

WASHINGTON STATE DEPARTMENT OF ENTERPRISE SERVICES Fleet Operations P.O. Box 41411 Olympia, WA 98504-1411	INTERAGENCY AGREEMENT	
	IAA No.:	K8047
STATE OF WASHINGTON DEPARTMENT OF REVENUE PO Box 47469 Olympia, WA 98504-7469	Effective Date:	March 31, 2023

INTERAGENCY VEHICLE LEASE AGREEMENT
BETWEEN
WASHINGTON STATE DEPARTMENT OF ENTERPRISE SERVICES
AND
DEPARTMENT OF REVENUE

Pursuant to RCW 39.34, this Interagency Vehicle Lease Agreement K8047. (“Agreement”) is made and entered into by and between the state of Washington acting by and through the Department of Enterprise Services, a Washington State governmental agency (“Enterprise Services”) and state of Washington Department of Revenue (“Customer”) and is dated and effective as 3/31/2023.

RECITALS

- A. Enterprise Services, pursuant to its authority set forth in RCW 43.19.570 is authorized to enter into agreements with Washington State agencies, boards and commissions to enable such entities to utilize motor vehicle transportation services administered by Enterprise Services.
- B. Department of Revenue and Enterprise Services shall mutually agree and amend this Agreement for terms and conditions specific to any future Department of Revenue fleet consolidation.
- C. This Agreement is made in compliance and support of the Governor’s Directive 09-02 statewide consolidation of shared services and RCW 43.19.
- D. It is the purpose of this agreement to provide fleet leasing and management services by Enterprise Services Fleet Operations to Department of Revenue.

A G R E E M E N T

NOW, THEREFORE, in consideration of the terms and conditions contained herein, or attached and incorporated by reference and made a part hereof, the above-named parties mutually agree as follows:

1. STATEMENT OF WORK

DES, under its authority in RCW 43.19.570, acting on behalf of Customer shall furnish the necessary personnel and services and otherwise do all things necessary for or incidental to the performance of the work set forth in this Agreement.

Enterprise Services and Department of Revenue accept responsibilities as set forth below.

A. ENTERPRISE SERVICES RESPONSIBILITIES:

DES AGREES TO PROVIDE THE FOLLOWING SERVICES FOR ALL DES OWNED AND / OR MANAGED VEHICLES:

Maintenance:

- Maintain vehicles in accordance with the vehicle manufacturer's recommendations.
- DES Fleet maintenance staff will provide assistance with maintaining assigned vehicles.
- Assume all costs related to normal routine maintenance and fueling of vehicles, unless damage is determined to be caused by operator error, vandalism, fraudulent transactions, negligence, or unknown reason.
- Coordinate roadside service options for vehicles managed by DES.

Financial Responsibilities:

- To procure vehicles that meet operational needs and that support current and future fleet initiatives, RCWs, WACs, and executive orders for Customer organization based on current state vehicle fleet requirements.
- DES Fleet Operations is not responsible for Electric Vehicle Supply Equipment.
- To economically dispose of vehicles deemed no longer usable due to accident, total, salvage, damage, or other mitigating circumstances.
 - To provide Customer confirmation of the vehicle sale price and proceeds including all vehicles sent to surplus/salvage including 3rd party claims. Department of Revenue agency assumes all costs for vehicle loss on remaining book value.
- Assumes responsibility for the initial purchase of standard tire chains on all leased and managed vehicles capable of using tire chains. If an agency desires additional traction devices or replacement, it would be at the financial responsibility of the Customer agency.
- To establish and keep current an [Enterprise Services-Fleet Operations Fee Schedule and to charge Customer leasing rates based on schedule](#).
- To amend Enterprise Services-Fleet Operations Fee Schedule leasing rates according to cost recovery rate models based upon fuel and maintenance costs, miles driven, vehicle depreciation, interest, and administrative costs.
- DES Fleet Operations reserves the right to change vehicles into different vehicle rate classes based on historical mileage utilization trends when it's in the best economic interest of the state. These vehicle rates will be based on DES' short- and long-term rate classes posted on DES' Fleet Operation's website.
 - Note: Vehicle base rates are reviewed annually and updated to achieve cost recovery.
- Assumes financial cost of vehicle deliveries and turn in within a 3-hour driving radius of Olympia, WA. Agencies desiring vehicle delivery/turn in outside of this radius are subject to the transportation costs including miles accrued.

