undersigned hereby amend the prior Articles of Agreement attached hereto, and establish under the authority of the Intergovernmental Cooperation Act, ch. 39.34 RCW, and the authority of each of the undersigned as set forth in ch. 28A RCW, a purchasing department to be known as the KING COUNTY DIRECTORS' ASSOCIATION PURCHASING DEPARTMENT (hereinafter referred to as the "Purchasing Department").

2. The purpose of the Purchasing Department shall be to purchase any and all supplies, equipment, services, food, and other personal property of any type and nature whatsoever for any and all schools and school districts within the State of Washington at the lowest possible prices.

3. MEMBERSHIP. The school districts executing this agreement shall be known as member districts, and shall be entitled to the rights and privileges set forth for member districts as provided hereinafter.

4. ORGANIZATION AND OPERATION.

A. BOARD OF DIRECTORS. The Purchasing Department shall be operated by a board of directors consisting of five (5) individuals to be determined as follows: there are hereby established five director divisions as set forth in Exhibit A attached hereto and incorporated herein. The board of directors shall consist of one (1) director from each of the five director divisions, PROVIDED, the initial board shall be established and composed of the existing board of directors of the current King County Directors' Association Purchasing Department.

B. TERM OF OFFICE. Each of the present directors shall have a term of office which will coincide with the term of office they had under the prior King County Directors' Association Purchasing Department. Thereafter, each director shall be elected for a term of

three (3) years. The member districts in each director division shall elect one director, who must be a member of the school board of a member district in that division. Each board member of the school districts within a director division shall have one (1) vote in electing the said director to the Board, and said director so elected shall be certified as a director by the Superintendent of Intermediate School District No. 110, or his appointee.

5. POWERS AND DUTIES. Each of the member districts hereby authorize, grant, convey, assign, and/or delegate to the Purchasing Department the following powers, duties and responsibilities:

A. To purchase, order, and/or supply for and on behalf of the member districts and schools within the State of Washington, supplies, equipment, services, food, and/or any and all personal property of any nature whatsoever, provided, that any such purchase or purchases will be done upon the basis that the Purchasing Department will comply with the provisions of RCW 28A.58.135 pertaining to advertising for bids, as now or hereafter amended; provided further, that in the event the Board of Directors finds an emergency of the type and nature specified in RCW 28A.58.135, or any law pertaining to incurring indebtedness, they may proceed to acquire or purchase any said supplies, equipment, services, food, or personal property to meet such an emergency on the same basis as the member districts are authorized under said statute, as now or hereafter amended.

B. In addition to the authority granted by Section A above, and not as a limitation thereon, to purchase, lease, receive, and hold real and personal property in the name of KING COUNTY DIRECTORS' ASSOCIATION PURCHASING DEPARTMENT, including the entering into of executory conditional sales contracts with any municipal corporation, State or Federal agency or political subdivision or entity, or private party for the purchase of any real or personal property, or property right in connection with the exercise of any power or duty they are now or hereafter authorized to exercise, as now or hereafter amended.

C. To pay for any purchases made directly for itself or on behalf of the Purchasing Department with funds on hand or retained surplus, and in addition, to issue interest bearing warrants for the payment of any obligation incurred by the Purchasing Department as authorized by RCW 28A.58.107, provided that such authorization will also be subject to the limitations set forth in said statute as now or hereafter amended.

D. To incur indebtedness in exercising its power to purchase personal or real property either on behalf of itself or any school or school district in the State of Washington as heretofore or hereafter authorized by law; and in addition and not as a limitation on any power heretofore granted, to incur indebtedness on behalf of each of the

member districts for purchases on behalf of the Purchasing Department, without a vote of the electorate within each respective district in a total amount of indebtedness not in excess of \$1,700,000, it being understood and agreed between each of the member districts that each district hereby authorizes the Purchasing Department to incur indebtedness on behalf of each of the respective districts for such purchases, at .000141 times the member district's assessed valuation. It is further understood and agreed by the member districts that this allocation and authorization to incur indebtedness will collectively allocate and authorize the Purchasing Department to incur indebtedness on its own in an amount not to exceed the sum of \$1,700,000 for such purchases, and further that this allocation and/or authorization to incur indebtedness does not preclude the Purchasing Department from incurring additional indebtedness as otherwise authorized by law or by this agreement. Provided, further, this delegation of authority to incur indebtedness in no way authorizes or requires any member district to allocate or appropriate any money or any portion of its budget for any payment of any obligation incurred by the Purchasing Department, under the terms of the above delegation of authority to incur indebtedness hereunder, it being understood and agreed that pursuant to Paragraph 6 of this agreement, the Purchasing Department will have the sole and exclusive obligation to pay for any obligation or undertaking incurred as a result of this authorization to incur indebtedness, and that as provided by Paragraph 6 of this agreement, all creditors of the Purchasing Department shall have as their sole remedy recovery on the obligation directly against the assets of the Purchasing Department. Provided, further, that the Purchasing Department shall incorporate into all contracts whether for the purchase of real or personal property or supplies with any persons or entities, excluding employment contracts, a clause providing that the other contracting party or parties shall have as its sole remedy recovery against the assets of the Purchasing Department, or the property being purchased if there is a purchase money security interest retained by the seller or vendor of the property.

