



Annual Service Agreement

between

**Labworks NW, Inc. (dba Labworks USA), a
DOT Consortium Third Party Administrator (C/TPA)**
and

_____ (Employer).

Labworks USA is dedicated to supporting our clients in their efforts to be compliant with the Department of Transportation regulations governing drug and alcohol testing programs (49 CFR Part 40). This Service Agreement outlines how that support shall be demonstrated. There are three sections:

- 1.) ROLES and RESPONSIBILITIES** – This section summarizes what both the Employer and Labworks USA agree to do in an effort to keep the Employer in compliance with the regulations.
- 2.) RATES** – This section details the current rates.
- 3.) MISCELLANEOUS ITEMS** – Various other items.

1.) ROLES and RESPONSIBILITIES

The Department of Transportation regulations governing drug and alcohol testing programs (49 CFR Part 40) make it very clear that the Employer is responsible for all aspects of compliance with the regulations. That applies even if a C/TPA such as Labworks USA has been designated as a service agent. It is critical that the Employer understand this concept. The following table outlines the various aspects of the program and states how each party, Labworks USA and the Employer, will contribute to meeting the regulations.

Requirement	Employer	Labworks USA
Certificate of Enrollment		Provide a Certificate Documenting the Employer's participation in a DOT 49 CFR Part 40 compliant program.
DOT Consortium ID Cards		Provide one ID card to each registered participant.
Post Accident Cab Kits		Provide one kit per registered participant and replenish upon request.
Pre-Employment Testing	Existing Employees: Maintain a legible copy of each test result available for review and/or audit. New Employees: Require employees be tested and receive a negative result prior to starting safety sensitive work.	Provide forms and local collection sites. Provide negative test results ASAP.
Verification of Prior Violations	Contact previous employers as per DOT regulations.	Provide 'Release of Information' forms and support.
Drug and Alcohol Test Sites		Provide access to over 6,000 collection site locations in the US.
Employee Additions and Terminations	Provide ongoing and timely information of all changes to the safety sensitive employee roster.	Update the consortium pool with Employer provided information and maintain 'Audit Ready' listing of participants.
Quarterly Employee Roster	Provide a current roster of safety sensitive employees on December 10 th ; March 10 th ; June 10 th and September 10 th each year.	Match the roster to the consortium listing and reconcile differences prior to quarterly random selection.
Chain of Custody Drug Test Form	Request forms as needed.	Provide forms as requested.
Random Selection		Provide DOT regulation compliant selections and notification letters.
Employee Notification of Random Selection	Distributions of notification letters to employees and follow up to ensure compliance.	Provide notification letters to employer.
SAMHSA Certified Lab Testing		Provide DOT regulation compliant testing services via SAMHSA certified labs.

Requirement	Employer	Labworks USA
Qualified MRO Review		Provide a certified MRO review for every test result.
Post-Accident Testing	Ensure every registered consortium participant maintains a fully stocked Cab Kit. Order tests as needed.	Provide 24 hour a day support to determine if a post accident test is necessary and support in locating a test service.
Reasonable Suspicion or Reasonable Cause Testing	Make the final determination whether or not to conduct the test.	Provide support in the decision process and make available training to supervisors.
Notification of Results	Provide a secure and confidential means to receive test results.	Provide test results ASAP and in a secured and confidential fashion as directed by Employer.
Qualified SAP Referral	Make the final determination on whether to refer an employee to a SAP or terminate the employee for testing positive.	Provide access to a network of SAPs available in the Employer's area.
Follow Up Testing	Ensure employee does not resume safety sensitive role prior to SAP approval.	As directed by SAP provide follow-up test notification and result monitoring.
Employee Training	Provide training to each employee as per DOT regulations.	Provide listing of training topics and collateral material support.
Supervisor Training	Ensure each supervisor receives the required training through Labworks USA or another provider.	Make available a computer based training program for the Supervisors complete with compliance test and certification. (See Rates)
Record Retention	Serve as the primary custodian of the records as per the DOT regulations.	Serve as the secondary custodian providing a back-up copy of the records as per DOT regulations.
Provide DER and Alternate	Designate a primary and an alternate DER and provide 24 hour a day access to these individuals.	Ensure all records and chain of custody forms correctly identify the primary DER.
MIS Reporting to DOT Agencies	Ensure any test results not generated from Labworks USA are reported to Labworks USA.	Using the information provided complete all MIS reports as required on schedule and in the required formats.
Audit Support	Remain ultimately responsible for the outcome of any audit.	Provide verification of compliance, participant names and any other available information to auditors as requested.