Administrative Responsibilities:

- Manage vehicle fleet equipment using a professional fleet management system that provides transparency and accountability.

- Work with Customer to ensure that Customer assigned vehicles are in compliance with Enterprise Services Policy and state law.
- Provide quarterly progress reports on fleet vehicles, including recommendations for fleet reduction opportunities.
- Provide Customer agencies with access to short term daily rental vehicle options from Thurston County Fleet Operations rental locations for state agency travel per RCW 43.19.565.
- Notify Customer fleet contacts & coordinators of:
 - Reporting deadlines no less than five (5) business days prior to due date.
 - An additional notification no less than two (2) business days prior to due date.
 - Vehicles not in compliance of reporting requirements.
- Provide Customer vehicle coordinators with necessary information to follow up and respond to constituent or other inquiries and notifications regarding vehicles, leased and/or rented, by their organization.
- To the extent practicable, provide replacement vehicles in accordance with all applicable state and federal vehicle requirements.
- Enterprise Services will provide consistent training for use of all current Enterprise Services fleet applications (i.e., fuel card usage, daily reservations portal, automated key box reservation systems, etc.).

B. CUSTOMER RESPONSIBILITIES:

Customer agrees to the following responsibilities while using any DES OWNED AND / OR MANAGED VEHICLES:

Maintenance Responsibilities:

- Maintain the appearance and cleanliness (internal and external) of motor vehicle(s) leased, rented, or used by the organization.
- Ensure vehicles are taken to state contracted vendors for all work. If unsure of the location of the nearest contracted vendor, customer will reach out to DES Fleet Operations for guidance and assistance.
- Adopt and adhere to DES Maintenance schedules, ensuring all maintenance services are completed in a timely manner. Submit copies of invoices and receipts of all maintenance services performed to DES Fleet Operations. Any safety related maintenance concerns that are not followed up on, will be escalated within your agency's leadership.
- Prioritize and ensure vehicles with open recalls are completed promptly and according to manufacturer specifications. Open recalls that have parts available that are not completed in timely manner may result in agencies being responsible for any damages or liability incurred due to delay in recall completion.
- Obtain approval from DES Fleet Operations for all repairs or services over established limit prior to repairs and services being rendered. - DES will establish and post a repair and service limit and review it as needed by industry shifts.
- Assume the costs for any additional car washes outside of the 1 allotted car wash allowance per vehicle per month under \$20. Non-compliance car washes will be a chargeback to the Customer agency.

Financial Responsibilities:

- To settle all third-party claims involving uninsured and underinsured motorist(s).
 - NOTE: Many insurance companies do provide options to cover such instances. Connect with your agency's loss and risk management office and/or [DES Risk Management](#) to learn more.
- To pay for DES Fleet Operations motor vehicle services used at current established rates.
- Assumes the costs for any additional equipment or modifications to DES motor vehicles as is required by the Customer to conduct its business that is in addition to standard options available on Fleet Operation motor vehicles.
 - Includes equipment cost, installation, removal, and repair to vehicles from all specialized equipment or modifications (if applicable).
 - Storage arrangements and costs of snow tires. (If applicable) DES Fleet Operations will assume cost to mount/install/swap seasonal tires.
- Assumes vehicle costs that fall outside of standard normal wear and tear. (Reference DES Fleet Operations standard wear and tear [document](#) for general guidelines on vehicle wear and tear standards.) This includes:
 - When a vehicle has been identified for replacement by DES Fleet Operations, and notification has been sent to the customer, said customer has 30 days for initial agency response.
 - If customer has not communicated a replacement action plan and/or is no longer communicating with DES Fleet Operations within 30 days, customer assumes financial responsibility for any mechanical repairs outside of regular scheduled maintenance. DES fleet operations will not provide a substitute loaner vehicle if vehicle replacement policy as defined has not been followed.
- Payment of all tolls, fees and associated penalties as required for roads, bridges, or tunnels.
- Reimburse DES for any chargeback's resulting from accidents in which there is no fault, or it is determined to be the agency driver's fault.
- Maintain possession of the vehicle for the entirety of the vehicle's life cycle. Customer may be charged for a diminished value or depreciation costs remaining on the vehicles turned in (*either voluntarily or involuntarily*) prior to the close of the vehicle programmed depreciation schedule. The rate of an early turn in penalty or depreciation costs will be determined on a case-by-case basis up to the cost of the remaining book value of the vehicle according to DES' Capital Asset Management Files.