E. To possess all the usual powers, express and/or implied, of a public corporation and in its name and style to transact all business necessary for the exercise of the other powers and duties and/or responsibilities granted to the Purchasing Department by the terms of this agreement or by law and to enter into all obligations which are authorized by law and/or the terms of this agreement.

F. To rent and/or sell any and all personal and real property purchased in the name of the Purchasing Department, on such terms and conditions as the Board deems reasonable.

G. To employ and for sufficient cause discharge any and all employees necessary to carry out the powers, duties, and responsibilities granted to the Purchasing Department hereby or by law; and in addition, to establish such policies pertaining to sick leave and other employee benefits as are deemed reasonable by the Board, including but not limited to the power to provide for sick leave, life insurance, and/or other employee benefits on the same basis as is authorized by law for member school districts; and in addition, to provide for all retirement benefits or other benefits authorized or required by law.

H. In addition to the foregoing, in the event it is necessary for the Purchasing Department to acquire any real property the member districts hereby authorize and/or delegate to the Purchasing Department, the right to bring an eminent domain action in the name of the member school districts collectively, as authorized by RCW 28A.58.070, as now or hereafter amended.

I. To make such bylaws for its own internal government and operation as the Board of Directors deems expedient, not inconsistent with the provisions of this agreement.

J. To purchase any and all life, fire, health, accident, liability, or other insurance which the Board deems necessary to protect the Purchasing Department and/or its property.

K. To apply for State and/or Federal grants in its own name or, if necessary, in the name of one or more of the member school districts to Federal, State, and/or local governments for surplus property, State or Federal grants or aid, and to enter into such contracts or agreements with Federal, State, or local agencies for surplus property, services, and/or programs authorized by such agencies on the same terms and conditions as an individual school district is authorized to enter into, and to use such equipment and/or take advantage of any such program or programs on the same terms and conditions as any school district, or to use such equipment or engage in such a program jointly with one or more school districts.

L. To seek authorization from the State legislature for the establishment of a revolving fund, specifically for the Purchasing Department, in any amount deemed necessary and/or authorized for the interim financing of purchases made by the Purchasing Department, for and on behalf of any and all schools and/or school districts within the State as authorized herein in order to avoid payment of interest on interim financing and/or to reduce the cost of purchasing school supplies.

6. INDEBTEDNESS.

A. The Purchasing Department shall be liable for any debts legally incurred by it and for any judgments against it, and shall pay for any such judgments out of any retained surplus which it has accumulated, and/or from any equity which it has in any real or personal property.

B. Except as otherwise provided for herein, the Purchasing Department shall not incur any direct indebtedness or authorize any expenditure for and on behalf of any member school district or any participating school district other than the obligation created at the time a school district places an order for supplies, equipment, services, or other personal property through the Purchasing Department.

C. The Purchasing Department shall be solely liable and responsible for any and all obligations which it incurs in exercising the powers and duties delegated to it by the member school districts.

D. Nothing in this agreement shall be construed to grant any powers or authority in excess of the power and/or authority of the member districts, and except to the extent otherwise provided for by law, the Purchasing Department shall be subject to the same statutory restrictions and limitations as the member school districts.

7. TRANSFER OF TITLE & INTEREST IN PROPERTY AND CONTRACTS.

A. Title to all interest in real estate, choses in action, and other assets, including but not limited to assignable contracts, cash, deposits in county funds (including any interest or premiums thereon), equipment, buildings, facilities, or leases held as of the date of the execution of this agreement by the King County Directors' Association Purchasing Department as heretofore established, are hereby granted, conveyed, and/or assigned to the KING COUNTY DIRECTORS' ASSOCIATION PURCHASING DEPARTMENT established by this agreement.

B. In addition, the Purchasing Department established by this agreement hereby assumes any and all existing obligations of the entity or organization formerly known as the King County Directors' Association Purchasing Department and hereby agrees to fulfill any and all such obligations it hereby assumes on the same terms and conditions as its predecessor was required to perform said obligations.

C. Notwithstanding the foregoing, any and all outstanding warrants heretofore issued by the organization previously known as King County Directors' Association Purchasing Department will be paid for out of accounts receivable assigned for the payment of said warrants now required by RCW 28A.58.107; as now or hereafter amended, provided, that in the event such accounts are not sufficient to pay for said warrants, the KING COUNTY DIRECTORS' ASSOCIATION PURCHASING DEPARTMENT as established hereby will

pay for any and all such warrants, and in addition, the property heretofore assigned and/or transferred by the terms of this paragraph or by other assignment from school districts having previously been associated with and participating in the prior organization known as King County Directors' Association Purchasing Department will remain subject to and responsible for the payment of any such outstanding warrants.

