

Sub-Grantee Contract **S26-34445-001****Department of Commerce Sub-Grantee Agreement**

This document is a Sub-Grantee agreement for the receipt of funds through the Department of Commerce Grant, state grant number **S26-34445-001**, covering fiscal years 7/1/2025 through 6/30/2027. This grant is issued to the Dispute Resolution Center of Kitsap County (DRC Kitsap), as fiscal agent for Resolution Washington (RW) and will be distributed in accordance with the decisions of the Board of Directors of Resolution Washington as approved by the RW members.

Sub-Grant management: The parties signing this agreement shall be responsible for and shall be, or shall identify, the contact person for all communications regarding the performance of this sub-grant. The start date for available funding under **S26-34445-001** is 7/1/2025. It is understood that funding will not commence until this contract is signed AND on file with the DRC Kitsap along with the other required documents listed under Funds Management.

Funding Source: Funding for this sub-grant is provided to the Department of Commerce by the Washington State Legislature. The total State funds to be passed through DRC Kitsap, under this Grant, shall not exceed \$9,975,000 (less Commerce's management fee) per fiscal year.

Statement of Work: The Sub-grantee shall provide DRC Kitsap a Statement of Work (SOW) for each of the fiscal years of the sub-grant. The Statement of Work shall include related activities, the list of efforts (personnel and/or operational expenses), and the efforts being made to increase capacity that are to be funded by the Sub-Grantee's allocation. In addition, the SOW shall state how the use of these funds will be distributed over the 12 months of the applicable year of the Commerce funding.

Budget: The Sub-Grantee shall provide DRC Kitsap a budget related to the Statement of Work for each of the fiscal years of the contract. The total state funds to be reimbursed to Sub-Grantee for Year 1 shall not exceed their allocation on Attachment A, except as determined through the "Reimbursement Provisions" below. Sub-Grantee may move no more than 10% of their total allocated funds from one line item to another within the approved budget without submitting a revised budget for approval. The annual budget must be broken down by quarter to demonstrate an estimate for quarterly expenditures. Distribution of a sub-grantee's funding will not occur until the sub-grantee's budget and SOW have been reviewed and approved by the fiscal agent.

Funding for Year 2 will be determined by Board of Directors of Resolution Washington and RW membership, based on the number of eligible DRCs and the funding level for statewide

programs. Proposed funding levels for Year 2 are anticipated to be published no later than June 1, 2026.

Funds Management: Sub-grantee will submit regular invoices, not to exceed quarterly, to the DRC Kitsap for processing in the State voucher. These invoices must be accompanied by system reports necessary to validate the invoice. DRC Kitsap may, in coordination with the Board of Directors of Resolution Washington, withhold processing payments claimed by the Sub-Grantee for services rendered, if the Sub-Grantee fails to satisfactorily comply with any term or condition of this sub-grant. No payments in advance or in anticipation of services or supplies shall be made. The Sub-Grantee may not bill for services under this Agreement, if the Sub-Grantee is entitled to payment or has been or will be paid by any other source for that service.

DRC Kitsap, acting as Fiscal Agent for RW, may withhold invoice processing if Sub-Grantee fails to submit required documents for this Sub-Grantee contract, or required reports. Required documents include Statement of Work, Budget, unexpired Insurance Certificate, any requested monitoring documentation, an Audit Report (or Board Officer Statement). DRC Kitsap will notify the Sub-Grantee when the monitoring documentation or Audit (or Officer Statement) are to be provided.

DRC Kitsap, acting as Fiscal Agent for RW, may withhold invoice processing or may implement reallocation if a sub-Grantee fails to respond to a request for fiscal information or clarification, or additional documentation if a Sub-Grantee fails to respond with-in the deadline set in the request.

If a Sub-Grantee fails to respond to a DRC Kitsap, Fiscal Agent for RW, request for additional fiscal information or documentation with-in the deadline set in the request, a hold on future invoice processing or a reallocation of funds may be implemented.

Reimbursement Provisions: DRC Kitsap, acting as Fiscal Agent for RW, will review with RW membership and the Board of Directors of Resolution Washington, at the beginning of each quarter of each fiscal year of the contract, the level and trend of spending by each DRC. If underspending is noted in any given quarter, the center will be contacted for information and the Board of Directors of Resolution Washington may authorize adjustments as needed. The Board of Directors of Resolution Washington will authorize the DRC Kitsap, Fiscal Agent for RW, to reallocate funds as needed to enable full spending of the reimbursement funds within each fiscal year. An additional Budget and Statement of Work must be provided to DRC Kitsap by any DRC receiving an additional allocation if the activity was not part of the Statement of Work on file with the DRC of Kitsap. If the additional allocation is used to more completely fund an

activity already included in the original Statement of Work, an explanation of the additional need is required on the invoice along with any additional documentation requested by the Fiscal Agent.