Administrative Responsibilities

- Support expansion and adoption of EV and EVSE equipment in agency fleets. Abiding by all applicable RCWs, initiatives, executive orders, mandates, etc. Including, but not limited to: [RCW 43.19.648](#), [RCW 43.01.250](#), [Executive Order 21-04](#)
- Refer all public record requests on state motor vehicle use to [DES Office of Risk Management](#).
- Have all Customer drivers of state motor vehicles follow and comply with current DES' Driver Operating training and manuals.
- Understand and agree to abide by DES Fleet Operation's guidelines, that studded tires are not allowed on leased or DES managed vehicles.
- Agree to all Enterprise-wide Transportation Policies and procedures.
- Provide and keep a current dedicated point of contact for DES Enterprise Services for all agency transportation related items. DES will refer to this point of contact as the Customer's Agency Transportation Officer (ATO). The ATO will serve as the primary contact between

Customer organization and DES Fleet Operations with the following responsibilities including but not limited to:

- a. Keeping DES Fleet Operations informed of all vehicle citation resolutions involving use of state motor vehicles.
 - b. Notifying DES Fleet Operations of actions and final resolutions of any vehicle complaints to mpmail@des.wa.gov in a timeline manner.
 - c. Informing DES Fleet Operations of confidential license plate use, updates, and changes to DES motor vehicles.
 - d. Keep current DES Fleet Operations motor vehicle use location. Notify DES with correct vehicle movement information (vehicle location, city, and county) within 5 business days of assigned location change.
 - e. Distribution of Fleet Operations information to applicable personnel within their agency in a timely manner.
 - f. Submittal and / or approval of all vehicle requests including acquisition, location use, return and operator assignment.
 - g. Ensure that all drivers from Customer agency have current operator profiles with DES Fleet Operations management system.
 - Promptly notify DES Fleet Operations within 1 business day for any drivers needing to be removed from all fleet operations systems (including automated key box location reservation systems) due to changes in approval or employment status of the driver.
 - Regularly verify and ensure that all paperwork located in each fleet vehicle is current.
- Facilitate reporting of odometer readings into the online Fleet Operations system monthly.
 - a. Ensuring no more than 2% incidence of late or non-reporting by Customer organization's drivers.
 - Provide training of Customer's internal policies on state motor vehicle use to Customer organization's vehicle coordinators.
 - Provide location data for all state motor vehicles leased from or managed by DES currently be used by Customer organization.

2. TERMS AND CONDITIONS

All rights and obligations of the parties to this agreement shall be subject to and governed by the terms and conditions contained in the text of this Agreement.

3. TERM.

This agreement is effective March 31, 2023 and remains in effect while Customer utilizes DES Fleet Operations for fleet management, rental, or lease purposes.

4. BILLING PROCEDURE

Enterprise Services shall submit invoices to Customer's finance office monthly, on or before the 10th of each month, for the previous month's services.

- Invoice customization must be organized through DES finance office and can be coordinated by Customer's DES Fleet Operations representative

5. PAYMENT PROCEDURE

Customer will remit payment to Enterprise Services within 30 days of receipt of a properly executed invoice.

6. INDEMNIFICATION

To the fullest extent permitted by law, Customer shall indemnify, defend, and hold harmless State, agencies of State and all officials, agents, and employees of State, from and against all claims arising from the sale or transaction before, during, or after the sale. "Claim," as used in this Agreement, means any financial loss, claim, suit, action, damage, or expense, including but not limited to: attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting therefrom.

Customer expressly agrees to indemnify, defend, and hold harmless State for any claim arising out of or incidental to performance or failure to perform its rights, duties, and obligations under this Agreement. Customer shall be required to indemnify, defend, and hold harmless State only to the extent claim is caused in whole or in part by negligent acts or omissions of Customer.

