

RCW 43.42.070 Cost-reimbursement agreements. (1) The office may enter into cost-reimbursement agreements with a project proponent to recover from the project proponent the reasonable costs incurred by the office in carrying out the provisions of this chapter. The agreement must include provisions for covering the costs incurred by the permit agencies that are participating in the cost-reimbursement project and carrying out permit processing or project review tasks referenced in the cost-reimbursement agreement.

(2) The office must maintain policies or guidelines for coordinating cost-reimbursement agreements with participating agencies, project proponents, and independent consultants. Policies or guidelines must ensure that, in developing cost-reimbursement agreements, conflicts of interest are eliminated. The policies must also support effective use of cost-reimbursement resources to address staffing and capacity limitations as may be relevant within the office or participating permit agencies.

(3) For fully coordinated permit processes and priority economic recovery projects selected pursuant to this section, the office must coordinate the negotiation of all cost-reimbursement agreements executed under RCW 43.21A.690, 43.30.490, 43.70.630, 43.300.080, and 70A.15.1570. The office, project proponent, and participating permit agencies must be signatories to the cost-reimbursement agreement or agreements. Each participating permit agency must manage performance of its portion of the cost-reimbursement agreement. Independent consultants hired under a cost-reimbursement agreement must report directly to the hiring office or participating permit agency. Any cost-reimbursement agreement must require that final decisions are made by the participating permit agency and not by a hired independent consultant.

(4) For any project using cost reimbursement, the cost-reimbursement agreement must require the office and participating permit agencies to develop and periodically update a project work plan, which the office must provide on the internet and share with each party to the agreement.

(5) (a) The cost-reimbursement agreement must identify the proposed project, the desired outcomes, and the maximum costs for work to be conducted under the agreement. The desired outcomes must refer to the decision-making process and may not prejudice or predetermine whether decisions will be to approve or deny any required permit or other application. Each participating permit agency must agree to give priority to the cost-reimbursement project but may in no way reduce or eliminate regulatory requirements as part of the priority review.

(b) Reasonable costs are determined based on time and materials estimates with a provision for contingencies, or set as a flat fee tied to a reasonable estimate of staff hours required.

(c) The cost-reimbursement agreement may include deliverables and schedules for invoicing and reimbursement. The office may require advance payment of some or all of the agreed reimbursement, to be held in reserve and distributed to participating permit agencies and the office upon approval of invoices by the project proponent. The project proponent has thirty days to request additional information or challenge an invoice. If an invoice is challenged, the office must respond and attempt to resolve the challenge within thirty days. If the office is unable to resolve the challenge within thirty days, the challenge must be submitted to the office of financial management. A decision on such a challenge must be made by the office of financial

management and approved by the director of the office of financial management and is binding on the parties.

(d) Upon request, the office must verify whether participating permit agencies have met the obligations contained in the project work plan and cost-reimbursement agreement.

(6) If a party to the cost-reimbursement agreement foresees, at any time, that it will be unable to meet its obligations under the agreement, it must notify the office and state the reasons, along with proposals for resolving the problems. The office must notify the other parties to the cost-reimbursement agreement and seek to resolve the problems by adjusting invoices, deliverables, or the project work plan, or through some other accommodation. [2021 c 65 § 43; 2012 c 196 § 4; 2010 c 162 § 4; 2009 c 97 § 7; 2007 c 94 § 8; 2003 c 70 § 7; 2002 c 153 § 8.]

Explanatory statement—2021 c 65: See note following RCW 53.54.030.

Effective date—2010 c 162: See note following RCW 43.42.090.