Reporting Requirements: The Sub-Grantee data reporting requirements will be met through the monthly RW statistical data submission and through the addition of a narrative, qualitative Biennial Report, relating to the Sub-Grantee's SOW activities, objectives, and performance, to be submitted to DRC Kitsap 10 days prior to the end of fiscal year 2 on **Monday, June 21, 2027**. This Narrative will be included in the final report from the Fiscal Agent to Commerce. Any data reporting requirements in addition to these will be negotiated with the Board of Directors of Resolution Washington.

Insurance: The Sub-Grantee shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect Commerce and Kitsap should there be any claims due to the acts of the Sub-Grantee while performing under the terms of this Agreement. During the duration of this contract, the Sub-Grantee shall submit up to date Insurance Certificates verifying renewals and giving DRC Kitsap, Resolution Washington, and the State of Washington the right to receive thirty (30) calendar days cancellation notification AND naming **DRC Kitsap, Resolution Washington, and the State of Washington as Additional Insured** on all coverages except the Professional Liability Coverage:

Commercial General Liability Insurance Coverage, including contractual liability, in an amount no less than \$1,000,000 per occurrence.

Automobile Liability Insurance on any owned motor vehicles by the Sub-Grantee in an amount no less than \$1,000,000 Combined Single Limit for bodily injury and property damage. If no vehicles are owned by the Sub-Grantee, then non-owned or hired insurance coverage in the amount of \$1,000,000 needs to be carried.

Professional Liability, Errors and Omissions Insurance shall be maintained by the Sub-grantee with limits of no less than \$1,000,000 per occurrence to cover all activities by the Sub-Grantee. The DRC Kitsap, Resolution Washington, and the State of Washington, its agents, officers, and employees need not be named as additional insureds under this policy.

Fidelity Insurance covering every officer, director, employee, or agent who is authorized to act on behalf of the Grantee for the purpose of receiving or depositing funds into program accounts or issuing financial documents, checks, or other instruments of payment for program costs shall be insured to provide protection against loss:

- A.** The amount of fidelity coverage secured pursuant to this Grant shall be \$250,000 or the highest of planned reimbursement for the Grant period, whichever is lowest.
- B.** The Sub-Grantee shall provide proof of Fidelity coverage to DRC Kitsap in the form of Fidelity Insurance, Errors or Omissions Insurance, or Employee Dishonesty coverage.

Indemnification: To the fullest extent permitted by law, the Sub-Grantee shall indemnify, defend, and hold harmless the DRC Kitsap, its elected and appointed officials, agents and employees, Resolution Washington, its elected and appointed officials, agents and employees, the State of Washington, Department of Commerce, and all other agencies of the state and all officers, agents and employees of the state, from and against all claims or damages for injuries to persons or property or death arising out of or incident to the Sub-Grantee's performance of this contract. The Sub-Grantee's obligation to indemnify, defend, and hold harmless includes any claim by the Sub-Grantee's agents, employees, or representatives. The Sub-Grantee's obligation to indemnify, defend, and hold harmless shall not be eliminated by any actual or alleged concurrent negligence of the State, its agents, agencies, employees and officers.

Records Maintenance: The Sub-Grantee shall maintain all books, records, documents, data and other evidence relating to this Sub-grant and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Sub-grant. Sub-Grantee shall retain such records for a period of six years following the date of final payment. If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been finally resolved.

Audit: The Sub-Grantee shall maintain its records and accounts so as to facilitate an audit if one is requested by DRC Kitsap or Commerce. The Sub-Grantee is responsible for any audit exceptions incurred by its own organization. DRC Kitsap reserves the right to recover from the Sub-Grantee all disallowed payments, paid under state grant number **S26-34445-001**, discovered in an audit.

Right of Inspection: At no additional cost all records relating to the Sub-Grantee's performance under this Sub-grant shall be subject at all reasonable times to inspection, review, and audit by DRC Kitsap or Commerce, the Office of the State Auditor, and federal and state officials so authorized by law, to monitor and evaluate performance, compliance, and quality assurance under this Sub-grant. The Sub-Grantee shall provide access to its facilities for this purpose.

Termination: Commerce may at any time be required to terminate the original Grant. Kitsap will notify the Sub-Grantee immediately of any change to or termination of the Grant. The Sub-Grantee is to stop all work related to the Sub-grant. Upon termination of the Grant, Kitsap will process, and Commerce shall pay the Sub-Grantee invoices for any service provided under the Grant prior to the date of termination.

Name of Sub-Grantee DRC: X _____

X _____	_____	_____
For Sub-Grantee DRC, Signature	Title	Date

X _____	_____	_____
For DRC Kitsap, Signature	Title	Date