

**INTERLOCAL PURCHASING AGREEMENT**

**BETWEEN**

**ORCAS ISLAND HEALTH CARE DISTRICT**

**AND LOPEZ ISLAND HOSPITAL DISTRICT**

THIS AGREEMENT is entered into this \_\_\_ day of \_\_\_, 2020 between SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT No. 3 dba Orcas Island Health Care District (“OIHCD”) and SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT No. 2 dba Lopez Island Hospital District (“LIHD”), both of which are rural public hospital districts organized under the laws of the State of Washington.

**RECITALS**

WHEREAS, Chapter 70.44.003 RCW authorizes public hospital districts to provide “hospital services and other health care services for the residents of such districts and other persons.”

Whereas, OIHCD and LIHD (jointly the “Districts” and individually a “District”) are hospital districts located in San Juan County, Washington supporting the provision of medical services on their respective islands; and

WHEREAS, Chapter 70.44.450 RCW expressly authorizes rural public hospital districts to enter into cooperative agreements and contracts with one another under the Interlocal Cooperation Act (Chapter 39.34 RCW) to further their operation and the provision of medical services in the communities that they serve; and

WHEREAS, pursuant to the authority granted by Chapter 39.34 RCW and Chapter 70.44 RCW, the parties wish to utilize each other’s procurement agreements when it is in their mutual best interests; and

WHEREAS, the two Districts each employ the same individual to serve as their Superintendent on a part-time basis (the “Superintendent”); and

WHEREAS, the services of the Superintendent necessarily involves the use of the same tools and services for both Districts; and

WHEREAS, there may be opportunities for the Districts to reduce some of their costs by sharing the cost and use of tools and services when permitted by the terms of the agreements under which the tools and services were acquired.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements contained in this Agreement, the Districts agree as follows:

1. **PURPOSE.** The Districts wish to acquire goods and services where the terms under which one of the Districts acquires those goods or services would permit it to (1) share the goods or services

with the other District or (2) extend the favorable terms on which the goods or services are acquired to the other District.

2. ADMINISTRATION: No new or separate legal or administrative entity is created to administer the provisions of this agreement.
3. SCOPE: This agreement shall allow the purchase or acquisition of goods and services by each District acting as agent for either or both Districts when agreed to in writing;
4. RIGHT TO CONTRACT INDEPENDENTLY PRESERVED: Each District reserves the right to contract independently for the acquisition of goods or services without notice to the other District and shall not bind or otherwise obligate the District to participate in the activity.
5. FINANCING: The method of financing of payment shall be through budgeted funds or other available funds of the District for whose use the property is actually acquired or disposed. Each District accepts no responsibility for the payment of the acquisition price for goods or services are acquired for use by the other District. If goods or services are acquired for use by both Districts, then each District shall pay its share of the purchase price as agreed in writing agreeing to such joint use.
6. INDEMNIFICATION. Each District shall be responsible for its own negligent or wrongful acts or omissions and those of its own employees, agents, representatives or subcontractors to the fullest extent provided by the laws of the State of Washington. Each District agrees to save, indemnify and hold the other District harmless from any and all such liability for injury or damage to the other District or its property and from and against all claims, demands and causes of action arising directly or indirectly from, or in any way incident to, in connection with, or arising out of work performed under the terms of this Agreement caused by its own fault or negligence or that of its employees, agents, representatives or subcontractors, regardless of the form of action, whether in contract, tort or otherwise.
7. NO JOINT VENTURE. The Districts are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Agreement to create an agency, partnership, or joint venture between the Districts. No acts performed or words spoken by either District with respect to any third party shall be binding upon the other. Any and all obligations incurred by either District in connection with the performance of any of its obligations hereunder shall be solely at that District's own risk, and the other shall not be obligated in any way therefore except as specifically provided for herein to the contrary. Each District agrees that it shall not represent itself as the agent or legal representative of the other for any purpose whatsoever.
8. MEDIATION. The Districts shall attempt to resolve any controversies or disputes arising out of this Agreement through a good faith attempt at mediation. Each District shall pay its own attorneys' fees and costs.
9. ARBITRATION. Any controversy or dispute arising out of this Agreement that cannot be resolved by mediation shall be submitted to final and binding arbitration pursuant to RCW 7.04A. A demand for arbitrations shall be made by one District to the other in writing. The arbitration