2.) 2007-2008 RATES – ANNUAL MEMBERSHIP PROGRAM

Employer Registration plus One Driver	\$49.95 (Includes Employer Registration plus first driver)
Additional Members	\$25.00 each
MRO (Medical Review Officer) Review	Included
Random Selection Reports	Included
State and Federal Audit Reports	Included
Post Accident Cab Kits	Included
DOT Required 5 Panel Test	\$67.00 at Quest Collection Site (additional collection charges may apply at non Quest sites.)
EBAT (Evidential Breath Alcohol Testing)	\$45.00
DOT Required Post Accident Drug and Alcohol Test	At Cost for Local Area.
Supervisor Training Certification	\$125.00

3.) MISCELLANEOUS ITEMS

INVOICE TERMS

Invoices are due 30 days from the invoice date. Payments received after the due date may be subject to a rebilling fee of \$10.00.

COLLECTION COSTS

Any reasonable expenses incurred by Labworks USA, or it's agents, for collecting past due amounts will be immediately due and payable by the Employer.

DISHONORED CHECK/AUTOMATIC PAYMENT CHARGES

Where permitted by law, Employer agrees to pay a \$25.00 fee or other permitted maximum amount for (a) any dishonored or returned check or other item due to lack of funds in the maker's account or the failure of maker to have an account, or because maker stopped payment without good cause, and (b) any Automatic Payment authorized by Employer which is rejected or not honored by Employer's bank or credit card issuer for any reason, along with any costs and expenses incurred in connection with collection of such dishonored, returned or rejected check, other item or Automatic Payment.

GOVERNING LAW

This Service Agreement is governed by the laws of the state of Oregon.

CANCELLATION

Either party may cancel this agreement upon 30 days written notice.

ATTORNEY'S FEES

Both parties agree that should suit or action be instituted to enforce the terms of this Service Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in such litigation, and on any appeal.

INDEMNIFICATION

Employer agrees to indemnify Labworks USA, its assignees, and vendors, and hold each of them harmless from and against any and all claims, demands, losses, damages, liabilities, costs, and expenses, including legal fees, arising out of or by reason of any breach or alleged breach by Labworks USA of any of the representations, warranties, or agreements made under this Service Agreement.

TERMS FOR EXPULSION FROM THE CONSORTIUM

Labworks USA strives to help keep Employers in compliance with the regulations however ultimately the responsibility lies with the Employer. Should the Employer fail to comply with the regulations as set forth by 49 CFR Part 40, Labworks USA reserves the right to move the Employer's members into a non-conforming random selection pool for a probationary period of up to 180 days. Should the Employer continue to fail to comply with the regulations as set forth by 49 CFR Part 40 at the end of the probationary period Labworks USA reserves the right to expel the Employer from all Labworks USA random selection pools. Expulsion for any reason may result in immediate notification to the DOT.

Authorizing Signatures

Employer

Labworks USA

Company Name:	_____	Labworks USA
Address:	_____	10940 SW Barnes Rd #115
City, ST, Zipcode:	_____	Portland, OR 97225
Voice Phone:	_____	(888) 582-8001
Fax:	_____	(503) 292-1971
Signature:	_____	_____
Printed Name:	_____	_____
Title:	_____	_____
Date:	_____	_____