D. Each of the member districts, either through the execution of this agreement or by other assignment or authorization, agrees that all accounts previously established with the King County Treasurer in the name of the King County Directors' Association Purchasing Department will automatically be transferred and/or assigned to the KING COUNTY DIRECTORS' ASSOCIATION PURCHASING DEPARTMENT as authorized by this agreement. In addition, the King County Treasurer is authorized to establish new accounts, if necessary, for the Purchasing Department established by this agreement, and to transfer any and all funds now or hereafter due to such account or made payable to such account to the KING COUNTY DIRECTORS' ASSOCIATION PURCHASING DEPARTMENT established by this agreement and/or to their account or accounts.

8. RIGHT OF MEMBER DISTRICTS TO WITHDRAW FROM PARTICIPATION.

A. Heretofore each member district has established a certain reserve fund as set forth in Exhibit B attached hereto and incorporated herein. Said exhibit sets forth the share of each member district which has been assigned to the newly established KING COUNTY DIRECTORS' ASSOCIATION PURCHASING DEPARTMENT by this agreement.

B. Each member school district hereby agrees that it will not withdraw its reserve fund as now or hereafter established except on the following terms and conditions:

i. That the district give the Purchasing Department one year's notice that it wishes to terminate its relationship as a member district and withdraw any or all of its reserve fund.

2. That after proper notice, a member district shall have the right to withdraw its reserve fund in one of the two following ways:

(a) By withdrawing accumulated inventory in stock at a rate of not more than ten percent (10%) per year for a ten-year period; provided, that the withdrawing member district shall not obtain more than fifteen percent (15%) of any inventory or supplies then held by the Purchasing Department in reserve in its warehouse in any one calendar year; or

(b) By requesting a cash payment from the Purchasing Department as follows: the amount of the reserve fund established at the end of the preceding calendar year by the Division of Municipal Corporations of the State Auditor's Office in fifteen (15) annual installments beginning one (1) year after the date of notices required by subsection 1 above, and continuing until fully paid, without interest.

C. The authority hereby delegated by each school district to K.C.D.A. to incur indebtedness on its behalf shall terminate upon the district's giving notice of intent to

withdraw from participation as provided for above; provided, that K.C.D.A. shall be authorized to continue to maintain the debt or debts incurred, in whole or in part, on behalf of any withdrawing district until said debt is paid in accordance with the terms under which it was initially incurred by K.C.D.A., and to that extent, the withdrawing district authorizes K.C.D.A. to continue to maintain any such debt prior to the time notice of withdrawal is received by K.C.D.A., as provided above, provided, further, K.C.D.A. will not be authorized to incur any additional indebtedness on behalf of any withdrawing district after receiving notice of intent to withdraw by the district as provided for above.

9. DISSOLUTION.

A. The Purchasing Department shall continue in perpetuity unless dissolved by law, by unanimous agreement, or in the manner hereinafter set forth.

B. In the event member districts having a combined total share of the reserve fund as established by the audit of the Division of Municipal Corporations for the King County Auditor for the prior calendar year of at least fifty-one percent (51%) give notice to the Board of Directors of the Purchasing Department that they wish to dissolve said organization as authorized by this agreement, the Board shall then be required to dissolve the Purchasing Department in an orderly and expeditious fashion and to pay all outstanding accounts payable, collect all accounts receivable, dispose of any and all tangible assets, and disburse the remaining proceeds and/or assets, including any inventory, to the member districts that have not previously withdrawn from the Purchasing Department on the basis of the ratio established by the member district's reserve fund to the total reserve fund as of the date the dissolution is requested.

C. In addition to the foregoing, the Purchasing Department established by this agreement may also be automatically dissolved by unanimous vote of the Board of Directors, provided that at a meeting of the Board of Directors at which dissolution is voted upon each member of the Board of Directors of the Purchasing Department authorized hereby shall receive written notice by either personal service or United States mail, return receipt requested, not less than thirty (30) days prior to the time of the meeting at which such decision is voted upon, and further, only at a meeting at which all of the Board members of the Purchasing Department, authorized by this agreement, are in attendance.

10. ALLOCATION OF RESERVES. Reserves heretofore earned by the prior members of the existing King County Directors' Association Purchasing Department shall be allocated on the same basis that they have been allocated by the State Auditor's Office in years before, and shall be given to the district in future years as follows: each district will receive the percentage of the total amount of reserves equal to the percentages of its participation in that year to the total gross participation by all member districts.

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APPROVAL AND ACCEPTANCE OF AMENDED ARTICLES OF
AGREEMENT FOR THE KING COUNTY DIRECTORS' ASSOCIATION
PURCHASING DEPARTMENT

The SHORELINE
School District hereby approves, agrees to, and ratifies all of the terms of
the Amended Articles of Agreement of the KING COUNTY DIRECTORS' ASSOCIATION
PURCHASING DEPARTMENT dated December 1, 1973.

DATED this 12th day of August, 1974.

SHORELINE SCHOOL DISTRICT NO. 412
SCHOOL DISTRICT

By: William A. Stevenson

Title: Secretary to the Board