shall be held in San Juan County before a single arbitrator selected by the Districts. If the districts cannot agree on an arbitrator within fifteen (15) days of the date the written demand for arbitration was delivered, the arbitrator shall be selected by a judge of the Superior Court of San Juan County in accordance with the procedures set out in RCW 7.04A.110.

- a. The arbitration shall be held within sixty (60) days of the date the arbitrator is agreed on or appointed, unless otherwise mutually agreed in writing by the Districts.
  - b. The parties agree that except as otherwise provided in RCW 7.04A.230 the arbitrator's decision shall be final, binding and non-appealable.
  - c. Each District shall pay its own costs of the arbitration, including attorneys' fees and costs. The arbitrator's fees and any administrative expenses imposed by the arbitrator shall be shared equally by the Districts.
  - d. This Agreement shall be governed by the laws of the State of Washington, both as to interpretation and performance.
10. **WAIVER.** The waiver, or failure to act, by either District with respect to, the breach of any term, condition or covenant of this Agreement shall not be deemed to be a waiver of that term, condition or covenant on any subsequent breach. All remedies available under this Agreement shall be cumulative and in addition to any other remedies provided in this Agreement or by law.
11. **NO ASSIGNMENT.** Neither District may assign this agreement or delegate the performance of any of its obligations to a third party without the written consent of the other District.
12. **SEVERABILITY.** The Districts understand and agree that if any provision of this Agreement is held by any court to be illegal or in conflict with the laws of the State of Washington, the validity of the remaining provisions of this Agreement shall not be affected and the rights and obligations of the Districts shall be construed and enforced as if this Agreement did not contain the particular term, part or provision held to be illegal or unenforceable.
13. **ENTIRE AGREEMENT.** This Agreement contains the entire understanding between the Districts with respect to the matters covered in this Agreement. Any statements, inducements, or promises made by any representative or agent of a District that is not contained in this Agreement shall not be valid or binding. This Agreement may not be enlarged, modified or enlarged except by a writing signed by both Districts.
14. **TERM.** This Agreement shall commence on the date set forth above and shall continue until cancelled by either District in writing.
15. **NOTICES.** All notices and communications require or permitted to be made by this Agreement by overnight courier, sent by facsimile with hard copy delivered within two (2) days or two (2) days after being deposited in the United States mail if sent postage prepaid by first class, certified or registered mail, return receipt requested. All such notices shall be sent to the Districts at the addresses shown on their respective websites.

16. FILING. Upon execution of this Agreement, the Districts shall file or list a true and complete copy of this Agreement, as required by Chapter 39.34.040 RCW.

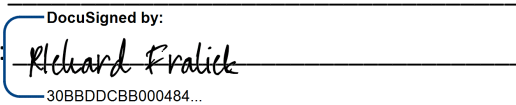
17. AUTHORIZATION. Each District represents and warrants that its execution and performance of this Agreement has been duly authorized.

18. COUNTERPARTS. This Agreement may be executed in one or more counterparts, and with facsimile, email or electronic signatures, all of which, taken together shall constitute one and the same agreement

IN WITNESS WHEREOF, this Districts have executed this Agreement as of the date set forth above.

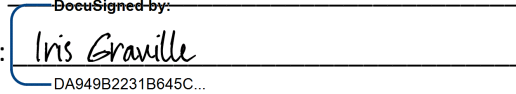
SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT #3

dba Orcas Island Health Care District

BY: \_\_\_\_\_  
ITS:  \_\_\_\_\_  
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SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT #2

dba Lopez Island Hospital District

BY: \_\_\_\_\_  
ITS:  \_\_\_\_\_  
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