7. RECORDS RETENTION & PUBLIC RECORDS.

- a. **AGREEMENT AVAILABILITY.** Prior to its entry into force, this Agreement shall be posted on the parties' websites or other electronically retrievable public source as required by [RCW 39.34.040](#).
- b. **RECORDS RETENTION.** Each party shall each maintain records and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either party in the performance and payment of the services described herein. These records shall be subject to inspection, review, or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and officials authorized by law. Such records shall be retained for a period of six (6) years following expiration or termination of this Agreement or final payment for any service placed against this Agreement, whichever is later; *Provided*, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.
- c. **PUBLIC INFORMATION.** This Agreement and all related records are subject to public disclosure as required by Washington's Public Records Act, RCW chapter 42.56. Neither party shall release any record that would, in the judgment of the party, be subject to an exemption from disclosure under the Public Records Act, without first providing notice to the other party within ten (10) business days of the receipt of the request. The parties will discuss appropriate actions to be taken, including release of the requested information, seeking a protective order, or other action prior to the release of records. Should one party choose to seek a protective order, it shall do so at its sole expense.

8. DEFAULT

Enterprise Services and Customer agree to all terms in this vehicle lease agreement. Enterprise Services will notify Customer in writing due dates for the agreement to be signed and will allow Customer 30 days to rectify issues. Failure to adhere to the responsibilities outlined in this lease agreement will result in penalty up to and including turn in of all vehicles the Customer leased or rented by DES Fleet Operations. Customer agency will be responsible for all early turn in penalties.

9. DISPUTE RESOLUTION.

To the extent practicable, the parties shall use their best, good faith efforts cooperatively and collaboratively to resolve any dispute that may arise in connection with this Agreement as efficiently as practicable, and at the lowest possible level with authority to resolve such dispute. The parties shall make a good faith effort to continue without delay to carry out their respective responsibilities under this Agreement while attempting to resolve any such dispute.

If, however, a dispute persists and cannot reasonably be resolved, it may be escalated within each organization.

- In such circumstance, upon notice by either party, each party, within five (5) business days shall reduce its description of the dispute to writing and deliver it to the other party. The receiving party then shall have three (3) business days to review and respond in writing.
- In the event that the parties cannot then agree on a resolution of the dispute, the parties shall schedule a conference between the respective senior managers of each organization to attempt to resolve the dispute.
- In the event the parties cannot agree on a mutual resolution within fifteen (15) business days, the parties shall abide by the Governor's dispute resolution process (RCW 43.17.330), if applicable, or collectively shall appoint a third party to evaluate and resolve the dispute and such dispute resolution shall be final and binding on the parties hereto.

10. TERMINATION FOR CONVENIENCE. Except as otherwise provided in this Agreement, either party may terminate this Agreement upon thirty (30) calendar days prior written notification. Costs will continue to accrue until all vehicles have been returned. If agency wishes to terminate this vehicle lease agreement, they are to return all leased vehicles within 60 days and agree to all early turn in penalty charges as applicable.

11. GENERAL PROVISIONS.

- a. **INTEGRATED AGREEMENT.** This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter and supersedes all prior negotiations, representations, and understandings between them. There are no representations or understandings of any kind not set forth herein.

- b. **AMENDMENT OR MODIFICATION.** Except as set forth herein, this Agreement may not be amended or modified except in writing and signed by a duly authorized representative of each party hereto.
- c. **AUTHORITY.** Each party to this Agreement, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this Agreement and that its execution, delivery, and performance of this Agreement has been fully authorized and approved, and that no further approvals or consents are required to bind such party.
- d. **No AGENCY.** The parties agree that no agency, partnership, or joint venture of any kind shall be or is intended to be created by or under this Agreement. Neither party is an agent of the other party nor authorized to obligate it.
- e. **GOVERNING LAW.** The validity, construction, performance, and enforcement of this Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its choice of law rules.
- f. **JURISDICTION & VENUE.** In the event that any action is brought to enforce any provision of this Agreement, the parties agree to submit to exclusive jurisdiction in Thurston County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively at Olympia, Washington.
- g. **CAPTIONS & HEADINGS.** The captions and headings in this Agreement are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this Agreement nor the meaning of any provisions hereof.
- h. **ELECTRONIC SIGNATURES.** A signed copy of this Agreement or any other ancillary agreement transmitted by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement or such other ancillary agreement for all purposes.

- i. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Agreement at different times and places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this Agreement.

Execution

We, the undersigned, agree to the terms of the foregoing Agreement.

**Department of Enterprise Services
Administrative Services Division**

Department of Revenue

SIGNATURE

SIGNATURE

NAME

NAME

TITLE

TITLE

DATE

DATE