

### **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 S22-31445-001, covering fiscal years 7/1/2021 through 6/30/2023. This grant is issued to the Dispute Resolution Center of Kitsap County (DRC Kitsap), as lead fiscal agent for Resolution Washington (RW) and will be distributed in accordance with the decisions of the Board of Resolution Washington.

**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 S22-31445-001 is 7/1/2021. 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 \$3,000,000 (less Commerce's management fee) per fiscal year.

**Statement of Work:** The Sub-grantee shall provide to 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.

**Budget:** The Sub-Grantee shall provide to 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 allocated funds from one line item to another within the approved budget without submitting a revised budget for approval.

Funding for Year 2 will be determined in consultation with the Resolution Washington (RW) Executive Committee and approved by the 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 July 15, 2022.

**Funds Management:** DRC Kitsap may, in coordination with the RW Executive Committee, 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 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, and 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.

**Reimbursement Provisions:** At the beginning of the fourth quarter of each fiscal year of the contract, the RW Executive Committee, with the help of DRC Kitsap, will review the level and trend of spending by each DRC. The Executive Committee will 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 is required on an invoice along with documentation demonstrating how it has not been previously funded.

**Reporting Requirements:** The Sub-Grantee data reporting requirements will be met through the semi-annual RW statistical data compilation and through the addition of a narrative, qualitative report, the Biennial Report, relating to the Sub-Grantee's SOW activities, objectives, and performance, submitted to DRC Kitsap 10 days prior to the end of fiscal year 2 (**Tuesday, June 20, 2023**). This Narrative will be included in a final report from Kitsap to Commerce. Any reporting requirements in addition to these will be negotiated with the RW Executive Committee.

**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, RW, and the State of Washington the right to receive thirty (30) calendar days cancellation notification. ~~AND naming DRC Kitsap, RW, and the State of Washington named as Additional Insured on all coverages except the Professional Liability Coverage.~~ The Sub-Grantee shall maintain the following categories of insurance:

**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, 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 \$100,000 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, RW, its elected and appointed officials, agents and employees, the State of Washington, and 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 S22-31445-001XXXXXXXX, 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, in order 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